



**PUBLIC AGENDA  
STANDING POLICY COMMITTEE ON FINANCE**

**Monday, March 7, 2016, 2:00 p.m.**

**Council Chamber, City Hall**

**Committee Members:**

**Councillor T. Paulsen, (Chair), Councillor A. Iwanchuk, (Vice-Chair), Councillor C. Clark, Councillor R. Donauer, Councillor E. Olauson, His Worship Mayor D. Atchison (Ex-Officio)**

**Pages**

**1. CALL TO ORDER**

**2. CONFIRMATION OF AGENDA**

**Recommendation**

That the agenda be confirmed as presented.

**3. DECLARATION OF CONFLICT OF INTEREST**

**4. ADOPTION OF MINUTES**

**Recommendation**

That the minutes of the Regular Meeting of the Standing Policy Committee on Finance held on February 8, 2016, be adopted.

**5. UNFINISHED BUSINESS**

**6. COMMUNICATIONS (requiring the direction of the Committee)**

**6.1 Delegated Authority Matters**

**6.2 Matters Requiring Direction**

**6.2.1 Trans Canada Yellowhead Highway Association -  
Membership (Files CK. 155-5)**

**7 - 8**

**Recommendation**

That the Standing Policy Committee on Finance recommend to City Council that the 2016 membership in the Trans Canada Yellowhead Highway Association, in the amount of \$34,994.77, be paid.

<b>6.2.2</b>	<b>Tourism Saskatoon 2015 Un-audited Financial Statement (Files CK. 1870-10)</b>	<b>9 - 10</b>
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### **Recommendation**

That the Tourism Saskatoon 2015 Un-audited Financial Statement be forwarded to City Council for information.

<b>6.2.3</b>	<b>Notice of Annual General Meetings - Saskatoon Centennial Auditorium &amp; Convention Centre and Saskatoon Centennial Auditorium Foundation (Files CK. 175-28)</b>	<b>11 - 11</b>
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A letter dated February 22, 2016, from Ms. Pam Kilgour, Director of Finance, TCU Place - Saskatoon's Arts & Convention Centre, is provided.

### **Recommendation**

1. That the City of Saskatoon, being a member of the Saskatoon Centennial Auditorium & Convention Centre Corporation Board of Directors, appoint Donald Atchison, or in his absence, Tiffany Paulsen or Ann Iwanchuk, of the City of Saskatoon, in the Province of Saskatchewan, as its proxy to vote for it on its behalf at the Annual General Meeting of the members of the Saskatoon Centennial Auditorium & Convention Centre Corporation, to be held on the 28th day of April, 2016, at any adjournment or adjournments thereof; and
2. That the City of Saskatoon, being a member of the Saskatoon Centennial Auditorium Foundation Board of Directors, appoint Donald Atchison, or in his absence, Tiffany Paulsen or Ann Iwanchuk, of the City of Saskatoon, in the Province of Saskatchewan, as its proxy to vote for it on its behalf at the Annual General meeting of the members of the Saskatoon Centennial Auditorium Foundation, to be held on the 28th day of April, 2016, or at any adjournment or adjournments thereof.

## **6.3 Requests to Speak (new matters)**

## **7. REPORTS FROM ADMINISTRATION**

### **7.1 Delegated Authority Matters**

<b>7.1.1</b>	<b>Report on Write-downs of Surplus Inventory - 2015 (Files CK. 1290-1 and AF. 1001-1)</b>	<b>12 - 13</b>
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### **Recommendation**

That the information be received.

- 7.1.2 Contract Award Report - September 1 to December 31, 2015  
Contracts between \$50,000 and \$75,000 (Files CK. 1000-1 and  
AF. 1000-1)** 14 - 17

**Recommendation**

That the information be received.

- 7.1.3 Request to Sell City-Owned Property - Marquis Industrial Area  
(Files CK. 4215-1, AF. 4214-1 and LA. 4134-2)** 18 - 22

**Recommendation**

1. That the Director of Saskatoon Land be authorized to sell seven lots (Lots 1 to 4, Block 950, Plan 102175714 and Lots 6 to 8, Block 927, Plan 102175714) in the Marquis Industrial area to the highest bidder through a public tender process with reserve bid prices;
2. That if the lots are not sold through the tender process, they be placed for sale over-the-counter on a first-come, first-serve basis;
3. That the Director of Saskatoon Land be authorized to make minor adjustments to the approved pricing that may be necessary to account for changes in the servicing costs and for returned parcels; and
4. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

- 7.1.4 Preliminary Year-End Financial Results - December 31, 2015  
(Files CK. 1704-1 and AF. 1704-1)** 23 - 30

**Recommendation**

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

1. That the fuel surplus amount of \$2.441 million not be transferred to the Fuel Stabilization Reserve;
2. That the transfer of the Snow Removal and Ice Management Program allowable surplus amount of \$0.622 million from the Snow and Ice Management Reserve be approved; and
3. That the transfer of the preliminary civic surplus of \$1.436 million to the Fiscal Stabilization Reserve be approved.

<b>7.1.5</b>	<b>Consultant Services - 2015 (Files CK. 1000-1 and AF. 4560-1)</b>	<b>31 - 34</b>
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**Recommendation**

That the information be received.

**7.2 Matters Requiring Direction**

<b>7.2.1</b>	<b>HBI Office Plus - Supply of Haworth Office Furnishings - Blanket Purchase Order (Files CK. 1005-1 and AF. 600-1)</b>	<b>35 - 37</b>
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**Recommendation**

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

1. That the Administration prepare a blanket purchase order with HBI Office Plus, the exclusive Saskatchewan supplier of Haworth Office Furnishings, for the next five (5) years for an estimated cost of \$250,000 (not including taxes) per year; and,
2. That Purchasing Services issue the appropriate blanket purchase order.

<b>7.2.2</b>	<b>Annual Status Report - Non-Policy Tax Incentive Agreements (Files CK. 1965-1, AF. 1600-1 and 1965-1)</b>	<b>38 - 39</b>
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**Recommendation**

That the report of the CFO/General Manager, Asset and Financial Management Department, dated March 7, 2016, be forwarded to City Council for information.

<b>7.2.3</b>	<b>Renewal of Listing Agreement - Former Saskatoon Police Service Headquarters - 130 4th Avenue North (Files CK. 600-5, AF. 600-5 and 4215-1, and LA.4214-013-003)</b>	<b>40 - 41</b>
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**Recommendation**

That the Standing Policy Committee on Finance recommend to City Council that the existing listing agreement with ICR Commercial Real Estate (ICR) for the marketing and sale of the former Saskatoon Police Service Headquarters properties be extended for a period of six months at list prices as directed by the Administration.

<b>7.2.4</b>	<b>Leasing of Civic Property - Bowerman House - 1328 Avenue K South (Files CK. 710-10 x 600-3 and PL. 907-1)</b>	<b>42 - 44</b>
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**Recommendation**

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

1. That a new Lease and Operating Agreement be entered into with the Meewasin Valley Authority for the City of Saskatoon-owned property known as the Bowerman House, located at 1328 Avenue K South;
2. That the Meewasin Valley Authority, in lieu of paying rent, maintain the premises in accordance with the terms of the Lease and Operating Agreement, for a period of five years; and
3. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

**8. URGENT BUSINESS**

**9. MOTIONS (notice previously given)**

**10. GIVING NOTICE**

**11. IN CAMERA AGENDA ITEMS**

**Recommendation**

That the Committee move *In Camera* to consider Items 11.1 to 11.7

**11.1 Roads Maintenance Program Report (Files CK. 1600-17)**

*[In Camera - Audits and Tests]*

**11.2 2016 Internal Audit Plan (Files CK. 1600-3)**

*[In Camera - Audits and Tests]*

**11.3 Internal Audit Matter (Files CK. 1600-3)**

*[In Camera - Third Party Information]*

**11.4 Internal Audit Update (Files CK. 1600-3)**

*[In Camera - Third Party Information]*

**11.5 Internal Audit Update (Files CK. 1600-3 and AF. 1600-1)**

*[In Camera - Audits and Tests]*

**11.6 Land Sales (Files CK. 4215-1 and AF. 4214-1)**

*[In Camera - Economic/Financial - Land]*

**11.7 Land Matter (Files CK. 4225-1 and AF. 4206-1)**

*[In Camera - Economic/Financial - Land]*

**12. ADJOURNMENT**

155-5.

