



**PUBLIC AGENDA  
STANDING POLICY COMMITTEE ON FINANCE**

**Monday, October 30, 2017, 2:00 p.m.**

**Council Chamber, City Hall**

**Committee Members:**

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

**Pages**

**1. CALL TO ORDER**

**2. CONFIRMATION OF AGENDA**

**Recommendation**

That the agenda be confirmed as presented and that the speakers be heard.

**3. DECLARATION OF CONFLICT OF INTEREST**

**4. ADOPTION OF MINUTES**

**Recommendation**

That the minutes of Regular Meeting of the Standing Policy Committee on Finance held on October 2, 2016 be adopted.

**5. UNFINISHED BUSINESS**

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

**6.1 Delegated Authority Matters**

**6.2 Matters Requiring Direction**

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

**7. REPORTS FROM ADMINISTRATION**

**7.1 Delegated Authority Matters**

**7.1.1 Amusement Tax [File No. CK. 1910-2 and AF. 1910-2]**

**6 - 18**

A request to speak has also been received from Anne Fitzgerald, on behalf of the Movie Theater Association of

Canada.

**Recommendation**

That the information be received.

- 7.1.2 **2017 Third Quarter Results – City of Saskatoon’s Corporate Business Plan and Budget – Shaping Our Financial Future [File No. CK. 430-72. x 1700-1 and AF. 115-3 x 430-1]** 19 - 41

**Recommendation**

That the information be received.

- 7.1.3 **Internal Audit Budget Information Update – October 2017 [File No. CK. 1600-3 and AF. 1600-1]** 42 - 48

**Recommendation**

That the information be received.

- 7.1.4 **Repaid Productivity Improvement Loans 2017 [File No. CK. 1750-1 and AF. 1700-1 x 1700-2]** 49 - 50

**Recommendation**

That the information be received.

- 7.1.5 **Three-Year Land Development Report 2018 – 2020 [File No. CK. 4110-1, AF. 4110-1 x 4110-001 and LA. 4110-001]** 51 - 87

A PowerPoint presentation will be provided.

**Recommendation**

That the information be received.

- 7.1.6 **New Fire Station No. 5 Update [File No. CK. 630-1]** 88 - 90

**Recommendation**

That the information be received.

- 7.1.7 **Contract Award Report - May 1 to August 31, 2017 [File No. CK. 1000-1 and AF. 1000-1]** 91 - 93

**Recommendation**

That the information be received.

**7.2 Matters Requiring Direction**

- 7.2.1 **Acquisition of Land Owned by L&L Gravel & Ranching Co. Ltd. for North Commuter Parkway Project [File No. CK. 4020-1, x 6050-10 and TS 6050-1 & 6050-10]** 94 - 97

**Recommendation**

That the Standing Policy Committee on Finance recommend to

City Council:

1. That the Real Estate Manager be authorized to acquire portions of LSD 9, 10, and 11 in Section 23; Township 37; Range 5; West of the 3rd Meridian, comprising approximately 2.82 acres from L& L Gravel & Ranching Co. Ltd.;
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal; and
3. That all costs associated with the land acquisition be charged to the Capital Project Land Acquisition account for the North Commuter Parkway project.

**7.2.2 Climate and Asset Management Network [File No. CK. 1860-1, x 1295-1. x 375-5 and AF. 1860-002]** 98 - 102

**Recommendation**

That the Standing Policy Committee on Finance recommend to City Council that His Worship the Mayor and the City Clerk be authorized to execute on behalf of the City of Saskatoon the contribution agreement for the funding grant under the Climate and Asset Management Network Program.

**7.2.3 Neighbourhood Land Development Fund Surplus Allocation [File No. CK. 1820-1, x 1702-1, AF. 1702-1 x 1815-1 and CK. 750-4]** 103 - 107

**Recommendation**

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

1. That \$12.5 million from the previously declared Neighbourhood Land Development Fund be allocated in 2017 to the Capital Projects as outlined in Table 1 of the October 30, 2017 report of the CFO/General Manager, Asset & Financial Management;
2. That \$7.5 million from the previously declared Neighbourhood Land Development Fund surpluses be allocated in 2018 to the Capital Projects as outlined in Table 1 of October 30, 2017 report of the CFO/General Manager, Asset & Financial Management, subject to approval of the 2018 Capital Budget; and

3. That the remaining unallocated surpluses previously declared from the Neighbourhood Land Development Fund be allocated as follows:
  1. \$360,000 to the Reserve for Capital Expenditures Reserve for 2018;
  2. \$400,000 to the Affordable Housing Reserve for 2019; and
  3. \$5.034 million to the proposed new Recreation and Parks Funding Plan.

**7.2.4 2018 Property Tax Notice [File No. CK. 1920-1, x CK. 1905-5 and AF. 1905-5] 108 - 116**

**Recommendation**

That the Standing Policy Committee on Finance recommend to City Council that the Administration be directed to continue with the one-page Property Tax Notice format currently provided to property owners.

**7.2.5 Inquiry – Councillor Z. Jeffries (January 25, 2016) GPS in Civic Vehicles and “How’s My Driving?” Decals [File No. CK. 1390-1 and CK. 1390-1] 117 - 121**

**Recommendation**

That the report of the CFO/General Manager, Asset and Financial Management Department, dated October 30, 2017, be forwarded to City Council for information.

**8. OTHER**

**8.1 2018 Preliminary Business Plan and Budget**

City Council, at its Regular Business Meeting held on October 23, 2017, resolved that the meeting agendas for the Standing Policy Committees leading up to City Council’s Budget Deliberations include “2018 Preliminary Business Plan and Budget” as a standing agenda item to allow for discussion and comment.

**9. URGENT BUSINESS**

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

**11. GIVING NOTICE**

**12. IN CAMERA AGENDA ITEMS**

## **Recommendation**

That the following items be considered *In Camera*.

### **12.1 Land Matter [CK. 4110-1, AF. 4131-1 and LA. 4110]**

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

### **12.2 Audit Matter [File No. CK. 1600-13]**

*[In Camera - Audits and Tests - Section 19; and Advice from Officials -  
Section 16 LAFOIP]*

### **12.3 Audit Matter [File No. CK. 1600-1]**

*[In Camera - Third Party Information - Section 18; and Audits and Tests  
- Section 19 LAFOIP]*

### **12.4 Verbal Updates**

#### **12.4.1 Council Members**

#### **12.4.2 Administration**

## **13. RISE AND REPORT**

## **14. ADJOURNMENT**

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## Amusement Tax

### Recommendation

That the information be received.

### Topic and Purpose

The purpose of this report is to provide Standing Policy Committee on Finance information regarding the history of Amusement Tax usage in Saskatoon.

### Report Highlights

1. *The Cities Act* provides the ability to tax each admission to “a place of amusement.”
2. In 2007, City Council approved an amendment to the Amusement Tax Bylaw to exempt cinemas from paying amusement tax.

### Strategic Goals

This report supports the Strategic Goal of Asset and Financial Sustainability ensuring that the City of Saskatoon (City) is open, accountable and transparent regarding the decisions it makes relating to taxation.

### Background

At its meeting of August 28, 2017, when considering the 2018 Business Plan and Budget Update – 30 Day Challenge report, City Council resolved, in part:

- “2. That the Administration report back to the Standing Policy Committee on Finance regarding the Amusement Tax.”

### Report

#### Amusement Tax on Admissions

*The Cities Act* provides City Council with the ability to impose a tax on each admission to ‘a place of amusement.’ This definition may include cinemas, arenas and stadiums hosting sporting events and various live entertainment venues. Options also include collecting a certain sum in lieu of the tax from the place of amusement or exempt specific places or persons.

From approximately the mid-1950s, the City Bylaw in effect contained a wide definition of amusement from which many groups and venues requested and were granted an annual exemption. The net result was that amusement tax was primarily collected and remitted by cinemas and the midway at the Saskatoon Prairieland Exhibition.

In 1999, City Council directed that the City Solicitor rewrite the Amusement Tax Bylaw to identify only those activities that are actually being taxed under the existing bylaw. As a result, the definition of amusement as contained within the revised bylaw (Bylaw 7978) adopted by City Council on October 2, 2000 included only motion picture cinemas and the midway at the Exhibition.

## Amusement Tax

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### Amendments to the Amusement Tax Bylaw

At its meeting of June 25, 2007, when considering an Amusement Tax report of the General Manager, Corporate Services (Attachment 1), City Council resolved that the Amusement Tax Bylaw, 2000 be amended to exempt cinemas from paying amusement tax. The Bylaw requires only that amusement tax be collected by the Saskatoon Prairieland Annual Exhibition on each admission to an amusement ride, a menagerie, a sideshow or other amusement on the midway. As an incentive program for capital projects, the City has historically provided a grant to Prairieland equivalent to the amusement tax that is collected.

The two following agreements approved by City Council may have had significant impact on the decision to approve the exemption of cinemas in general from paying amusement tax:

1. The Enterprise Zone Policy, effective 2002, was intended to encourage businesses to locate or expand operations in a designated 'enterprise zone' area. City Council received a request to amend the Policy (first effective in 2002) to allow the inclusion of an amusement tax rebate for cinemas in the enterprise zone. The Policy was intended to encourage businesses to relocate or expand operations in that specific area. The discussion when this amendment was considered was the re-use of the former Roxy Theatre on 20<sup>th</sup> Street. The amendment was focused on cinema use only, and the Roxy Theatre was the only existing cinema within the Enterprise Zone. City Council approved a five-year rebate period of 2006–2010. The rebate was unnecessary when the Bylaw was amended in 2007 to exempt cinemas.
2. In May 2005, the City entered into an agreement with regard to the Galaxy Theatre. The agreement included the provision that all amusement tax collected by the theatre would be returned to the organization through an annual grant. The agreement includes provisions to allow for discontinuing the grant in the absence of an amusement tax, and also that should an amusement tax be re-instated, the grant would also be re-instated.

Regarding the impact of removing amusement tax from cinema tickets, Administration did not monitor the effect on theatres or the residents of Saskatoon.

Michael Paris, a representative of Cineplex in its capacity as a member of the Movie Theatre Association of Canada, was able to provide perspective (Attachment 2).

A KPMG study (<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94513.pdf>) prepared for the City of Toronto provides additional analysis and research.

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

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

## Amusement Tax

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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. Amusement Tax Report to Administration and Finance Committee dated June 1, 2007
2. Email from Michael Paris, representative of Cineplex, dated October 13, 2017

### Report Approval

Written by: Shelley Sutherland, Director of Corporate Revenue  
Approved by: Kerry Tarasoff, CFO/General Manager, Asset and Financial Management Department

Amusement Tax History.docx



**TO: Secretary, Administration and Finance Committee**  
**FROM: General Manager, Corporate Services Department**  
**DATE: June 1, 2007**  
**SUBJECT: Amusement Tax**  
**FILE NO: CK. 1910-2**

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**RECOMMENDATION:** that the direction of the Committee issue.

## **BACKGROUND**

City Council, at its meeting held on April 16, 2007, during consideration of the 2007 Operating Budget and, in particular, the above matter, resolved that the issue of amusement tax for theatres be referred back to the Administration and Finance Committee for further discussion.

## **DISCUSSION**

As support for Council's ongoing discussions with regard to amusement tax, the following provides information regarding:

- a brief history of our amusement tax bylaw,
- two grants of amusement tax approved by City Council,
- current situation: Prairieland Park and Rainbow, Empire and Centre Cinemas,
- Amusement Tax in Canada, and
- options for discussion.

## **History**

Archival data indicates the City of Saskatoon has had a bylaw for the collection of amusement tax dating back to the 1920s. For several decades (since about the mid 1950s), the City Bylaw in effect, Bylaw 5724, contained a wide definition of amusement. Many groups, activities, and venues were able to request (annually) an exemption from the application of this tax. The net result was that amusement tax was primarily collected and remitted by cinemas and the midway at the Saskatoon Prairieland Exhibition.

In 1999, after consideration of recommendations from the Internal Auditor, City Council directed that the City Solicitor rewrite the Amusement Tax Bylaw to identify only those activities that are actually being taxed under the existing bylaw. As a result, the definition of amusement as contained within the revised bylaw (Bylaw 7978) adopted by City Council on October 2, 2000, includes only motion picture cinemas and the midway at the Exhibition.

The bylaw came into effect on January 1, 2001. Since then, the City has received amusement tax from all motion picture cinemas and the Exhibition midway. City Council has approved grants to two cinemas equivalent to annual amusement tax remitted.

## **Grants**

### **Grant equivalent to Amusement Tax remitted, Roxy Theatre**

The Enterprise Zone policy that came into effect in 2002 contains provisions intended to encourage businesses to locate or expand their operations in the Enterprise Zone. In 2004, City Council received a request to amend the policy to allow the inclusion of an amusement tax rebate (up to five years) for cinemas in the enterprise zone. The specific discussion when this amendment was considered was the re-use of the former Roxy Theatre (Towne Cinema) on 20<sup>th</sup> Street. The amendment was focused on cinema use only, and the Roxy Theatre is the only existing cinema within the Enterprise Zone.

In 2006, the first year of five-year rebate period expiring in 2010, the rebate to the Roxy Theatre was \$10,588. Based on the past 8 months, the rebate for 2007 is projected to be approximately \$8,500.

### **Grant equivalent to Amusement Tax remitted, Galaxy Theatre**

On May 18, 2005, the City of Saskatoon entered into an agreement with Viacom Canada Inc. (“Famous Players”) and Princeton Developments Ltd. The grant was approved as an incentive for the construction of the movie theatre in the south downtown. One component of the agreement is with respect to an annual ongoing grant to Famous Players for amusement tax collected.

Based on monthly receipts since September, 2006, and assuming movie attendance at the Galaxy Theatre remains consistent, the grant amount for 2007 will be approximately \$440,000.

## **Current situation**

As required by bylaw, amusement tax continues to be remitted by Prairieland Exhibition, and the Rainbow, Empire, and Centre Cinemas.

### **Prairieland Exhibition**

Prairieland Park continues to remit amusement tax averaging \$42,000 annually from admissions to the exhibition midway. The park is undergoing development, and City Council had been asked to consider providing a grant equivalent to the amusement tax remitted. This grant, should it be approved, would provide a source of capital for reinvestment into further development in Prairieland Park to enable it to attract major trade shows and other events to the City. On November 14, 2005, City Council approved Prairieland’s request and referred it to the Budget Committee. To date, it has not been funded.

### **Rainbow, Empire, and Centre Cinemas**

The amusement tax remittances from the three remaining cinemas for the fourth quarter of 2006 indicated a decline in attendance at these three theatres. That trend has continued into the first quarter of 2007. The following chart indicates projected 2007 amusement tax revenue based on

the first quarter of 2007, together with the average percentage decline in receipts in 2007 compared to the same period of 2006:

	Projected 2007 <u>Amusement tax</u>	Average monthly decline in remittances <u>(2007 to 2006)</u>
Empire Theatre	\$ 18,239	-66.7%
Centre Cinemas	44,040	-66.7%
Rainbow Cinemas	<u>79,692</u>	-27.8%
	\$141,971	

### **Amusement Tax in Canada**

The jurisdictions in Canada where amusement tax is currently collected are Winnipeg, Regina, and Saskatoon.

	Calgary	Regina	Saskatoon	Winnipeg	Toronto	Vancouver
Authority to levy	None	The Cities Act	The Cities Act		City of Toronto Act, 2006	None
Application of tax	n/a	Movie theatres	Movie theatres Exhibition midway	Movie theatres & Facilities with seating capacity greater than 4,999	n/a	n/a
Tax rate	n/a	10% on all admissions	9% on some admissions	10% of admissions over \$5.00	n/a	n/a

The City of Winnipeg updated its amusement tax bylaw in 2006. Whereas the previous bylaw included a wide definition of entertainment with many exemptions, *The Simplified Entertainment Funding By-Law* exempts all places of amusement except movie cinemas and entertainment facilities with a seating capacity of 5,000 or greater. As stated in the Bylaw: “*the purpose of this tax is to provide a source of funding for arts and culture in the City of Winnipeg.*”

The levying of amusement tax in Canada is relatively rare, but a number of municipalities in this and other provinces continue to lobby provincial governments for the ability to fund municipal programs from sources of revenue other than property tax. For example: Edmonton, Calgary, and other Alberta cities do not currently have authority to raise revenue through amusement tax. However, as discussed in an article in *Calgary Herald* of May 27, 2007, a proposal is currently before the Alberta provincial government recommending cities have, among other taxing powers, the ability to levy an amusement tax.

Further, *The City of Toronto Act, 2006*, proclaimed on January 1, 2007, provided Toronto’s civic government with “more flexibility to raise revenue in addition to property tax”<sup>1</sup> including the

<sup>1</sup> <http://www.mah.gov.on.ca/Page587.aspx>

authority to levy amusement tax. That City's Administration is currently investigating the various new revenue generation tools supplied through the Act. While no decisions have been made to date, a consultant's report on the subject summarized their perspective of the issues regarding amusement tax:

*The taxing of amusement admissions is generally justified on two grounds. Firstly, it is a tax on discretionary consumption, often disproportionately by higher income earners. Secondly, at least a portion of a tax would be exported since non-residents will often spend money at entertainment events. Conversely, a tax on admissions may adversely affect organizations and activities which are generally considered particularly beneficial to the City.<sup>2</sup>*

## **OPTIONS**

City Council made the decision to make no amendments to the Amusement Tax Bylaw for 2007. While there may be others, the following options are offered for the purposes for further discussion:

### **Option 1: Eliminate the Amusement Tax Bylaw**

The elimination of the collection of amusement tax will result in a reduction of approximately \$184,000 (\$142,000 cinemas and \$42,000 from the midway at Prairieland Exhibition) to the annual operating budget. To maintain existing service levels, this would require other revenue sources be identified to offset this reduction.