# TRANS CANADA YELLOWHEAD HIGHWAY ASSOCIATION

#3, 9343 - 50 STREET, EDMONTON, ALBERTA, T6B 2L5

TEL: 780 761 3800 admin@goyellowhead.com

# INVOICE

**RECEIVED**

FEB 10 2016

CITY CLERK'S OFFICE  
SASKATOON

City of Saskatoon  
Attn: Donald J. Atchison, Mayor  
222 Third Avenue North  
Saskatoon, SK S7K 0J5

4 February 2016

***As you prepare your renewal we would like to remind you that you can take advantage of our consumer website to promote your municipality's attractions, amenities, events and activities. Just go to [www.goyellowhead.com](http://www.goyellowhead.com) to add the information ... free of charge - all a part of being a TCYHA Member.***

**INVOICE NUMBER: 16154**

SERVICE	POPULATION	ANNUAL CONTRIBUTION (\$)
Municipal Contribution for 2016		
\$0.15 per head of population per annum - from 2011 Canadian Census	222,189	33,328.35
	<b>TOTAL</b>	33,328.35
	<b>GST @ 5% (#122028137)</b>	1,666.42
	<b>TOTAL INVOICE</b>	34,994.77

*Please make cheques payable to: Trans Canada Yellowhead Highway Association.  
Please note any changes to your billing information when returning payment.*

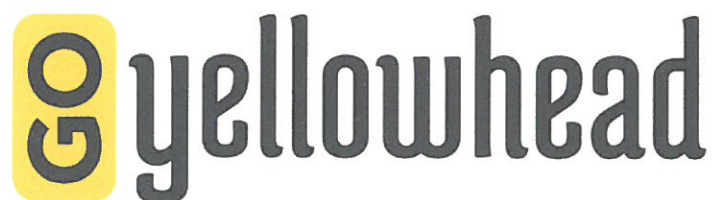




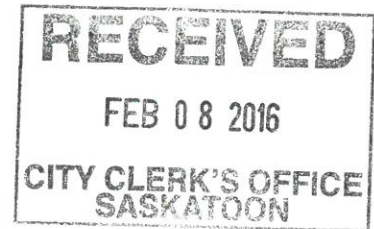
As a collective voice of communities on and along the Yellowhead Highway we have been able to continue influencing governments to invest in the highway and to promote travel and the resulting economic activity that accompanies those efforts.

- Communication with Provincial Transportation Departments shows that total investment in the four Western Provinces exceeded \$125million and indications are that the investment will surpass that significantly over the next few years:
  - ✓ **Manitoba:** “... plan includes \$100million to improve driving conditions, including passing lanes, on over 100 kilometers of PTH16. PTH16 is one of MIT’s highest regional priorities...”
  - ✓ **Saskatchewan:** “... Highway 16 twinning east of Saskatoon, subgrade of new lanes currently under construction, resurfacing planned for completion by 2017 ...”
  - ✓ **Alberta:** “... Highway improvements will increase by 40% in 2016 ...”; “... TCYHA advocating to Infrastructure Canada to allocate \$100million from the New Building Canada Fund for improvements to the Yellowhead Highway going through Edmonton ...”
  - ✓ **British Columbia:** “... Yellowhead Highway is the major north-south corridor through the interior, connecting Vancouver with Edmonton. It is key to supporting the provincial economy ...along with upgrading bridges and making intersection safety improvements, increasing passing opportunities to ease driver frustration ... road efficiency are keys to ensuring the northwest transportation system is ready for the economic opportunities ahead ...”
- Federal Ministry of Transportation has accepted the offer from the TCYHA to be engaged in the Canada Transportation Act Review.
- Over 70,000 Travel Guides distributed throughout Western Canada and into the USA.
- A revamped consumer website, [www.goyellowhead.com](http://www.goyellowhead.com), and Social Media campaigns that encourage interactivity and promotion of amenities, attractions and activities.

Your renewal ensures that your voice will continue to be heard, that Provincial and Federal governments respond to highway improvement matters, and that the Yellowhead Highway continues to be a major economic driver in Western Canada.







February 3, 2016

Mayor Don Atchison & City Council  
Mayor's Office  
City of Saskatoon  
222 – 3<sup>rd</sup> Avenue North  
Saskatoon, SK S7K 0J5

Dear Mayor Atchison:

Re: Tourism Saskatoon 2015 Un-Audited Financial Statement

Please find enclosed our un-audited financial statement for the year 2015 as required by our Fee for Service Agreement.

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

Sincerely,



Angela Wallman  
Finance and Personnel Officer

Enclosure

cc: Kerry Tarasoff

**Saskatoon Visitor & Convention Bureau  
Consolidated Statement of Income and Expenses  
1 month period ending December 31, 2015**

	<i>December 31, 2015</i>	<i>YTD</i>	<i>2015 Budget</i>	<i>% Used</i>	<i>Prior Year</i>	
<b>REVENUE</b>						
0100 Administration	39,584	434,681	425,315	102%	435,518	
0200 Membership & eCommerce	7,738	114,044	113,380	101%	103,869	
0400 Leisure Marketing	19,500	58,427	30,000	195%	20,020	
0500 Visitor Services	-9,386	9,537	27,500	35%	27,566	
0600 Conventions	0	13,989	59,000	24%	29,448	
0900 Destination Marketing Program	213,765	2,942,783	3,232,492	91%	2,620,509	
<b>TOTAL REVENUE</b>	<b>271,201</b>	<b>3,573,461</b>	<b>3,887,687</b>	<b>92%</b>	<b>3,236,930</b>	2015 YTD Core only 630,678
<b>EXPENSES</b>						
0100 Administration	14,339	191,059	186,476	102%	189,840	
0200 Membership & eCommerce	160	22,116	16,700	132%	14,145	
0400 Leisure Marketing	0	0	0		5,219	
0500 Visitor Services	580	27,184	29,570	92%	26,110	
0600 Conventions	0	7,062	27,400	26%	7,000	
Core Staff Costs	42,738	450,628	428,269	105%	428,515	
0900 DMP - Travel Trade	0	28,155	45,195	62%	55,172	
0900 DMP - Travel Media	-93	151,474	187,201	81%	133,644	
0900 DMP - Convention Marketing - National	20,834	456,865	534,664	85%	322,859	
0900 DMP - Convention Marketing - International	18,960	333,306	446,848	75%	245,508	
0900 DMP - Strategic Marketing	9,846	45,157	36,100	125%	56,477	
0900 DMP - Independent & Group Travel	21,264	832,122	862,165	97%	833,410	
0900 DMP - Event Production	10,696	123,901	130,190	95%	108,795	
0900 DMP - Joint Marketing Fund	17,550	175,000	164,000	107%	157,753	
0900 DMP - Administrative	-34,696	-34,696	-33,220	104%	-36,107	
0900 DMP - Staff Costs	47,342	505,477	571,365	88%	525,939	
0900 DMP - SSTP	102,062	291,326	254,764	114%	180,952	
<b>TOTAL EXPENSES</b>	<b>271,582</b>	<b>3,606,136</b>	<b>3,887,687</b>	<b>93%</b>	<b>3,255,231</b>	2015 YTD Core only 663,353
<b>EXCESS REVENUE OVER EXPENDITURES</b>	<b>-381</b>	<b>-32,675</b>	<b>0</b>		<b>-18,301</b>	<b>-32,675</b>

175-28

RECEIVED

FEB 22 2016

CITY CLERK'S OFFICE  
SASKATOON



SASKATOON'S  
ARTS & CONVENTION  
CENTRE

February 22, 2016

To: City Council

Re: Notice of Meeting

The Annual General Meeting of the Saskatoon Centennial Auditorium & Convention Centre **Corporation** Membership will be held on Thursday April 28, 2016 at 12:00 noon at TCU Place.

The Annual General Meeting of the Saskatoon Centennial Auditorium **Foundation** Membership will be held on Thursday April 28, 2016 at 12:15 pm at TCU Place.

Sincerely,

*Pam Kilgour*

Pam Kilgour, BA, CPA, CMA  
Director of Finance  
TCU Place – Saskatoon's Arts & Convention Centre  
[pkilgour@tcuplace.com](mailto:pkilgour@tcuplace.com)  
306.975.7778

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## Report on Write-downs of Surplus Inventory - 2015

### Recommendation

That the information be received.

### Report Highlights

1. For the year 2015, the write-downs of surplus/obsolete inventory by Saskatoon Light & Power totaled \$26,469.40.

### Strategic Goal

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

### Report

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

For the year 2015, Saskatoon Light & Power's write-downs were 1.2% of its inventory, and the write-downs of surplus/obsolete inventory totaled \$26,469.40.

Attachment 1 is a detailed list of the inventory write-downs for 2015. There were no write-downs for Central Stores, Electronic Stores or Public Works Stores (Transportation and Utilities Department).

### Financial Implications

The total write-downs of \$26,469.40 have been expensed to the appropriate operating program in 2015.

### Other Considerations/Implications

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

### Due Date for Follow-up and/or Project Completion

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

### Public Notice

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

### Attachment

1. Inventory Write-downs - January 1 to December 31, 2015

### Report Approval

Written by: Keith Beck, Inventory & Asset Recovery

Reviewed by: Linda Rauckman, Director of Materials Management

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

Inventory Write-downs 2015.docx

**Inventory and Asset Recovery Services  
Inventory Write-downs - January 1 to December 31, 2015**

**Saskatoon Light & Power**

Corporate No.	Description	Quantity	Average Cost	Total	Reason
6-33-17	Transformer padmount 14.4-347/600 300KVA	1	\$ 10,952.57	\$ 10,952.57	Salvaged from field; unrepairable leak
4-56-25	Fixture vector HPS 250W-400W 120/240V or 347V	7	\$ 808.43	\$ 5,659.01	Obsolete; replaced with newer Mongoose fixtures
4-02-10	Decorative base 30"	4	\$ 780.81	\$ 3,123.24	Damaged
4-10-83	Arm steel 10' on steel pole - galvanized	4	\$ 674.94	\$ 2,699.76	Arms missing
3-07-50	Pole wood 50' treated CL2	1	\$ 1,037.68	\$ 1,037.68	Old and had a severe bend; unusable
4-89-25	Ballast for vector fixture 250W HPS 120/240V	2	\$ 501.89	\$ 1,003.78	Fixtures obsolete; ballasts also obsolete
4-74-40	Fixture floodlight MH 400W 120/240V	2	\$ 422.13	\$ 844.26	Floodlight discontinued
3-07-40	Pole wood 40 ft. treated CL3	1	\$ 624.10	\$ 624.10	Old and had a severe bend; unusable
1-29-06	Crossarm fir penta treated 8' 3 pin	6	\$ 58.04	\$ 348.24	Salvaged then deemed unusable
9-11-26	Bend 5" 90 degree 42" radius	1	\$ 75.76	\$ 75.76	Damaged
9-10-26	Pipe duct PVC DB2 5" 20' length	20	\$ 1.94	\$ 38.80	Damaged
9-11-14	Bend 4" 45 degree 60" radius	1	\$ 33.17	\$ 33.17	Damaged
4-93-30	Lens for cobrahead fixture - small	1	\$ 21.16	\$ 21.16	Damaged
2-17-20	Pin type insulator 1" hole 15-25KV polymer	1	\$ 7.87	\$ 7.87	Damaged
<b>Total write-downs SL&amp;P</b>				<b>\$ 26,469.40</b>	

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## **Contract Award Report – September 1 to December 31, 2015 Contracts between \$50,000 and \$75,000**

### **Recommendation**

That the information be received.

### **Topic and Purpose**

The purpose of this report is to provide the Standing Policy Committee on Finance with information regarding competitive and sole source contracts between \$50,000 and \$75,000 from September 1 to December 31, 2015.

### **Report Highlights**

1. Competitive contracts totaled just over \$1.462 million, and sole source contracts totaled just over \$299,000.

### **Strategic Goal**

This report supports the Strategic Goal of Asset and Financial Sustainability through the open, accountable, and transparent disclosure of the award of contracts.

### **Report**

In accordance with Council Policy No. C02-030, Purchase of Goods, Services and Work, the Administration is required to report three times a year on the award of contracts and requests for proposals between \$50,000 and \$75,000. Attachment 1 is a detailed list of the competitive contract awards, and Attachment 2 is a detailed list of the sole source contract awards, both for the period September 1, 2015 to December 31, 2015.

### **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 next contract award report will be tabled in June 2016, outlining the award of contracts and request for proposals for the period January 1, 2016 to April 30, 2016.

### **Public Notice**

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

### **Attachments**

1. Competitive Contracts – September 1, 2015 to December 31, 2015
2. Sole Source Contracts – September 1, 2015 to December 31, 2015

**Contract Award Report – September 1 to December 31, 2015**  
**Contracts between \$50,000 and \$75,000**

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**Report Approval**

Written by: Linda Leedahl, Purchasing Services Manager  
Reviewed by: Linda Rauckman, Director of Materials Management  
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial  
Management Department

Contract Award Report Sept to Dec 2015.docx



**Competitive Contracts Between \$50,000 - \$75,000  
For the Period September 1, 2015 to December 31, 2015**

<b>Date</b>	<b>Project Title</b>	<b>Department</b>	<b>Contractor/Supplier</b>	<b>Contract Amt</b>
15/10/19	Plumbing Supplies B.O.	Transportation & Utilities	Crane Supply	\$ 50,000.00
15/12/08	Cobrahead Fixtures	Transportation & Utilities	Wesco Distribution Canada Inc.	\$ 50,410.03
15/09/21	2015 - 2016 Snow Clearing Consumables	Transportation & Utilities	Magnum Wear Parts - GP Ltd.	\$ 50,531.97
15/10/14	Computer Hardware	Saskatoon Police Service	Manawa Inc.	\$ 50,765.00
15/09/24	Pierre Radisson Off-Leash Recreational Area	Community Services	Rite-Way Fencing (2000) Inc.	\$ 51,363.61
15/11/12	Cable	Transportation & Utilities	Nexans Canada Inc.	\$ 51,408.00
15/10/16	River Landing Snow Maintenance	Transportation & Utilities	ULS Maintenance & Landscaping Inc.	\$ 51,870.00
15/09/01	Variable-Data-Print Solution	Corporate Performance	Konica Minolta Business Solutions	\$ 52,018.05
15/10/02	Pedestrian LED Cross Walk Downlighter	Transportation & Utilities	Guardian Traffic Services Ltd.	\$ 52,056.18
15/09/16	Asphalt Repairs at 3 Civic Facilities	Asset & Financial Mgmt.	City Asphalt Paving	\$ 52,353.00
15/10/16	6 foot Front Mower	Asset & Financial Mgmt.	Cervus Equipment	\$ 52,400.91
15/11/23	IBM Spectrum Software	Corporate Performance	Anisoft Group Inc.	\$ 52,745.00
15/10/21	Geotechnical Investigation	Transportation & Utilities	Pavement Scientific International Inc.	\$ 55,129.20
15/11/10	SPCA Furnace & Hot Water Heater Replacement	Asset & Financial Mgmt.	Metro Mechanical Inc.	\$ 55,918.80
15/09/16	HDPE Duct Pipe	Transportation & Utilities	Westburne Electric Supply (Midwest)	\$ 56,455.30
15/09/09	WTP Maintenance Facility Boilers	Transportation & Utilities	Vortec Mechanical Sales Inc.	\$ 58,172.40
15/10/26	Various Padmount and Overhead Transformers	Transportation & Utilities	Anixter Power Solutions Ltd.	\$ 60,209.60
15/10/30	Emergency Water Supply Trailers	Transportation & Utilities	Intercontinental Truck Body Ltd.	\$ 62,711.30
15/09/10	Wood Grinding for Compost	Transportation & Utilities	Loraas Disposal Services Ltd.	\$ 66,905.25
15/09/10	SAN Storage	Transportation & Utilities	CDW Canada Inc.	\$ 68,481.60
15/12/14	Grave liners, Bases & Urn Vaults	Community Services	ECL Fiberglass Manufacturing Inc.	\$ 70,000.00
15/10/02	Quality & Environmental Management System Software	Transportation & Utilities	Intelex	\$ 70,054.24
15/10/09	Kinsmen 25th Street Frontage Irrigation	Community Services	C & F Installations Co.	\$ 70,898.10
15/12/15	Fairness Advisor - Saskatoon Interchange	Transportation & Utilities	P1 Consulting	\$ 74,344.00
16/01/18	HVAC B.O. Supplies and Service	Transportation & Utilities	Black & McDonald Ltd.	\$ 75,000.00
<b>Total</b>				<b>\$ 1,462,201.54</b>

**Sole Source Contracts Between \$50,000 - \$75,000  
For the Period September 1, 2015 to December 31, 2015**

<b>Date</b>	<b>Project Title</b>	<b>Department</b>	<b>Contractor/Supplier</b>	<b>Contract Amt</b>
15/11/02	Haworth Office Furnishings	Asset & Financial Mgmt.	HBI Office Plus Inc	\$ 50,098.31
Policy Section 4.3(a) and (b) Proprietary rights (sole authorized distributor). This product is compatible with existing product which the City has established as a standard (through a previous competitive process).				
15/10/23	Genesis E-Force Rescue Tools	Saskatoon Fire	WFR Wholesale Fire & Rescue Ltd.	\$ 53,236.06
Policy Section 4.3 (a) Proprietary rights (sole authorized distributor). Other manufacturers' products were tested; however, the Genesis brand of extrication tools was chosen by all members involved in the trials.				
15/09/22	Cartridges	Saskatoon Police Service	M.D. Charlton Company Ltd	\$ 53,638.76
Policy Section 4.3 (a) and (b) Proprietary rights (sole authorized distributor). These taser supplies are needed for compatibility with existing equipment.				
15/12/29	Spare Screenings Washer Monster System	Transportation & Utilities	Mequipco Ltd.	\$ 69,052.50
Policy Section 4.3 (a) and (b) Proprietary rights (sole authorized distributor). This equipment is needed for compatibility with existing installed equipment.				
15/11/06	Fitness Equipment for Shaw Centre	Community Services	Western Fitness Equipment	\$ 73,260.00
Policy Section 4.3 (a): Proprietary rights (sponsorship agreement in place with Western Fitness). City staff determined that prices submitted were industry competitive; therefore, as per the sponsorship agreement, equipment was purchased through Western Fitness.				
<b>Total</b>				<b>\$ 299,285.63</b>