### **Option 2: Exempt amusement tax on admissions under \$5.00**

A second option is to amend the Bylaw to provide an exemption on movie admissions under \$5.00, as was done by the City of Winnipeg. Assuming only the Rainbow Cinemas offers movie admissions for less than \$5.00, the annual revenue reduction will be approximately \$80,000.

This option may be seen as inequitable by the other two cinemas.

### **Option 3: Exempt amusement tax on admissions to cinemas in the downtown core**

Amending the Bylaw to provide an exemption on movie admissions in the downtown core would result in approximately \$18,000 reduction of annual operating revenue.

This amendment would exempt only the Empire Theatres (previously Capital 4). At the same time, it would recognize that this theatre has played a role in maintaining activity in the core area for many years by attracting people to the downtown in the evenings and weekends

This option may be considered inequitable by the other two cinemas.

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<sup>2</sup> [http://www.toronto.ca/finance/pdf/cota\\_revtoolsfinal.pdf](http://www.toronto.ca/finance/pdf/cota_revtoolsfinal.pdf)

Option 4: Exempt amusement tax on admissions to cinemas in the same market as the Galaxy

Another option may be to amend the Bylaw to provide an exemption on movie admissions to cinemas in the same market at the Galaxy Theatre (i.e. playing ‘first run’ movies). Assuming this applied to both Empire Theatre and Centre Cinemas, the revenue expectation for 2007 would be reduced by \$62,000.

This option may be considered inequitable by the one cinema (playing ‘second run’ movies) that would not be subject to this amendment.

Option 5: Eliminate the Amusement Tax Bylaw over a period of 2 or 3 years

The total amusement tax remitted by the three cinemas for 2007 is anticipated to be approximately \$142,000, with approximately \$42,000 remitted by Prairieland Exhibition. City Council may choose to eliminate the collection of amusement tax over a period of two, three or four years for cinemas only, for Prairieland Exhibition only, or for both.

As in every preceding option, to maintain existing service levels, other revenue sources must be identified to offset this reduction.

Option 6: Provide an annual grant to Prairieland Park

City Council may approve Prairieland Park’s request for a grant equivalent to amusement tax remitted to be used in capital programming. A future agreement would stipulate the grant be used for capital costs only. Further, at the end of the calendar year, Prairieland Park would be required to provide an accounting of where the grant money was spent.

Option 7: Expand amusement tax bylaw to admissions at other venues

City Council may instruct Administration to investigate the option of amending the amusement tax bylaw to include admissions to events other than movies and the Prairieland Exhibition midway. The criteria regarding where amusement tax would be charged could be based on ticket price, seating capacity (as is done in the City of Winnipeg), or a combination.

Specifying where the amusement tax revenue is to be spent may contribute to public understanding and acceptance of the tax. The City of Winnipeg designates amusement tax revenue to fund the local arts. Some jurisdictions in the United States have used the revenue to fund the development of new venues. Rationale for this approach may also include the relative stability and reliability for this source of revenue for development of future programming.

Another aspect of amusement tax considered positive by some is that a portion of the revenue would be collected from non-residents attending events in the City. However, all the revenue would be available to be allocated by Council as funding for a particular program, as was done in Winnipeg, or to reduce the overall tax property tax burden on the citizens of Saskatoon.

This option may be considered less than desirable by venue operators with concerns such as:

- Risk of declining patronage,
- decreased revenues,
- administrative costs of remitting, and
- equity of selection of venue to which amusement tax will apply.

### **PUBLIC NOTICE**

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

Written by: Shelley Sutherland, City Treasurer

Approved by: Marlys Bilanski  
Marlys Bilanski, General Manager  
Corporate Services Department  
Dated: June 5, 2007

amusement tax 3.doc  
Copy - City Manager

## Email from Michael Paris

**From:** Michael Paris [<mailto:Michael.Paris@cinplex.com>]

**Sent:** October 13, 2017 9:15 AM

**To:** Sutherland, Shelley (AF - Corporate Revenue) <[Shelley.Sutherland@Saskatoon.ca](mailto:Shelley.Sutherland@Saskatoon.ca)>

**Subject:** Amusement Tax Report - Comments from Cineplex

Shelley:

As discussed, below are a few points to consider for your report from an industry perspective. Please note that as a publicly traded company, we are not at liberty to share non-public confidential information about specific markets. That notwithstanding, I have included some recent third party research that you may find useful for your report.

**1) Changes in Theatrical Exhibition since Repeal of the Saskatoon Amusement Tax**

Since the City of Saskatoon repealed its Amusement Tax in 2007, the business of theatrical exhibition has continued to adapt to an expanding universe of in-home, out-of-home, and online competition for the public's leisure time and disposable income. The flood of entertainment options that have become available has resulted in flattening consumer demand that has caused a shift among theatrical exhibitors to focus on value added offerings and other enhancements to the guest experience.

In 2007, exhibitors were principally concerned about the size, number, and proximity of competing exhibitors. The industry in Canada has since consolidated from 7 to 4 medium to large-scale exhibitors and they are now focused on a much broader array of competitive concerns, including:

- The ability to maintain and grow theatre attendance and movie-going frequency;
- The seating capacity, location, quality and reputation of an exhibitor's theatre;
- The level of customer service and amenities such as premium seating, VIP Cinemas, specialized auditoriums (such as UltraAVX) and variety of food service offerings;
- The quality of projection and sound equipment, including specialized projection systems such as 3D and digital offerings; and
- Marketing and promotional programs, including loyalty programs.

The common thread is that exhibitors are more concerned than ever about the quality of the overall guest experience. It is no longer enough to monitor what a competitor may be screening across town, today's industry is increasingly concerned about how the guest feels from the moment they choose a "night at the movies" as their preferred entertainment option.

The shift in focus is easy to understand – the consumer has far more entertainment options in 2017 than they had 10 years ago.

Today, out-of-home competitors include fellow exhibitors, sporting events (the SaskTel Centre increased its capacity to 15,000 in 2008), cultural venues (the \$80M Remai Modern opens later this month), live music, live theatre (the Persephone Theatre moved into the Frank & Ellen Remai Arts Centre at River

Landing in 2007) and restaurants. In-home competitors include secondary movie distribution channels, such as cable and satellite television, DVDs / Blu-ray discs, Video On-Demand, as well as pay-per-view services and a variety of new streaming / download services via the Internet, including Netflix, CraveTV and others. Exhibitors must also compete with new gaming platforms, virtual reality experiences, and other forms of entertainment delivered via smartphones and apps.

Cineplex believes that movie theatres compete well with these alternative forms of entertainment as a result of cinema's lower cost and higher availability. Notwithstanding the belief that a night at the movies is good value for the consumer, recent research from Telefilm suggests that cost and competition are the primary causes of the increasing economic challenges facing exhibitors:

- **Cost impacts cinema attendance:** Every year, roughly two thirds of Canadians go to the movies at some time. According to the TeleFilm research, Canadians report going to the movies less often. Costs, a preference for at-home viewing and a perceived lack of films that need to be seen at the cinema were provided as key reasons for the reported variability in attendance.
  - *Understanding and engaging with audiences* (November 2016) - <https://telefilm.ca/en/studies/understanding-and-engaging-with-audiences>, Pg. 37.
- **Cinema competes against multiple channels:** Films are viewed primarily at home. Moviegoing is most popular among younger Canadians, with attendance at movie theatres then tending to decline with age. The proportion of Canadians with a Netflix subscription has grown substantially, to over 40%. This increases to 60% among millennials.
  - *Audiences in Canada: Trend Report* (July 2016) - <https://telefilm.ca/en/studies/audiences-canada-trend-report>, Pg. 2.

In order to maintain its value proposition in Saskatoon, Cineplex has sought to keep its pricing consistent while continuing to invest in its facilities (ex. Scotiabank Theatre Saskatoon and VIP). The objective is to ensure its theatres remain state-of-the-art and become a meeting place as well as an entertainment destination. However, the most pressing matter for the consumer continues to be the price of a cinema ticket.

Because entertainment is considered a luxury good (as opposed to a necessity or commodity), consumers are highly sensitive to changes in price. Exhibitors must deliver superior entertainment offerings and service than their competition and must do so at a lower cost to the consumer.