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## Request to Sell City-Owned Property – Marquis Industrial Area

### Recommendation

1. That the Director of Saskatoon Land be authorized to sell seven lots (Lots 1 to 4, Block 950, Plan 102175714 and Lots 6 to 8, Block 927, Plan 102175714) in the Marquis Industrial area to the highest bidder through a public tender process with reserve bid prices;
2. That if the lots are not sold through the tender process, they be placed for sale over-the-counter on a first-come, first-serve basis;
3. That the Director of Saskatoon Land be authorized to make minor adjustments to the approved pricing that may be necessary to account for changes in the servicing costs and for returned parcels; and
4. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

### Topic and Purpose

The purpose of this report is to obtain approval to sell seven industrial lots from Phase 10A in the Marquis Industrial area through a public tender process.

### Report Highlights

1. Seven industrial parcels from Phase 10A in the Marquis Industrial area will be sold through a public tender process.
2. The parcels will be awarded to the highest bidder upon determination of proper adherence to tender protocol.

### Strategic Goal

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

### Background

The last phase consisting of eight parcels in the Marquis Industrial Area was brought to the market in January 2015. An adequate supply of serviced land remains in the hands of previous purchasers, but limited variety of parcels are available to end users in Saskatoon Land inventory. The seven parcels being released vary in size from just under 2 acres to just over 4 acres in size.

### Report

#### Marquis Industrial Tender

The purpose of this report is to obtain approval to sell seven industrial lots in the Marquis Industrial area through a public tender process. Attachment 1 shows the subject lots located on 71st Street East, Millar Avenue and Lipsett Crescent.

The seven lots are zoned IH District, which is the most flexible industrial zoning and allows for a wide range of industrial/commercial uses. The remaining lots in Phase 10 are being held back for release in the future to allow for the current inventory of lots to be absorbed by the market.

Each of the parcels within this tender will be advertised with a reserve bid price. The Administration recommends that a price range of \$480,000 to \$552,000 per acre be used for establishing the reserve bids.

Proposed parcel prices are outlined in Attachment 2. Factors such as zoning, location, visibility and corner influence are taken into consideration within the final price for each lot. The reserve bid prices are based on a review of comparable industrial land sales in the Saskatoon market, including resale of land recently sold by the City of Saskatoon. The average price per acre is \$530,000 and the total proposed sales revenue for the phase is \$9.2M.

#### Tender Award

Tenders will be awarded to the highest bidder over the reserve bid price. If there is any uncertainty regarding the bids received, the appropriate reports and recommendations will be presented to City Council. Lots that do not sell through the tender process will be made available for sale over-the-counter on a first-come, first-serve basis from Saskatoon Land.

#### **Options to the Recommendation**

The only option would be to not proceed with the sale of the land at this time.

#### **Public and/or Stakeholder Involvement**

Public and/or stakeholder involvement is not applicable.

#### **Communication Plan**

Notice of the public tender will be advertised in The Star Phoenix a minimum of two Saturdays prior to the tender and will be sold pursuant to City Council Policy No. C09-033, Sale of Serviced City-Owned Lands. The tender will also be posted on the City of Saskatoon's website.

#### **Financial Implications**

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

#### **Other Considerations/Implications**

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

#### **Due Date for Follow-up and/or Project Completion**

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

## Request to Sell City-Owned Property – Marquis Industrial Area

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### Public Notice

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

### Attachments

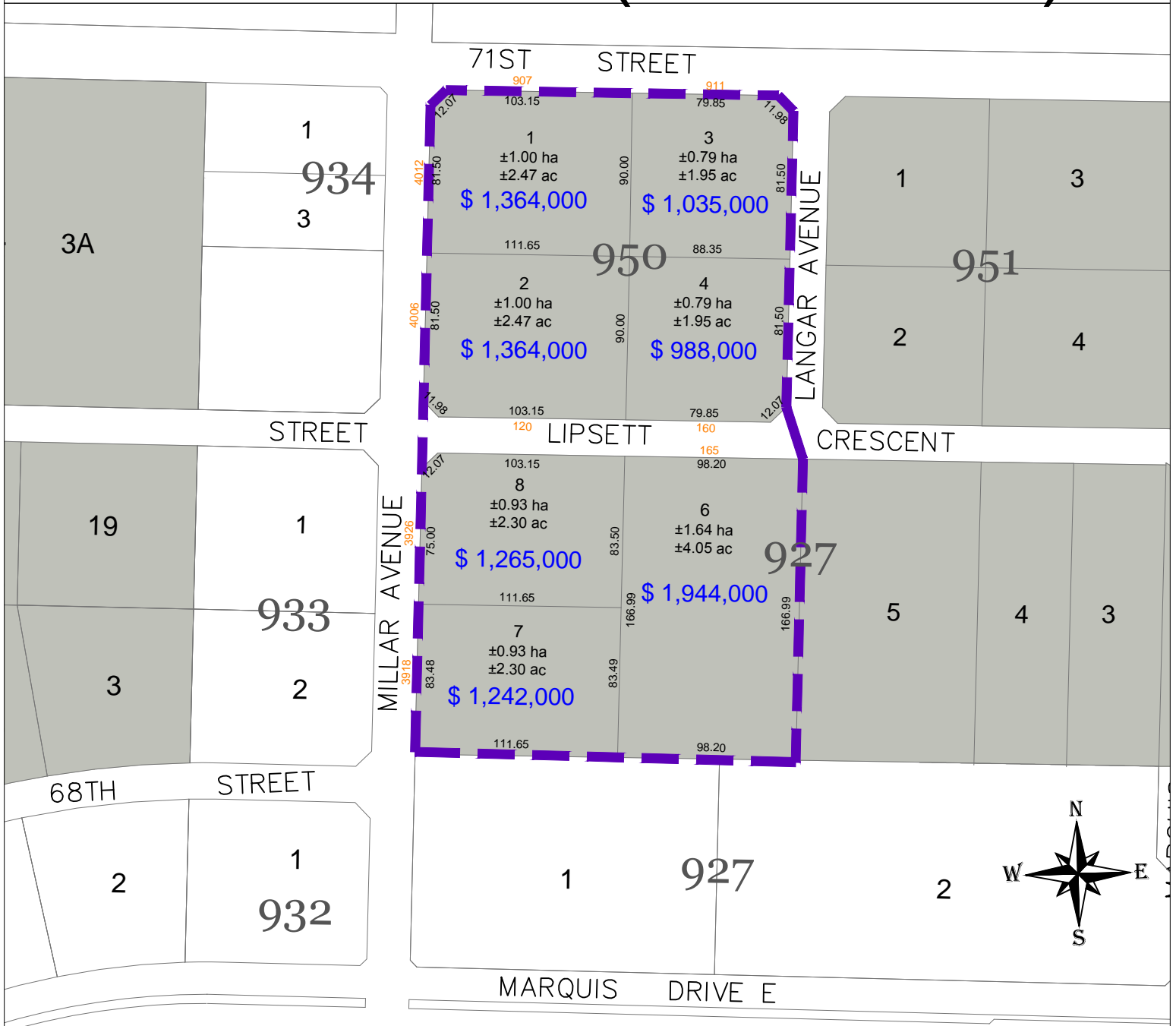
1. Marquis Industrial Parcels to be Priced (Phase 10A)
2. Marquis Industrial Phase 10A Price Listing

### Report Approval

Written by: Colleen Hassen, Sales Supervisor  
Reviewed by: Frank Long, Director of Saskatoon Land  
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial  
Management Department

Marquis Industrial Phase 10A Pricing\_Mar.docx

# Marquis Industrial Parcels to be Priced (Phase 10A)



## LEGEND



Subject Sites

927

Block Number



Heavy Industrial

\$1,000,000

Proposed Price

1234

Civic Address



Saskatoon Land - January 2016

Note: Saskatoon Land does not guarantee the accuracy of this plan. Lot dimensions and the location of other features are compiled from available information and are subject to change without notice. Park and buffer renderings are for illustrative purposes only and does not represent what will be constructed. To ensure accuracy, please refer to the Registered Plan of Survey. Distances are in meters unless shown otherwise. Do not scale.

## Marquis Industrial Phase 10A Price Listing

<b>Phase</b>	<b>Lot</b>	<b>Block</b>	<b>Zoning</b>	<b>Area (ac)</b>	<b>Price/acre</b>	<b>Total</b>
10A	1	950	IH	2.47	\$552,000	\$1,364,000
10A	2	950	IH	2.47	\$552,000	\$1,364,000
10A	3	950	IH	1.96	\$528,000	\$1,035,000
10A	4	950	IH	1.96	\$504,000	\$988,000
10A	6	927	IH	4.05	\$480,000	\$1,944,000
10A	7	927	IH	2.30	\$540,000	\$1,242,000
10A	8	927	IH	2.29	\$552,000	\$1,265,000
<b>Total</b>						\$9,202,000
<b>Average</b>					\$529,700	



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## Preliminary Year-End Financial Results - December 31, 2015

### Recommendation

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

1. That the fuel surplus amount of \$2.441 million not be transferred to the Fuel Stabilization Reserve;
2. That the transfer of the Snow Removal and Ice Management Program allowable surplus amount of \$0.622 million from the Snow and Ice Management Reserve be approved; and
3. That the transfer of the preliminary civic surplus of \$1.436 million to the Fiscal Stabilization Reserve be approved.

### Topic and Purpose

The purpose of this report is to inform City Council of the preliminary year-end financial results for the 2015 fiscal year, which reflects an estimated net surplus of \$1.436 million (0.33% variance) subject to the approval of the above recommendations and the confirmation by the external audit.

### Report Highlights

1. Preliminary civic year-end results indicate a net surplus of \$1.436 million (0.33%) which is subject to an external audit.
2. The Water, Wastewater and Storm Water Management Utilities posted surpluses of \$1.609 (2.52%), \$2.967 (5.16%) and \$0.097 (1.57%) million respectively, while Saskatoon Light & Power (SL&P) and the Waste Services Utility posted net deficits of \$0.872 (0.56%) and \$0.775 (10.75%) million.
3. The City of Saskatoon's (City) Boards and Commissions all reported preliminary surpluses in 2015.
4. The actual to budgeted fuel expenditures for mill-rate programs resulted in a surplus of \$2.441 million. The Administration is recommending a non-transfer of the surplus to the Fuel Stabilization Reserve due to a sufficient balance within the reserve.
5. The Snow Removal and Ice Management Program posted a \$0.622 million surplus.
6. Subject to approval of the recommendations, the remaining surplus of \$1.436 million will be transferred to the Fiscal Stabilization Reserve which has a current balance of \$6.552 million.

## Strategic Goal

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

## Background

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

The external audit of the financial statements is expected to be completed in May 2016, at which time the finalized audited financial statements will be tabled with the Standing Policy Committee on Finance and then City Council for approval. At that point, the year-end financial results will be confirmed or adjusted based on the external audit.

## Report

### Civic Year-End Results – Summary

Attachment 1 is a summary of the preliminary year-end financial results. Attachment 2 is the preliminary financial results by business line for the year-ended December 31, 2015.

The preliminary results indicate a surplus of \$1.436 million subject to confirmation by the external auditor. There were a number of factors that contributed to the overall surplus, most notably:

- Lower than anticipated fuel and oil prices produced a favourable variance of \$2.441 million related to corporate fuel costs.
- The results of growth in 2015 were higher than anticipated resulting in a favourable variance of \$1.097 million in Taxation and General Revenues. This surplus was the result of higher than expected municipal payments from the Provincial Utility Crowns, supplementary property taxes and property tax penalties. These positive results were offset by lower fines and penalties due to the transition to the new parking meter system and reduced traffic fines due to increased compliance.
- Transportation realized a surplus of \$1.116 million largely due to:
  - road maintenance savings in relation to wages, utility costs and contractual services;
  - a relatively mild winter and snow removal season produced a \$0.622 million surplus which is recommended to be transferred to the stabilization reserve; and
  - an offset by an improved service level in Street Cleaning and Sweeping which was completed three weeks sooner than the previous year, however, produced an unfavourable variance of \$0.544 million
- Increased landfill competition in 2015 resulted in some lost commercial customers and a \$0.520 million deficit in Environmental Health which was partially offset by decreased contributions to reserve.

- The Water, Wastewater and Storm Water Management Utility posted surpluses of \$1.609, \$2.967 and \$0.097 million respectively, while SL&P and the Waste Services Utility posted deficits of \$0.872 and \$0.643 million. The Waste Services Utility (Multi-unit Recycling, Compost and Leaves and Grass) deficit has been covered by a general transfer from mill-rate supported operations while all other utilities subsequently transferred funds to and from their respective Utility Stabilization Reserves.
- The City's Boards and the Saskatoon Police Service (SPS) all posted surpluses in 2015. SPS posted a surplus of \$0.534 million which is incorporated within the civic year-end results. SaskTel Centre has a preliminary surplus of \$1.22 million, while TCU Place reported a \$1.1 million surplus. The Remai Modern/Mendel Art Gallery had a surplus of \$0.201 million.

#### Fuel Stabilization Reserve

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

The actual to budgeted fuel expenditures for mill-rate programs resulted in a surplus of \$2.441 million. The allowable maximum in the Reserve, as per Council Policy No. C03-003, Reserves for Future Expenditures, is \$2.0 million. The Administration considers the reserve balance of \$1.325 million to be sufficient based on current fuel trends and is recommending that this amount not be transferred to the Fuel Stabilization Reserve.

#### Snow and Ice Management Reserve

The operating results for this program in 2015 indicate a \$0.622 million surplus due to a relatively mild winter and snowfall from October to December 2015.

The Snow and Ice Management Reserve is used to stabilize this program in fiscal years where deficits occur. The balance in the Reserve of \$0.977million will be increased to \$1.6 million after transfer.

#### Fiscal Stabilization Reserve

The Fiscal Stabilization Reserve was established to mitigate mill-rate impacts from fluctuations in operating results from year to year and has a balance of \$6.552 million.

Assuming City Council approves the recommendations, the net surplus would be \$1.436 million which would be transferred to the Fiscal Stabilization Reserve.

#### **Options to the Recommendation**

City Council can choose to transfer \$0.675 million of the Fuel Expenditure Surplus of \$2.441 million to the Fuel Stabilization Reserve which would bring the reserve balance to its maximum allowable limit of \$2.0 million. This would reduce the overall civic surplus from \$1.436 million to \$0.761 million.

City Council could also choose not to transfer the Snow and Ice surplus of \$0.622 million to the Stabilization Reserve. This would increase the overall civic surplus to \$2.058 million, while maintaining the Snow and Ice Stabilization Reserve at its current balance of \$0.977 million.

### **Communication Plan**

The year-end financial results for the fiscal year 2015 will be communicated to the public with a news release and annual report which will be issued subsequent to the year-end audit.

### **Policy Implications**

As per Council Policy No. C03-003, the funding for the Fuel Stabilization Reserve is to be “any year-end surplus in the City’s tax-supported fuel budget”. Since the recommendation is to not transfer the 2015 surplus due to sufficiency in the Reserve, City Council must approve the recommendation to not transfer the fuel surplus.

### **Financial Implications**

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

### **Other Considerations/Implications**

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

### **Due Date for Follow-up and/or Project Completion**

The external audit is currently underway and will be completed in May at which time the Standing Policy Committee on Finance will review the preliminary financial statements and forward the approved Consolidated Financial Statements and other reports to City Council in June 2016.