As noted by KPMG in its 2016 "Revenue Tools Options Study" provided to the City of Toronto, cinema tickets are uniquely sensitive to price increases when compared to other forms of entertainment:

"... admission revenues to live entertainment are generally considered to be price elastic. This is due in part to the fact that entertainment is considered a luxury good. Based on information provided by a standard economics textbook, the price elasticity for movie theatres is assumed to be -0.87 while that of live sporting events and shows is assumed to be -0.23. Another study cited that the elasticity of performing arts tickets is between -0.3 and -0.6;43 the average of this range (-0.45) was used for the analysis. **These figures mean that a 10% increase in movie ticket prices will reduce demand by 8.7%** but the same 10% increase in the cost of live performing arts tickets will reduce demand by only 4.5%. Similarly, the same increase in live sports entertainment tickets will reduce demand by only 2.3%. **These differences in demand impact are due in part to the fact that there are not many substitutes to the unique experience that live entertainment provides, whereas one could wait for a movie to stream**



**online instead of going to the cinema. Competition for movie theatres from internet streaming services is likely increasing given the advent of services such as Netflix.”**

In summary, the past decade has put increasing pressure on theatrical exhibitors to compete with a wide variety of new entertainment options and to anticipate new challenges – especially those arising from innovative and disruptive technologies. Just as Saskatoon has made significant investments in the last decade to help its economy compete in a global marketplace, theatrical exhibitors have also been required to adapt.

**2) Changes in Resident Behaviour in Saskatoon**

As noted above, Cineplex is not at liberty to disclose non-public confidential information about specific markets. That being said, in light of its Abatement Agreement with the City of Saskatoon dated May 18, 2005, Cineplex has no specific data on the before and after effects of the Amusement Tax on the behaviour of Saskatoon residents. The reason is that the Amusement Tax was never made visible to guests at a Cineplex location in Saskatoon as the Scotiabank Saskatoon Theatre was constructed after (and as a condition of) the Abatement Agreement.

To the extent Cineplex or its predecessors collected the Amusement Tax on the sale of cinema tickets in Saskatoon, the proceeds were:

- a) returned by the City of Saskatoon in the form of abatements and grants equivalent to the Amusement Tax proceeds collected;
- b) never separately identified to guests and never directly increased the ticket price charged; and
- c) only ever remitted from September 1, 2006 up until the time the Amusement Tax was repealed on or about July 1, 2007.

Notwithstanding the above, our records of the press coverage from 2007 suggest there was some concern from fellow exhibitors that the Abatement Agreement with the City of Saskatoon resulted in a disproportionate burden among the other businesses who were required to collect and remit the Amusement Tax. To the best of our knowledge, those concerns would still apply today as the Abatement Agreement will remain in effect in perpetuity as it concerns the reintroduction of any Amusement Tax or similar bylaw that would apply to Scotiabank Theatre Saskatoon and VIP.

I hope the above is helpful for your purposes. Please don't hesitate to be in touch if you have any questions.

Kind regards,

Michael Paris | Director, Legal Counsel  
1303 Yonge Street, Toronto, ON, M4T 2Y9, Canada  
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 Vice-Chair  
 Phone: 416-323-7274  
 Email: [anne.fitzgerald@cinplex.com](mailto:anne.fitzgerald@cinplex.com)

**October 3, 2017**

**Via Email** Office of the City Clerk <[city.clerks@saskatoon.ca](mailto:city.clerks@saskatoon.ca)>

Joanne Sproule  
 Office of the City Clerk  
 222 3rd Avenue North  
 Saskatoon, SK S7K 0J5

Dear Ms. Sproule:

**Re: Request to Speak – Finance Committee – Proposed Amusement Tax**

On behalf of the Movie Theatre Association of Canada (MTAC), I am writing to request an opportunity to speak at the meeting of the Standing Policy Committee on Finance scheduled for **October 30, 2017**. The agenda item we propose to address is the proposed amusement tax that we understand scheduled for review and discussion by the Committee on that date. Subject to the discretion of Chair, we should require no longer than 15-20 minutes of speaking time.

Please advise if you require anything further to support this request.

Yours truly,

Anne Fitzgerald, Vice Chair MTAC

cc: Nuria Bronfman, Executive Director, MTAC  
 Neil Campbell, CEO, Landmark Cinemas, Chair MTAC

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## 2017 Third Quarter Results – City of Saskatoon’s Corporate Business Plan and Budget – Shaping Our Financial Future

### Recommendation

That the information be received.

### Topic and Purpose

This report presents the third quarter results for the City’s 2017 Corporate Business Plan and Budget – *Shaping Our Financial Future*, as of September 30, 2017.

### Report Highlights

1. The 2017 budget projections are indicating a 0.72% unfavourable variance from budget. The Administration will be taking all reasonable measures to deliver a balanced budget at year-end.
2. Key projects outlined in the 2017 Corporate Business Plan and Budget are on track, with some completed and others progressing well.

### Strategic Goal

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

### Report

Quarterly 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.

The initiatives that are approved in the business plan have been sorted according to business lines. Budget allocations are also reported according to business lines.

### Business Plan Highlights

Attachment 1 provides a summary of the status (as of September 30, 2017) of some of the key projects outlined in the 2017 Corporate Business Plan and Budget.

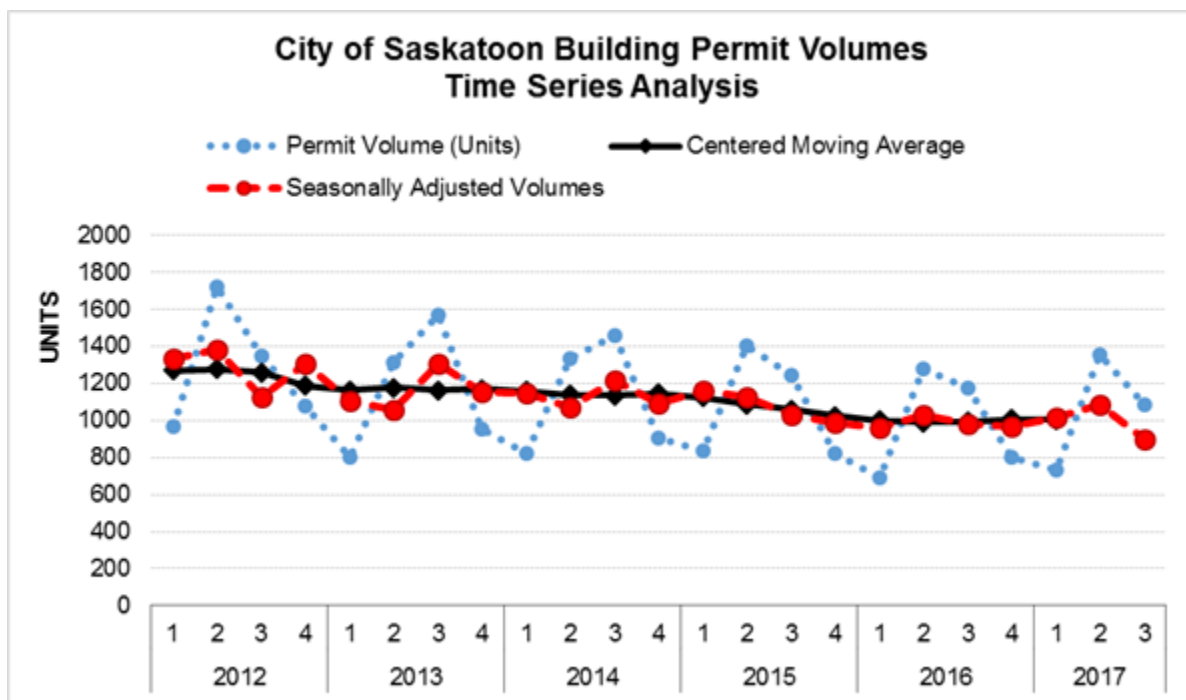
Attachment 2 provides a year-to-date building permit summary report to the end of September 2017.

Residential construction in Saskatoon remains active. So far this year, there has been greater demand for apartment and housing projects and a lower demand for industrial projects. The greater demand for residential permits has resulted in the creation of 1,533 residential units compared to 1,255 residential units at the end of September 2016.

Overall building permit volumes are approximately 0.3% higher than volumes seen in the first nine months of 2016. Value of construction associated with permits issued to the end of September 2017 is approximately 0.1% higher than September 2016.

As of the end of September, there were six permits issued that had a construction value higher than \$10.0 million, which is consistent with the activity seen this time last year.

The following graph outlines quarterly building permit activity for the last five years. The centered moving average and seasonally adjusted volumes smooth actual permit volumes to demonstrate data trends. Since 2015, permit volumes have stabilized to an average of approximately 1,000 permits per quarter.



Year-end Budget Projections

The 2017 budget projections to year-end indicate a forecasted \$3.4 million or a 0.72% unfavourable variance from budget (Attachment 3) after applying transfers from reserves. This projection includes several mitigating factors such as deferral of contributions to the Landfill Replacement and Snow & Ice Stabilization reserves that would require City Council approval at year end if required. While the Administration continues to control operating expenditures through a discretionary hiring and spending freeze, non-tax revenues continue to be a prevailing issue as indicated below. It is cautioned that this remains a projection and is subject to variance as the remainder of the year proceeds.