### **Public Notice**

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

### **Attachments**

1. Summary of Preliminary Year-end Financial Results
2. Preliminary Financial Results by Business Line - Year Ended December 31, 2015

### **Report Approval**

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

2015PrelimYEResults2015.docx

## Summary of Preliminary Year-End Financial Results

City of Saskatoon General Fund  
2015 Summary

	<b>2015 Budget</b>	<b>2015 Actuals</b>	<b>Variance</b>	<b>Percent</b>
Revenues	\$439,052,500	\$438,107,115	(\$945,385)	(0.22%)
Expenditures	\$439,052,500	\$436,048,626	\$3,184,715	0.68%
Preliminary Surplus (Deficit)	\$ -	\$2,058,489	\$2,058,489	0.47%
Transfer to Snow & Ice Stabilization	\$ -	\$622,111	\$622,111	
Surplus (Deficit)	\$ -	\$1,436,378	\$1,436,378	0.33%

Mill Rate Year-End Results – Summary

- The preliminary surplus for the City's mill rate operations is \$2.239 million. The Administration is recommending non-transfers related to the Fuel Stabilization Reserve (\$2.441 million surplus) and transfers of \$0.622 million to the Snow and Ice Stabilization Reserve. The net surplus of \$1.436 million is recommended to be transferred to the Fiscal Stabilization Reserve.
- The main contributors to the civic surplus in 2015 are as follows:
  - Corporate fuel expenditures had a \$2.441 million favourable variance (29.33%) due to low oil and fuel prices in 2015.
  - Facilities Management realized a \$0.273 million surplus (3.47%) due to lower than anticipated utility billings due to a mild winter and increased management of expenses within the Energy and Sustainability Engineering Section.
  - General Revenue had a \$1.495 million positive variance (2.75%) due to higher than anticipated municipal payments from the Provincial Utility Crowns due to rate and consumption increases.
  - The Property Levy realized a \$0.845 million surplus (0.44%) due to higher than anticipated Supplemental Property Taxes due to historical growth.
  - Saskatoon Police had a \$0.535 million surplus (0.67%) from higher than anticipated Provincial Recoveries for overtime related to a major investigation, as well as increased funding for a number of government programs.
  - Road Maintenance finalized a \$1.262 million surplus due to savings in wages, lower utility costs and savings in contractual services.

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

- Fines and Penalties cost centre experienced a \$1.755 million (21.3%) deficit mainly due to reduced parking ticket revenue for reduced volumes and parking enforcement associated with the transitioning to the new parking system (\$1.07 million).
- There is a \$0.544 million variance (16.41%) in Street Cleaning & Sweeping due to increased cost of pre-sweep (started one week sooner) and City-wide sweep (completed three weeks sooner), for additional trucking assistance, increased salary costs of four crews as opposed to three and increased sweeper material costs.
- Parking had a \$0.497 million unfavourable variance (15.42%) from reduced meter revenue from delayed parking system implementation, partially offset by decreased transfers to reserve.
- Recreational Competitive Facilities realized a \$0.423 million negative variance (11.51%) attributable to reduced revenues in LeisureCard and regular admission revenue prior to the September 1, 2015 price change and increased staffing costs. LeisureCard and admission revenue have been strong since the September launch of the new marketing and rate program.
- Waste Handling Services realized a \$0.559 million deficit mainly due to reductions in landfill revenue (\$1.178 million) from losses of commercial customers to competitors offset by reductions to reserve.

#### Utility Year-End Results – Summary

- **Saskatoon Light & Power** recorded a year-end deficit result of \$0.872 million due to a 1.38% reduction in year-to-date sales, 2.76% lower consumption and increased salaries, and equipment and material costs due to additional maintenance. This deficit will be covered off by the Electrical Stabilization Reserve which will have a balance of \$0.06 million after the transfer.
- The **Storm Water Management Utility** posted a surplus of \$0.097 million due to savings in storm sewer maintenance and drainage from a relatively dry summer and no major storm events. This surplus will be transferred to the Storm Water Management Stabilization Reserve which will have a balance of \$1.197 million after the transfer.
- The **Wastewater Utility** posted a surplus of \$2.967 million due to revenues realized in excess of budget of \$1.16 million due to slightly higher volumetric sales than budgeted. Expenditures were also \$1.807 million under budget due to fewer inspections than anticipated, less heavy grit disposal fees, decreased sludge handling and disposal costs and deferred equipment purchases. A portion (\$0.476 million) of this surplus will be transferred to the Water and Wastewater Stabilization Reserve, which will maximize allowable contributions (balance of \$6.532 million) with the remainder (\$2.49 million) to be transferred to the Wastewater Capital Projects Reserve and Water Capital Projects Reserve which will increase the balance from \$6.535 to \$9.026 million.

- The **Water Utility** posted a surplus of \$1.609 million due to higher metered and other revenue than originally budgeted. A portion (\$0.828 million) of this surplus will be transferred to the Water and Wastewater Stabilization Reserve (current balance is \$6.532 million), with the remainder (\$0.780 million) to be transferred to the Water Capital Projects Reserve which will increase the balance from \$4.388 to \$5.168 million.
- The **Waste Services Utility** recognized a net deficit of \$0.643 million made up of the following categories:
  - Curbside Recycling posted a surplus of \$0.194 million due to lower than customer billing and collection charges than anticipated. This surplus will be transferred to the Recycling Stabilization Reserve.
  - Multi-Unit Recycling recognized a deficit of \$0.837 million mainly due to the absence of the Multi-Material Recycling Program funding which was expected to Launch in January, 2015 and the repayment of a 2014 loan from RCE for the initial start-up deficit. This deficit was covered by a general transfer to the utility from mill-rate supported operations.
  - The Compost Depot program recognized a negative variance of \$0.117 million due to budgeted revenue not being realized. The landfill management fee was increased in order to offset this deficit to \$0.

#### Boards and Commissions Year-End Results – Summary

- **The Saskatoon Police Service** ended 2015 with a budget surplus of \$0.535 million from higher than anticipated Provincial Recoveries for overtime related to a major investigation, as well as, increased funding for a number of government programs.
- **TCU Place** is reporting a preliminary surplus of \$1.1 million which will be transferred to its Equipment Replacement Reserve and Capital Expansion Reserve respectively.
- **SaskTel Centre** has posted a preliminary surplus of \$1.22 million and will be transferred to its Stabilization Reserve, Equipment Replacement Reserve, and the Capital Enhancement Reserve.
- The preliminary result for the **Remai Modern/Mendel Art Gallery** indicates a year-end surplus of \$0.201 million.



Preliminary Financial Results by Business Line  
Year Ended December 31, 2015

2015 Preliminary Year End Results (In 000's)			
Mill Rate Programs	2015 Total Budget	2015 Year End Actuals	2015 Variance Budget vs. Actuals
Community Support	13,448	13,603	154
Corporate Asset Management	7,444	6,983	(461)
Corporate Governance & Finance	53,033	52,349	(684)
Environmental Health	12,979	13,499	520
Fire Services	44,985	45,382	397
Land Development	0	0	0
Art, Culture & Event Venues (Remai/Mendel, TCU Place, SaskTel Centre)	5,842	5,841	0
Policing	80,066	79,532	(535)
Recreation & Culture	26,394	26,728	334
Taxation & General Revenues	(337,690)	(338,787)	(1,097)
Transportation	88,014	86,898	(1,116)
Urban Planning & Development	5,485	5,078	(407)
General Transfer to Offset Waste Services Utility Deficit	-	-	837
<b>Mill Rate Operating Surplus Surplus</b>	<b>0</b>	<b>(2,895)</b>	<b>(2,058)</b>
Transfer to Reserve (Snow & Ice)			622
<b>TOTAL MILL RATE SURPLUS</b>			<b>(1,436)</b>

Utility Programs	2015 Total Budget	2015 Year End Actuals	2015 Variance Budget vs. Actuals
Saskatoon Light & Power	0.0	(872)	(872)
Saskatoon Storm Water Management	0.0	97	97
Saskatoon Waste Services	0.0	(643)	(643)
Saskatoon Waste Water Utility	0.0	2,967	2,967
Saskatoon Water Utility	0.0	1,609	1,609
General Transfer from Mill Rate to Offset Waste Services Utility Deficit			837
<b>Utility Rate Deficit/(Surplus)</b>	<b>0.0</b>	<b>3,158</b>	<b>3,995</b>
Transfer to Applicable Utility Reserve			3,995
<b>TOTAL UTILITY SURPLUS</b>			<b>0.0</b>

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## Consultant Services - 2015

### Recommendation

That the information be received.

### Topic and Purpose

The purpose of this report is to provide the Standing Policy Committee on Finance with information on the City of Saskatoon's (City) use and cost of consultants in 2015.

### Report Highlights

1. The City often contracts with consultants in order to gain advantage of a specialized skill set; expertise in a particular field; an objective, unbiased opinion; or access to technology not available in-house.
2. The City spent an estimated \$18.63 million on consultants in 2015, with \$2.68 million (0.41% of total operating budget) related to operations and \$15.95 million on capital projects.

### Strategic Goal

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

### Background

At the January 25, 2016 meeting of City Council, consultant contracts were awarded for an Agency of Record (Creative Fire) and a Business Case on Recovery Park (KPMG). Discussions regarding these contracts included the City's use of consultants.

In addition, a media request was received in relation to the City's use of consultant services and the Administration determined that a report on this topic to the Standing Policy Committee on Finance would be appropriate.