Since the 2017 Mid-year Update report, as presented on August 14, 2017, projected operating expenditures have decreased by approximately \$1.5 million partially due to the discretionary hiring and spending freeze. While the Administration has been

actively managing expenditures, the biggest changes from the Mid-Year Report, which projected a \$2.9 million deficit are due to further declines in non-tax revenues which include:

- Taxation and General Revenues previously forecasted a \$0.36 million surplus which is now a \$1.5 million deficit largely due in relation to Fines and Penalties, specifically:
  - Parking tickets are currently projecting \$4.0 million in revenue compared to a budget of \$5.7 million. Increased penalty rates as well as the implementation of the parking app has increased compliance, resulting in the revenue shortfall. Revenues in 2016 and 2015 were \$4.3 and \$4.4 million respectively.
  - Traffic violations are currently projecting \$4.2 million in revenue compared to a budget of \$4.9 million. This shortfall is due to an ongoing trend of lower patrol tickets issued due to increased compliance as well as the implementation of automated speed enforcement and red light cameras whose revenue is dedicated to traffic safety improvements.
- Transportation also experienced a significant change as this business line was previously reporting a \$0.48 million deficit at second quarter and is now projecting a \$1.28 million deficit. This change in projections is largely due to Saskatoon Transit’s revenue forecast being refined and increased fuel costs compared to budget, as oil and gas/diesel prices continue to rise.

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

Transportation (net \$0.48 million deficit)

- Snow Removal: An estimated \$1.75 million (13.9% variance) surplus is projected due to the mild weather experienced in the first half of 2017. In an effort to mitigate the overall corporate deficit, this forecast also includes deferral of the transfer to the Snow & Ice Reserve as it is currently has a balance of \$2.1 million.
- Street Cleaning: A \$0.63 million (16.8% variance) deficit is projected due to additional salary and contractor costs in order to provide the currently approved service level.
- Transit: An estimated \$1.79 million (7.0% variance) deficit is projected mainly due to:
  - overall ridership, charter and fare revenues being less than anticipated by \$1.4 million; and
  - higher expenses than budget by \$0.37 million mainly due to salary changes which have been adjusted for in the 2018 preliminary budget. This over expenditure is offset by savings in fuel and vacancies and under fills as a result of the discretionary spending freeze.

- Parking: A \$0.48 million (15.2% variance) deficit is projected. The forecasted deficit is primarily the result of expenditures for higher commissionaire costs than originally included in the budget and payments for enforcement communication for the new parking meters.

Taxation and General Revenues (\$1.31 million deficit)

- Fines and Penalties: An estimated \$2.42 million (25.9% variance) deficit is projected due to traffic and parking violations currently trending behind budgeted revenues.
- General Revenue and Grants in Lieu: An estimated \$1.1 million favourable variance (1.2% variance) is projected mainly due to higher grants in lieu of taxes from City-owned utilities and federal agencies as a result of higher consumption and growth than originally budgeted.

Environmental Health (\$1.56 million deficit)

- Waste Handling Service: A projected \$1.46 million (19.8% variance) deficit is mainly due to increased regional landfill competition which has resulted in decreased revenue from commercial haulers. In addition, the subscription programs for leaves and grass and compost in the waste utility are projected to result in a \$0.58 million negative variance which will be required to be covered by landfill operations. This forecast includes \$1.25 million in deferred contributions to the Landfill Replacement Reserve (LRR).

Potential solutions to backfill the potential loss in reserve funding will be brought forward to Standing Policy Committee/City Council, in addition to the options for a waste utility in 2018.

Recreation and Culture (\$0.96 million deficit)

- Parks Maintenance: A net \$0.38 million (2.8% variance) deficit is projected due to higher salary costs in order to provide expected service levels within parks.
- Recreation Competitive Facilities: An estimated \$0.78 million (18.7% variance) deficit is expected due to reduced revenues in LeisureCard and general admissions. While actual admissions continue to see positive actual results, year over year, revenues still fall short of the approved revenue budget.

**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 2017 Corporate Business Plan and Budget.

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

The 2017 Annual Report will be tabled with the Standing Policy Committee on Finance in the third quarter of 2018.

**Public Notice**

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

**Attachments**

1. 2017 Corporate Business Plan – Mid-Year Report (July 1 to Sept. 30, 2017)
2. Building Permit Statistics for YTD Sept. 30, 2017 vs. YTD Sept. 30, 2016
3. Year-end Projection for Period Ending Sept. 30, 2017

**Report Approval**

Written by: Clae Hack, Director of Finance  
Kim Matheson, Director of Employee Experience & Performance

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

Approved by: Jeff Jorgenson, Acting City Manager

Q3 Results\_2017.doc



# **2017 Corporate Business Plan Third Quarter Report**

**July 1 to September 30, 2017**



## Community Support

Outcome	Initiative	Comments
<p><b><i>Civic facilities, programs, services, and infrastructure are accessible.</i></b></p>	<p>Update and continue implementation of the Corporate Accessibility Action Plan, a long-range, plan to address accessibility of civic facilities, programs, services, and infrastructure.</p>	<p>Assisted in coordinating an experiential tour with the Accessibility Advisory Committee and City staff from several Divisions to visit the Accessible Playground in Maurice T. Chernesky Park and the Shaw Centre.</p> <p>During the tour, CNIB staff provided goggles with varying degrees of vision quality and white canes for participants to tour the spaces from the perspective of a person with a visual disability. Results of the tour will be used to review design and construction standards for future play structures and civic facilities.</p>
<p><b><i>Develop partnerships and programs with Aboriginal organizations.</i></b></p>	<p>Enhance and develop new partnerships and programs with Aboriginal organizations that will assist in enhancing economic, employment and training opportunities.</p>	<p>Thirteen First Nation and Metis youth participated in the 2017 Summer Atoske Camps.</p> <p>A number of 2016 Atoske graduates were successful in securing summer jobs with the City's 2017 Summer Playground program.</p>
	<p>Undertake initiatives to strengthen relations and partnerships with Aboriginal organizations and focus the provision of programs and services on the Truth and Reconciliation Commission (TRC) Calls to Action and the Kitaskinaw Report recommendations.</p>	<p>Resulting from the Kistakinaw recommendations, Community Development developed programs targeted to Indigenous seniors and expanded Indigenous youth programming across the city in neighbourhoods where such programs did not already exist and for which there was need.</p> <p>Artist Gordon Reeve started fabrication of the TRC artwork, titled "Where Our Paths Cross."</p>
<p><b><i>Reduce racism and provide support to individuals and community organizations for social development.</i></b></p>	<p>Implement the anti-racism education strategy and communication plan; including implementation of the "I am the Bridge" communications strategy and inclusion of anti-racism training and leadership competencies for civic staff.</p>	<p>The Cultural Diversity and Race Relations Coordinator, in collaboration with the office of the Mayor and with corporate communications, provided an outline for Phase 3 of the anti-racism campaign. The Phase 3 theme, it was agreed, will focus on calling community to action to continue conversations on anti-racism.</p>

## Corporate Asset Management

Outcome	Initiative	Comments
<p><b><i>Civic facilities and infrastructure are adequately funded and meet agreed upon standards.</i></b></p>	<p>Develop core capital renewal principles and funding strategies for facility site capital renewal, park amenities, and play structures within a long-term asset management and preservation program.</p>	<p>Data is currently being compiled by the Major Projects Division. The analysis of identified amenities is expected to be complete by the end of November 2017.</p> <p>A Parks Asset Management Plan based on data gathered to date will be presented to Standing Policy Committee on Planning, Development and Community Services in fall 2017.</p>
	<p>Work with Recreation &amp; Community Development division to develop level of service agreements for facility cleanliness and facility maintenance to meet the expectations of users and increase their level of satisfaction.</p>	<p>Service level agreement development with internal customers is ongoing and expected to be completed by the fourth quarter.</p>
<p><b><i>Complete construction and begin operations of major facilities.</i></b></p>	<p>Oversee the transition into the Remai Modern Art Gallery together with the Major Projects division.</p>	<p>The Facilities and Fleet Management and Major Projects Divisions are coordinating the final completion of the project. Facilities and Fleet Management staff are on site coordinating facility management responsibilities. The operating agreement and service level contracts are at 75% complete.</p>
<p><b><i>Civic facilities, programs, services, and infrastructure are accessible</i></b></p>	<p>Identify opportunities within the community to improve accessibility for all citizens and incorporate accessibility into civic design standards for the built environment.</p>	<p>Building Code implementation dates and comparison/integration with the City's Facility Accessibility Design Standards initiatives remain ongoing and will be implemented where applicable on a project-by-project basis.</p>