### Report

#### Consultants

A consultant is typically defined as a professional who provides professional or expert advice in particular areas such as management, engineering, accountancy, law, human resources, marketing and many other specialized fields. The City routinely contracts with consultants for a variety of reasons, including:

- specialized skillsets;
- City lacks available staff to take on work due to other priorities;
- an objective, unbiased outside opinion;
- consultants can generally complete tasks on a priority basis because they are not limited by other day-to-day duties that arise for in-house staff;
- access to technology, programs, software or proprietary rights which are more cost effective to outsource than purchase in-house, and
- expertise in a particular field or industry.

To provide two specific examples, the City's Water Utility contracted out nearly \$1.15 million in consulting fees in 2015 for work on the 42<sup>nd</sup> Street Reservoir. The design of the reservoir required specialized knowledge in the following engineering fields:

- Electrical (electrical panels/wiring, instrumentation and controls);
- Civic (structural, hydraulics);
- Mechanical (HVAC, pumps/motors, hydraulics); and
- Geotechnical.

As the City has only built three reservoirs in the past 100 years, specialist engineers with the very detailed and specific knowledge listed above are not available in-house. The consulting industry has engineers on staff across North America that specialize in this type of infrastructure that can be called upon. In total, over 10,000 hours of consultation was used on this project including the design, resident engineering, contract administration and commissioning.

A second example would be the recent award of contract to Creative Fire as the City's Agency of Record for a three-year period up to a maximum value of \$600,000 annually. While the City does employ communications and marketing staff within the Communications Division, the City often requires the expertise and support of agencies depending on the scope of work and volume of advertising initiatives. This can include various functions such as:

- graphic design;
- audio and video production/editing;
- engagement and facilitation;
- research; and
- communication planning.

These functions are better suited to be completed by a consultant, as they are only required during peak periods and often require a specialized skill set not available in-house. In terms of audio and video production, these services are outsourced as the City does not have the technological resources or skill set available in house and these types of projects are often sporadic in nature.

These two examples represent the most common scenario of when consultants are sought due to the infrequent need of a specialized skill set. In addition, it can be more efficient and cost-effective to outsource services on a specific project basis.

#### 2015 Consulting Expenses

The City's consulting fees in 2015 totaled \$18.63 million, including \$2.68 and \$15.95 million spent on operating and capital projects respectively. Notable capital project categories are listed on the following page.

- \$3.98 million on the two P3 Projects (Civic Operations Centre and North Commuter Parkway and Traffic Bridge). The majority of the consultants were due to the consultant requirements of PPP Canada such as the fairness, financial, legal and technical advisors who all had extensive experience in advising public sector clients on PPP projects.
- Water and Wastewater projects consulted \$1.89 million; largely due to the 42<sup>nd</sup> Street Reservoir project (\$1.15 million) which required the use of consultants due to the specialized skillset required.
- Interchanges and bridges contracted \$2.64 million worth of consultants in 2015. Historically, the City has contracted out bridge and interchange work to external consultants as it would be cost prohibitive to have internal staff that are able to address the variety of specialized and structural bridge work within the city.
- Other capital projects of \$7.43 million which includes the consultant work on the Growth Plan to Half a Million (\$0.543 million) and the Remai Modern Art Gallery of Saskatchewan (\$0.585 million). Consistent with the specific projects mentioned above, the City contracts consultants in other capital works where the specialized nature and inconsistent work make more sense financially to hire externally.

As outlined above, the majority of the expenditures on consultants are capital in nature and relate to engineering or technical advisor services that are not kept in-house due to the sporadic nature and specialized skillset required for capital projects, or the City does not have the available staffing resources to take on the work beyond current priorities.

In terms of operating expenditures, in 2015 \$2.68 million was spent on consultants. The three largest consultants include:

- Employee Family Assistance Program (EFAP) (\$0.321 million) which provides counselling services for all civic staff;
- PricewaterhouseCoopers (\$0.213 million) for internal audit services which has been evaluated as more cost effective to outsource; and
- Zu (\$0.139 million) for website Drupal support, which is currently in the process of being transferred in-house.

Overall, consulting services make up approximately 0.41% and 4.27% of the annual operating and capital budget respectively and are important to City operations as the Administration can avoid staffing for peak workload conditions or a particular skill set that is not required on a regular basis.

#### **Due Date for Follow-up and/or Project Completion**

Follow up is not required.

#### **Public Notice**

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

**Report Approval**

Written by: Clae Hack, Director of Finance

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

Approved by: Murray Totland, City Manager

Consultant Services.docx

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## HBI Office Plus – Supply of Haworth Office Furnishings – Blanket Purchase Order

### Recommendation

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

1. That the Administration prepare a blanket purchase order with HBI Office Plus, the exclusive Saskatchewan supplier of Haworth Office Furnishings, for the next five (5) years for an estimated cost of \$250,000 (not including taxes) per year; and,
2. That Purchasing Services issue the appropriate blanket purchase order.

### Topic and Purpose

The purpose of this report is to obtain City Council approval of a blanket purchase order for HBI Office Plus (HBI).

### Report Highlights

1. A blanket purchase order is recommended to ensure compatibility with existing furniture chosen as a corporate standard.
2. HBI is the exclusive supplier of Haworth Office Furnishings (Haworth) in Saskatchewan.
3. It is recommended that the Administration negotiate a multi-year blanket purchase order with HBI.

### Strategic Goal

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

### Background

City Council, at its meeting held on October 27, 2008, considered Administrative Report No. 20-2008, and resolved that the Haworth panel based system furniture line “Premise” be accepted as the standard for open office furnishings, for use in City Hall and other civic facilities.

### Report

#### Blanket Purchase Order Recommended

The Administration recommends that a blanket purchase order be put in place for the following reasons:

- Haworth furniture has been used as the corporate standard since 2009. Using this proprietary furniture will guarantee compatibility for future reconfigures and renovations.

- Furniture from Haworth will continue to replace discontinued furniture for which available parts are becoming increasingly scarce. As the Corporation replaces the previous furniture standard established over 35 years ago, reconfigurations will become more streamlined.
- An inventory of replacement components has been growing annually allowing for faster turn-around on reconfigurations and renovations. Storing furniture from a single manufacturer allows for greater organization and more efficient use of storage space.
- There will be increased administrative efficiencies by obtaining a multi-year blanket purchase order rather than annual blanket purchase orders.

#### Negotiate a Blanket Purchase Order

As HBI is the only authorized supplier in Saskatchewan of Haworth, the Administration is recommending that the City of Saskatoon negotiate directly with HBI to obtain a blanket purchase order for Haworth Office Furnishings to be used by the Project Services Section, Facilities & Fleet Management Division, by combining purchases into one, multi-year contract.

#### **Options to the Recommendation**

Individual tenders could be prepared for each renovation or reconfiguration. The Administration does not recommend this option due to reduced purchasing leverage, increased administrative costs, unavailability of parts, and the loss of efficiencies gained from the standardization of furniture.

#### **Policy Implications**

As HBI is the only authorized supplier in Saskatchewan of Haworth, the recommendation complies with Administrative Policy No. A02-027, Corporate Purchasing Procedure, Section 5.6(b), and Council Policy No. C02-030, Purchase of Goods, Services and Work, Section 4.3(b). These sections state that sole source procurement is permitted when supply is available from only one vendor due to the compatibility with existing equipment or services that have been established as a standard within the City.

#### **Financial Implications**

All furniture purchases related to this blanket purchase order are funded through the approved budgets of Project Service's customers.

#### **Other Considerations/Implications**

There are no environmental, privacy or CPTED implications or considerations. Public and/or stakeholder involvement or a communication plan is not required.

#### **Due Date for Follow-up and/or Project Completion**

If approved, the blanket purchase order will be in place for a period of five (5) years, provided HBI provides acceptable pricing annually and maintains status as the sole supplier of Haworth Office Furnishings.



**Public Notice**

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

**Report Approval**

Written by: Natalie Scott, Interior Design Consultant  
Reviewed by: Linda Leedahl, Manager, Purchasing Services  
Gord Hundebly, Manager, Project Services  
Tim Halstead, Director of Facilities & Fleet Management  
Kerry Tarasoff, CFO/General Manager, Asset & Financial  
Management Department  
Approved by: Murray Totland, City Manager

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## Annual Status Report – Non-Policy Tax Incentive Agreements

### Recommendation

That the report of the CFO/General Manager, Asset and Financial Management Department, dated March 7, 2016, be forwarded to City Council for information.

### Topic and Purpose

The purpose of this report is to present City Council with the annual status of the non-policy tax incentives.

### Report Highlights

1. Three organizations have received a total of \$976,129 in non-policy tax abatements in 2015.

### Strategic Goal

The Business Development Incentives Policy supports the long-term strategy of working collaboratively with economic development authorities under the Strategic Goal of Economic Diversity and Prosperity.

### Background

City Council approves non-policy tax incentives as part of an overall agreement to facilitate specific development projects. The Administration attempts to provide City Council with an indication of the value associated with each non-policy incentive agreement at the time of approval. However, these estimates are often based on preliminary information. This report summarizes the actual value of these non-policy incentives for 2015.

### Report

Each non-policy incentive agreement is unique in its objective and is site-specific. The following table lists the properties that have received non-policy tax incentives for 2015 and the total taxes abated (includes City, library, and education taxes).

Recipient	Term	End Date	2015 Incentive
Saskatoon Ideas Inc.	5 years	Dec. 31, 2016	\$7,885
Saskatoon Soccer Centre Inc.	5 years	Dec. 31, 2015	\$635,710
Saskatoon Airport Authority	5 years	Dec. 31, 2018	\$332,534
<b>Total 2015 Non-Policy Incentives</b>			<b>\$976,129</b>

- The incentive to Saskatoon Ideas Inc. is related to development in the south downtown and River Landing.
- Saskatoon Soccer Centre Inc. received the abatement on the condition that it contributes funds toward the Dedicated Capital Reinvestment Fund in order to ensure the timely repair or replacement of major capital components of the two soccer facilities.

- The Saskatoon Airport Authority (SAA) agreement allows taxes to be paid based on a per-passenger rate (rather than assessment based taxes). In 2015 the SAA paid taxes of \$1,024,992.

### **Financial Implications**

Property tax abatements approved result in the deferral of taxes based on the increase in the taxable assessment of the property. As a result, there is no immediate financial implication, other than deferral.

### **Other Considerations/Implications**

There are no environmental, privacy, policy, or CPTED implications or considerations. Public and/or stakeholder involvement and a communication plan are not required.

### **Due Date for Follow-up and/or Project Completion**

A report for the 2016 non-policy tax incentive agreements will be presented to the Standing Policy Committee on Finance and City Council in February 2017.

### **Public Notice**

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

### **Report Approval**

Written by: Jeff Knittig, Manager, Assessment & Tax Administration  
Reviewed by: Shelley Sutherland, Director of Corporate Revenue  
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

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## **Renewal of Listing Agreement – Former Saskatoon Police Service Headquarters – 130 and 140 4th Avenue North**

### **Recommendation**

That the Standing Policy Committee on Finance recommend to City Council that the existing listing agreement with ICR Commercial Real Estate (ICR) for the marketing and sale of the former Saskatoon Police Service Headquarters properties be extended for a period of six months at list prices as directed by the Administration.

### **Topic and Purpose**

The purpose of this report is to obtain City Council approval to extend the current listing agreement on the former Saskatoon Police Service Headquarters properties situated at 130 and 140 4<sup>th</sup> Avenue North with ICR for an additional six month period at list prices as directed by the Administration.

### **Report Highlights**

1. The Sale Listing Agreement for 130 and 140 4<sup>th</sup> Avenue North with ICR has expired and would be renewed for six months.

### **Strategic Goal**

The sale of 130 and 140 4<sup>th</sup> Avenue North supports the City's four-year priority of developing a funding strategy for expenses related to new capital expenditures under the Strategic Goal of Asset and Financial Sustainability.

### **Background**

A listing agreement with ICR was first approved by City Council at its meeting held on December 15, 2014. At its meeting held on July 23, 2015, City Council resolved that the listing agreement with ICR for the marketing and sale of the former Saskatoon Police Service Headquarters properties situated at 130 and 140 4<sup>th</sup> Avenue North, be extended for a period of six months with the list prices of \$11.5M and \$5.0M respectively.

### **Report**

The Listing Agreement with ICR expired January 23, 2016. ICR has marketed the property extensively, both locally and throughout the country. Considerable interest has been expressed and numerous discussions have been held with a number of interested parties, with increasing interest in the past number of months.

### **Options to the Recommendation**

The only other option would be to not renew the listing agreement with ICR and open up the marketing opportunity to other brokerage firms. In consideration of the continued interest being garnered through ICR's marketing efforts, the Administration does not recommend this option.

**Public and/or Stakeholder Involvement**

Ongoing negotiations and discussions with ICR are being completed in consultation with the Administration.

**Financial Implications**

Commission fees payable upon the sale of the property would remain the same in the renewed agreement as set out in the current agreement with ICR. That being 2% of the selling price, with 1% going to ICR as the listing agent, and 1% going to the selling agent. The 50/50 split is considered beneficial in attracting interest from agents from other brokerage firms. Based on the list prices of \$11.5M for 130 4<sup>th</sup> Avenue North and \$5.0M for 140 4<sup>th</sup> Avenue North, the total commission payable would amount to \$330,000.

**Other Considerations/Implications**

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

**Due Date for Follow-up and/or Project Completion**

In the event the property does not sell within the relisting period, a subsequent report will be tabled requesting direction as to how to proceed with continued marketing of the property.

**Public Notice**

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

**Report Approval**

Written by: Scott McCaig, Real Estate Services  
Reviewed by: Brad Murray, Acting Director of Saskatoon Land  
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial  
Management Department

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## Leasing of Civic Property – Bowerman House - 1328 Avenue K South

### Recommendation

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

1. That a new Lease and Operating Agreement be entered into with the Meewasin Valley Authority for the City of Saskatoon-owned property known as the Bowerman House, located at 1328 Avenue K South;
2. That the Meewasin Valley Authority, in lieu of paying rent, maintain the premises in accordance with the terms of the Lease and Operating Agreement, for a period of five years; and
3. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

### Topic and Purpose

The purpose of this report is to receive City Council's approval for the lease and operation of the Bowerman House by the Meewasin Valley Authority for a five-year term.

### Report Highlights

1. The Meewasin Valley Authority (Meewasin) has requested to continue to lease the Bowerman House from the City of Saskatoon (City).
2. In lieu of paying rent, Meewasin will continue to assume management and operation of the property.

### Strategic Goals

This report supports the City's Strategic Goal of Quality of Life. As a community, we find new and creative ways to showcase our city's built, natural, and cultural heritage.

### Background

The Bowerman House was built in 1907 as a private hunting lodge and summer residence for Allan Bowerman (a member of Saskatoon's first town council). The building was acquired by the Saskatchewan Anti-Tuberculosis League in 1924, serving thereafter, as a residence for sanatorium doctors until 1987.

The Bowerman House, and a portion of its surrounding grounds, was designated as a Municipal Heritage Property in 1986. The City purchased the property from the Province of Saskatchewan (Province) in 2004, and leased the house to Meewasin. Meewasin had previously managed the Bowerman House on behalf of the Province.

## **Report**

### Property Lease to Meewasin

The previous Lease and Operating Agreement between the City and Meewasin expired on October 31, 2015, and did not include an option for renewal. Previous lease agreements have specified that Meewasin, in lieu of paying rent, maintain the premises during the lease term. The City has permitted the Bowerman House to be sublet as a personal residence, providing the use is consistent with Meewasin's mandate to conserve the property, and that the City and Meewasin continue to have access to the Bowerman House. The same terms would be outlined in the new agreement.

### New Operating and Lease Agreement

Meewasin has requested to continue to lease the Bowerman House for the purpose of performing its conservation mandate, and will continue the maintenance, repairs, and management of the property, as will be outlined in the terms of the Operating and Lease Agreement.

A new lease agreement is required and would carry a five-year term, expiring on March 20, 2021.

## **Options to the Recommendation**

The Standing Policy Committee on Finance can reject the lease of the Bowerman House to Meewasin. The Administration does not recommend this option, as Meewasin has been a long-term steward of the property.

## **Public and/or Stakeholder Involvement**

Meewasin has had discussion with the Planning and Development Division regarding the desire to continue the current management and operation arrangement of the Bowerman House.

## **Financial Implications**

Meewasin must establish a reserve fund for any rent or donations it receives from the premises. The reserve fund will be used to pay for operating, maintenance, repair, and replacement expenses associated with the property. In the event of a shortfall in the reserve fund when capital cost expenditures are required, Meewasin may apply to the City for excess costs to be covered through the Heritage Reserve Fund.

## **Other Considerations/Implications**

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

## **Due Date for Follow-up and/or Project Completion**

If approved, the proposed lease agreement would expire on March 20, 2021.

**Public Notice**

Public notice is required for consideration of this matter, pursuant to Section 3(i) of Public Notice Policy No. C01-021, which states that public notice is required when selling or leasing land for less than fair market value and without a public offering.

**Report Approval**

Written by: Catherine Kambeitz, Heritage and Design Coordinator, Planning and Development

Reviewed by: Lesley Anderson, Acting Director of Planning and Development

Approved by: Alan Wallace, Acting General Manager, Community Services Department

S/Reports/2016/PD/FINANCE – Leasing of Civic Property – Bowerman House – 1328 Avenue K South/lc