## Corporate Governance and Finance

Outcome	Initiative	Comments
<p><b><i>Align the City's long-term goals with civic programs and services and ensure investments address City Councils' Priorities, strategic risks or corporate performance targets.</i></b></p>	<p>Explore multi-year budgeting and other options to align resources with the strategic plan, economic indicators, and other relevant market information.</p>	<p>Completed the Multi-Year Budgeting consulting engagement with PwC as well as presented and received approval on a preliminary framework from City Council. The newly hired Project Manager for the Multi-Year Budget process starts on October 23, 2017 and implementation will begin shortly after.</p>
<p><b><i>Attract, retain, and develop talent with an emphasis on proportional representation.</i></b></p>	<p>Implement the Diversity and Inclusion Action Plan that supports increased workforce proportions for each of the identified groups.</p>	<p>Developed a diversity and inclusion recruitment plan for the Saskatoon Fire Department.</p> <p>Attended various community recruitment events (WeConnect, YWCA, IWS, and CNIB).</p> <p>Facilitated the Fundamentals of Cultural Competency course as part of the Supervisor 101 Program.</p> <p>Hosted a LGBTQ2S course for employees in partnership with OutSaskatoon.</p> <p>Facilitated diversity awareness workshop for EFAP Peer Advisors.</p> <p>Met with the Gabriel Dumont Institute and STC to discuss future employment needs of the City, recruitment, and working together.</p>
<p><b><i>Citizens are able to easily access information to programs and services when and how it is most convenient for them.</i></b></p>	<p>Increase satisfaction with civic services through implementation of Service Saskatoon and the 311/Customer Relationship Management initiative.</p>	<p>Service Saskatoon worked with the Major Projects Division to develop a Business Case, Project Charter, and Project Plan (including Work Breakdown Structure, GANTT chart and Risk Analysis) for the Service Saskatoon project.</p> <p>Service Saskatoon also worked with the Information Technology and Finance Divisions on the ERP project to share functional requirements.</p>
<p><b><i>Reduce occupational injuries and illnesses to meet the long-term target of zero.</i></b></p>	<p>Audit the health and safety practices of four divisions and assist in identifying and developing an action plan to address the three top priorities.</p>	<p>Transportation Audit is complete.</p> <p>Saskatoon Transit Audit is scheduled for December 11 to 15, 2017.</p> <p>Saskatoon Fire Audit is to be scheduled in November for completion by the end of 2017.</p>

## Environmental Health

Outcome	Initiative	Comments
<p><b><i>Protect the urban forest and prevent the spread and future introduction of pests and disease.</i></b></p>	<p>Develop an implementation plan for the initiatives identified through the Urban Forestry Civic Service Review including a new tree management software system.</p>	<p>A new software system was used to provide data and reports for Urban Forestry Cottony Ash Psyllid Response Plan which was presented to City Council. Forestry staff are using tree plotting application to add trees from 2017 planting programs. Continuing the cleanup of data and implementing the work order management will be the next steps.</p>
	<p>Continue surveillance and monitoring of the City's Urban Forest for invasive pest issues and adjust established emergency response plans as required.</p>	<p>The Cottony Ash Psyllid Response Plan was presented to City Council on October 10, 2017. Approximately 1,000 trees were identified for removal and a plan for removal and replacement over two years was provided in the report. Continuing to collect data on insecticide application trials, however, no insecticide treatment is recommended at this time.</p>
<p><b><i>Improve waste diversion performance</i></b></p>	<p>Construct the first components of Recovery Park, a 'one-stop' waste diversion facility located west of the Saskatoon Landfill. Components include site preparation and roadway construction, relocation of the landfill scales and transfer station, creation of a convenient facility for the drop-off of household hazardous waste, development of a recycling depot and new construction waste facility, and landscaping.</p>	<p>Work has been done to coordinate Recovery Park with the Regional Waste Management Centre's implementation of the Landfill Optimization plan. To do so, the Recovery Park project is now planned to include the replacement of the equipment storage buildings and all of the Waste Stream Management office space needs; public waste drop off areas; new surface water management pond as required by regulator; and Sask Power access roadway.</p> <p>The current project plan includes refinement of the site layout, scope and preparation of owner's technical requirements. This work will be completed over the course of the fourth quarter of 2017 and the first quarter of 2018 to prepare for tender of the design-build package, pending funding availability.</p>

**Fire**

Outcome	Initiative	Comments
<p><b><i>Address enforcement and education issues related to public safety and fire prevention.</i></b></p>	<p>Develop a coordinated bylaw enforcement group to address increased property maintenance concerns within the City.</p>	<p>SFD Prevention is working with Community Services Bylaw Enforcement to implement a coordinated approach to address property maintenance concerns.</p>
	<p>Optimize skill sets of SFD staff (i.e. provision of flu shots by SFD Paramedics to SFD staff). Work with Saskatoon Health Region to identify opportunities to assist in meeting the needs of the community that do not have access to services.</p>	<p>Focus on serving the City of Saskatoon and citizens through partnerships and collaboration continues.</p>
<p><b><i>Ensure an emergency response approach that meets accepted standards.</i></b></p>	<p>Build partnerships with the Saskatoon Health Region (SHR) to better serve the citizens of Saskatoon.</p>	<p>A Partnership MOA has been signed with the SHR. The schedule/attachment is being completed to identify all partnerships that currently occur between both two entities.</p>
<p><b><i>Maintain the infrastructure required to meet expanding emergency response needs.</i></b></p>	<p>Develop a long-term plan for building and replacement of SFD infrastructure.</p>	<p>Fire Station No. 3 construction is coming along nicely, on schedule for mid-March completion. Exterior hardscaping will be completed prior to freeze up and the building should be closed in by the end of October.</p> <p>Fire Station No.5 land location has been approved by the UofS Board and planning is underway to present the project to City Council at the end of October for approval to go to tender.</p>
<p><b><i>Protect ability to deliver of core services to the citizens of Saskatoon.</i></b></p>	<p>Engage the services of a Business Continuity Professional to assist Emergency Management and Corporate Risk Management in developing a plan to maintain corporate continuity to provide core services to citizens.</p>	<p>EMO has been evaluated and will not lead Business Continuity but will be part of the process and the after action of implementing the outcomes.</p>

## Land Development

Outcome	Initiative	Comments
<p><b><i>Collaborate with private developers to ensure sufficient quantities of serviced land are being brought into the development stream.</i></b></p>	<p>Develop and implement procedures for regular update of the new website and live inventory mapping, including new processes for marketing new land releases through the website.</p>	<p>The new website and live web mapping has gone live with a soft launch. A hard launch of the site is to take place in the first week of November.</p>
	<p>In anticipation of a continuation of slow land sales, explore marketing ideas and other incentives that could be used to increase sales.</p>	<p>The fall marketing campaign is underway with new commercials developed for Kensington, Aspen Ridge, and Evergreen. Continuing to look at new marketing opportunities and increase exposure for Saskatoon Land developments and builders.</p>
<p><b><i>Obtain approval for Neighbourhood Concept Plans.</i></b></p>	<p>Neighbourhood Concept plans for the next new neighbourhoods in the Blairmore Suburban Development Area and University Heights Suburban Development Area will be designed and submitted to Planning and Development for initial review.</p>	<p>Background studies for the UH3 Concept Plan are complete. Land use design is further along with the initial draft expected by the end of 2017 with submission for review to follow in 2018. The completion date for the Blairmore Station Sector plan amendment is spring 2018.</p>
	<p>Ensure neighbourhood layouts are oriented to take advantage of solar power and look for opportunities to partner with Crown utilities and home builders to advance other energy efficiencies such as solar power in City developments.</p>	<p>In addition to neighbourhood concept plan design, Saskatoon Land has established a core group of internal and external professionals to help evaluate reasonable and attainable goals with regards to offering incentives to Eligible Builders to implement solar power systems.</p>

## Recreation and Culture

Outcome	Initiative	Comments
<p><b><i>Citizens have opportunity for and are actively engaged in arts and cultural programs and activities.</i></b></p>	<p>Identify opportunities for cultural expression, including public art, in Saskatoon neighbourhoods.</p>	<p>September 4 saw the completion of the Emmanuel Jarus mural of "mother, father and child" on the side of the First Nation Bank building on 4th Avenue. September 28 saw the unveiling of Saskatoon artist Darren Gowan's sculpture "the bison are coming home" on Central Avenue.</p>
	<p>Find ways to support and enable cross-cultural arts initiatives.</p>	<p>SUM Theatre performed "Earth Diver" the telling of the Cree creation story in George Ward Pool in July. This experiment of theatre in a pool was an overwhelming success that showcased the power of the arts to bridge communities and cultures.</p>
<p><b><i>Define service levels and develop funding strategies for key civic assets and services.</i></b></p>	<p>Develop updated park service levels from current technical standards that can be used to communicate park services for existing parks to the public.</p>	<p>The Parks Maintenance and Design service level report with corresponding budget was presented to Committee in October. The report provided options for Parks' service level reductions and enhancements and has been referred to budget for City Council's consideration.</p>
<p><b><i>Increase recreation opportunities through provision of recreational facilities and amenities.</i></b></p>	<p>Apply recommendations from the review of special events coordination and oversight processes to all special events in outdoor public places.</p>	<p>The Special Event Interdepartmental Committee met monthly to review prior events and prepare for the upcoming events. The Recreation Technician support staff attended onsite pre-event meetings with event organizers and staff from other divisions, attended event set-up when required to ensure administrative and site conditions were met, and conducted post-event follow up inspections. As a result of these two initiatives, the number of concerns and comments directed to the Administration concerning special events, to date has been reduced.</p>
	<p>Develop off-leash dog parks on available City-owned land or park space based on the approved plan.</p>	<p>The tender for the expansion of the off-leash dog park at Avalon was advertised and awarded with the work is projected to start in fall 2017. Construction of the off-leash dog park at Paul Mostoway was completed. Opening has been deferred due to the construction of storm water infrastructure.</p>

## Recreation and Culture

Outcome	Initiative	Comments
	<p>Work with the Meewasin Valley Authority to complete work on the off-leash dog park at Chief Whitecap Park.</p>	<p>Administration received discretionary use approval from the RM of Corman Park for the off-leash area at Chief Whitecap Park. The City presented to the Meewasin Valley Authority Development Review Committee and received approval from the Meewasin Valley Authority Board for the updated Chief Whitecap Park Master Plan.</p>



## Transportation

Outcome	Initiative	Comments
<p><b>Define service levels and develop funding strategies for key civic assets and services.</b></p>	<p>Formalize levels of service for all operations for endorsement by City Council and to enhance stakeholder awareness of the service delivery for each program.</p>	<p>Service level reports were presented to the Standing Policy Committees in August, September, and October on the following core services: Street Sweeping, Snow and Ice Management, Road Maintenance, Urban Forestry, Parks Maintenance, Waste Handling, Water Utility, and Fire Services. The reports will be forwarded to Budget Deliberations for final decisions on service levels and approval.</p>
	<p>Report annually on all assets to provide City Council with the policy advice so that if they choose they can reduce the gap in the funding required to rehabilitate and maintain the City's infrastructure.</p>	<p>Administration has tabled several individual Asset Management Plans with the appropriate Standing Policy Committee. Administration will be tabling a report in November to Governance and Priorities Committee which will consolidate all Plans with potential funding options.</p>
	<p>Create a proper baseline of the complete pavement condition using automated and semi-automated data collection allowing for better decision making and funding allocation.</p>	<p>Field assessments are nearing completion and processing and collating of the assessment data is scheduled to be completed in the fourth quarter.</p>
<p><b>Expand and improve the Flex Parking program.</b></p>	<p>Expand and improve the Flex Parking program including improved signage, communication and marketing, as well as the addition of paying for parking using smart phones.</p>	<p>Parking revenues continue to track positively, compared to the budget. App usage continues to grow since inception in April 2017.</p>
<p><b>Improve traffic flow and enhance safety as areas continue to develop.</b></p>	<p>Construction of North Commuter Parkway and Traffic Bridge Replacement project.</p>	<p>Construction of the Traffic Bridge is 90% complete, Parkway Bridge is 75% complete, and associated Parkway roadways is 65% complete. The project remains on budget and on schedule to be completed and open to traffic in October 2018.</p>
	<p>Build interchanges at Boychuk Drive and Highway 16 and at College Drive and McOrmond Drive to improve traffic flows and enhance safety as the areas continue to develop.</p>	<p>The detailed design of the project is nearly complete. Construction of the Highway 16/Boychuk Drive interchange is approximately 30% complete and construction of the McOrmond Drive/College Drive interchange is approximately 25% complete.</p>

## Transportation

Outcome	Initiative	Comments
<b><i>Improve Transit Ridership.</i></b>	Implement the long-term transit strategy, setting out the appropriate mix of frequency versus coverage within a vision of rapid transit corridors linking neighbourhoods and creating a guide to investment, transportation and urban planning decision making.	Riders saw increased frequency on the 22nd Street corridor as well as improvements to Route 2/10 (Meadowgreen) and other routes. In September, a portion of high school "extra" service hours were moved to increase regular service on regular transit routes. The BRT Request for Proposals was awarded to HDR, Inc. to begin functional planning and design for the future BRT system.
<b><i>Optimize snow removal on roadways, pathways and sidewalks.</i></b>	Apply and evaluate anti-icing strategies to improve snow and ice management operations to enhance motorist safety and ease of movement.	The Road Weather Information System pilot is ongoing. Sander fleet is fully equipped with pre-wet, anti-icing technology and a Global Positioning System is now being used to determine where equipment has been to inform anti-icing tactics.

## Urban Planning and Development

Outcome	Initiative	Comments
<p><b><i>Establish a Corridor Planning Program and undertake the first Corridor Plan as part of the 10 Year Action Plan for the Growth Plan to Half a Million.</i></b></p>	<p>Coordinate the Growth Plan 10 Year Action Plan initiatives funded by the Public Transit Infrastructure Fund.</p>	<p>Contracts were awarded in August for the Transit Village Concept Plans and the Corridor Growth Brownfield Renewal Strategy. Both projects as well as the Corridor Planning Program have been initiated and are in the information-gathering phase.</p>
<p><b><i>Growth and development ensure Saskatoon is a healthy and sustainable community; balancing the environmental social and economic needs of the community and region.</i></b></p>	<p>Conduct the Bus Rapid Transit Detailed Functional Design as part of the 10 Year Action Plan for the Growth Plan to Half a Million.</p>	<p>A Contract for BRT/Transit Planning, Design, and Engineering Services was awarded to HDR, Inc. in July 2017. HDR has begun background data gathering and analysis, and is working with the Administration in order to prepare an "Existing Conditions" report and a "Preferred Configuration" for BRT that will form the basis for functional planning and detailed design work.</p>
	<p>Work with the Saskatoon North Partnership for Growth (P4G) to endorse a Regional Land Use Map, create a P4G Planning District and associated governance and administrative structures, adopt a Regional Plan, adopt a P4G Zoning Bylaw, and prioritize the follow-up studies needed to implement the Regional Plan.</p>	<p>As of September 2017, all of the Councils of the five member municipalities endorsed the Regional Plan, Servicing Strategy, and Governance and Implementation Strategy. The endorsed documents were filed with the Province. The next step is to begin implementing the Regional Plan, which includes creating a new Planning District and new bylaws for it.</p>
	<p>Work to enhance relationships and explore opportunities for partnerships with First Nations that have land development interests in the Saskatoon region through face-to-face meetings, educational materials, and events.</p>	<p>Work has begun on a Developers' Resource, which will assist prospective developers in navigating the land development process.</p> <p>Municipal Services and Compatibility Agreements are being negotiated with several First Nations who have land holdings in Saskatoon, as part of the process of creating Urban Reserves.</p>

## Urban Planning and Development

Outcome	Initiative	Comments
<p><b><i>Identify efficiencies in the Urban Planning and Development Programs.</i></b></p>	<p>Develop a 4-year action plan to increase online delivery of programs and services within the Buildings Standards division with a focus on alignment with Service Saskatoon.</p>	<p>A privacy review of the Property Information tool is complete and the proposed launch of the tool is set for December 2017. Development of online residential building permit applications is continuing and a roadmap for the 2018 work plan is being developed.</p>
	<p>Integrate the zoning compliance staff and other bylaw staff under one service line in the coming years.</p>	<p>Work to align the 2018 staffing budget and all applicable enforcement staff within Community Standards has been completed. This will facilitate moving forward with the complete Bylaw Compliance Section and will improve internal communications</p>
<p><b><i>Land use planning supports a diverse economy and vibrant community, enhancing Saskatoon's natural and built environment and protecting its heritage.</i></b></p>	<p>Complete Planning and Developments final phase of the Neighbourhood Level Infill Development Strategy to address four unit dwellings on corner sites.</p>	<p>The review was completed and a report and recommendations are to be finalized. Working to have the report submitted to the January 2018 Standing Policy Committee on Planning, Development and Community Services for consideration.</p>
	<p>Implement a new Urban Design Council Policy (BID) to formalize the relationship between the Business Improvement Districts and the City with respect to communications and priority maintenance.</p>	<p>The Urban Design Team and the Office of the City Solicitor continue to review the proposed Urban Design Council Policy (BID). It is anticipated the Policy will be presented to City Council in 2018.</p>
<p><b><i>Protect the public health, safety and property rights of citizens through timely, consistent and effective enforcement of bylaws.</i></b></p>	<p>Complete the implementation of the Building Bylaw to reflect current legislative requirements and other necessary amendments.</p>	<p>Communication and implementation plans continue to be developed to support a January 1, 2018 implementation date.</p>

## Urban Planning and Development

Outcome	Initiative	Comments
<b><i>Reduce homelessness and ensure there are a diversity of housing options that create equitable and inclusive neighbourhoods.</i></b>	Work with community partners to implement Saskatoon's Homelessness Action Plan.	The Saskatoon Downtown Youth Centre (EGADZ) opened Phase 2 of the Sweet Dreams project which includes four additional units for mothers and children at risk of being homeless as well as a daycare. The City provided funding towards these housing units. The Saskatoon Housing Initiatives Partnership (SHIP) continued implementation of Saskatoon's Homelessness Action Plan and have reported that a number of individuals and families have been housed under the Housing First model.

## Utilities

Outcome	Initiative	Comments
<b><i>Improve and expand drinking water infrastructure.</i></b>	Upgrade the filter infrastructure at the Water Treatment Plant to ensure continued filtration reliability and automation of controls.	Construction meetings have taken place as the Contractor prepares to begin work onsite. Shop drawings for new filter troughs, liner, and adhesive material have been reviewed and manufacturing of stainless steel troughs is underway.
	Proceed with the installation of smart communication modules on water meters.	The number of people making appointments during the summer decreased slightly, which is most likely due to vacation time. There were 17,500 water meters on the AMI system at the end of September, which is at 24% completion. Retaining AMI installation staff continues to be a challenge since it is an entry-level position. A new person has been hired to phone customers to make appointments, which should help increase the completion rate moving forward.
<b><i>Improve and expand storm water infrastructure and monitor and remediate surface drainage.</i></b>	Develop a comprehensive Storm Water Utility Business Plan including a long-term capital and funding plan for storm water infrastructure.	The Storm Water Utility Business Plan went to City Council in August 2017. The Storm Water Utility was asked for further information on options and funding strategies in another report which is scheduled to go to City Council in November 2017.

**Utilities**

	<p>Completion of the Saskatchewan Crescent and 16th Street slope remediation capital project and continual monitoring of the riverbank.</p>	<p>Work along Saskatchewan Crescent has been completed and the Saskatchewan Crescent and primary Meewasin Trail are open. Additional slumping below the 16th Street Outfall in 2017 requires remediation and is scheduled for late October, early November 2017.</p>
	<p>Increase investment in storm sewers and ponds with a target of 1.5% of the replacement value.</p>	<p>The Storm Water Utility Business Plan went to City Council in August 2017. The Storm Water Utility was asked for further information on options and funding strategies in another report which is scheduled to go to City Council in November 2017.</p>
<p><b>Improve and expand wastewater infrastructure.</b></p>	<p>Design and build a fourth digester at the Wastewater Treatment Plant with construction scheduled for 2018.</p>	<p>A design kick-off meeting was held with the consultant and the scope of work was discussed. The Consultant has submitted a draft Technical Memo outlining the project understanding for review by the City.</p>
	<p>Design and build a liquid waste station in the north industrial area and eliminate the need for waste haulers to travel through residential neighborhoods and school zones.</p>	<p>Construction was delayed due to the contractor not having a building permit in place to begin the work. The City assisted the contractor through the permitting process and now 45 piles have been drilled for the new facility.</p>
	<p>Conduct a condition assessment and hydraulic analysis of all 28 sanitary sewer lift stations and force mains to create a capital plan for lift station upgrades.</p>	<p>The consultant has completed the assessment of 12 lift stations and has scheduled the next round of inspections which include another six stations. Two station assessment reports have been submitted for review.</p>
	<p>Identify the most likely growth path for the Saskatoon region and develop a comprehensive water and wastewater plan.</p>	<p>The draft report is complete and a comprehensive review by all stakeholders has begun. The approved report is expected by the end of the fourth quarter with options analysis continuing into 2018.</p>
<p><b>Improve waste diversion performance.</b></p>	<p>Expand the Green Cart Program.</p>	<p>Nearly 7,500 subscriptions have been received in 2017, resulting in 20% program growth (compared to 2016). A rate structure has been proposed for 2018, which will encourage program growth and early registration.</p>

**Utilities**

Outcome	Initiative	Comments
<p><b><i>Reduce energy consumption through conservation practices and increase energy efficiency and safety.</i></b></p>	<p>Improving efficiency at civic properties and communicate the benefits to inspire residents.</p>	<p>Completed a comprehensive building analysis of utilities usage (natural gas, electricity and water consumption) of City-owned facilities to identify suitable facilities to include as City implemented sub-projects or as part of larger Energy Performance Contracting project scope. Continued to engage with building operators to identify opportunities to improve operational efficiencies and provide support for best management practices.</p>

### Building Permit Statistics for YTD September 30, 2017 vs September 30, 2016

Category	Number of Permits			Construction Value (\$million)		
	YTD 2017	YTD 2016	Change %	YTD 2017	YTD 2016	Change %
Residential	2,414	2,403	0.5%	\$224.6	\$226.6	-0.9%
Apartments & Housing Projects	209	167	25.1%	\$115.8	\$49.4	134.5%
Commercial	224	227	-1.3%	\$121.5	\$96.0	26.5%
Industrial	94	133	-29.3%	\$25.5	\$58.8	-56.7%
Institutional & Assembly	65	63	3.2%	\$69.9	\$125.0	-44.1%
Other (includes demolition permits)	154	157	-1.9%	\$2.7	\$3.3	-18.4%
<b>TOTAL</b>	<b>3,160</b>	<b>3,150</b>	<b>0.3%</b>	<b>\$559.9</b>	<b>\$559.2</b>	<b>0.1%</b>

#### Summary of permits over \$10M approved to September 30, 2017

New Hotel	\$15.4M	(included in "Commercial Projects" above)
Alteration to Shopping Centre - Midtown Plaza	\$18.0M	(included in "Commercial Projects" above)
Addition to University - Collaborative Science Research	\$11.5M	(included in "Institutional & Assembly Projects" above)
New Apartment with Parkade	\$16.2M	(included in "Apartment & Housing Projects" above)
New Recreation Facility - U of S Ice Facility - Phase 2 Shell Pe	\$11.2M	(included in "Institutional & Assembly Projects" above)
Alteration to University - Health Sciences A & C Wings	\$13.6M	(included in "Institutional & Assembly Projects" above)



## Year-end Projection for Period Ending Sept. 30, 2017

<b>September 2017 Projections (in 000's)</b>			
<b>Mill Rate Programs</b>	<b>2017 Total Budget</b>	<b>2017 Forecasts</b>	<b>2017 Variance Forecast vs Budget</b>
Community Support	14,105.4	14,162.4	57.0
Corporate Asset Management	8,189.1	8,264.6	75.5
Corporate Governance & Finance	56,149.4	54,797.2	(1,352.2)
Environmental Health	13,343.6	14,899.0	1,555.4
Fire & Protective Services	47,009.0	46,755.3	(253.7)
Land Development	0.0	0.0	0.0
Art, Culture & Event Venues (Remai Modern, TCU Place, SaskTel Centre)	7,334.3	7,234.3	(100.0)
Policing	86,649.0	86,649.0	0.0
Recreation & Culture	28,021.8	28,983.7	961.9
Taxation & General Revenues	(372,493.0)	(371,187.1)	1,305.9
Transportation	106,039.4	107,323.7	1,284.3
Urban Planning & Development	5,652.0	5,539.4	(112.6)
<b>Mill Rate Deficit / (Surplus)</b>	<b>0.0</b>	<b>3,421.5</b>	<b>3,421.5</b>
<b>Utility Programs</b>			
<b>Utility Programs</b>	<b>2017 Total Budget</b>	<b>2017 Forecasts</b>	<b>2017 Variance Forecast vs Budget</b>
Saskatoon Light & Power	0.0	(455.6)	(455.6)
Saskatoon Storm Water Management	0.0	0.0	0.0
Saskatoon Waste Services	0.0	0.0	0.0
Saskatoon Waste Water Utility	0.0	(697.1)	(697.1)
Saskatoon Water Utility	0.0	(80.9)	(80.9)
Transfer to Utility Stabilization			1,233.6
<b>Utility Rate Deficit / (Surplus)</b>	<b>0.0</b>	<b>(1,233.6)</b>	<b>0.0</b>
<b>TOTAL PROJECTED MUNICIPAL (SURPLUS) / DEFICIT</b>			<b>3,421.5</b>

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## Internal Audit Budget Information Update – October 2017

### Recommendation

That the information be received.

### Topic and Purpose

The purpose of this report is to provide an update on the internal audit and consulting services provided by PricewaterhouseCoopers (PwC) to date.

### Report Highlights

1. PwC is currently working on all projects as approved in the 2017 internal audit plan. Four of the five projects are anticipated to be complete by late 2017/early 2018.

### Strategic Goal

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

### Background

Internal audit services are funded through the Internal Audit Program Reserve which had an opening balance of \$442,533 for 2017. This is the third year of the five-year contract with PwC.

### Report

As of October 13, 2017, 50% of the total budgeted internal audit hours for the year have been completed, and 53% of the total contracted funds for audits have been spent.

There are currently five internal audit projects being conducted by PwC. Planning activities have recently started for the Parks and Recreation audit; fieldwork activities are underway for the Business Continuity, CO2 Reduction Initiatives and Human Resource Management audits; and audit fieldwork for the Revenue Generation audit is complete.

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

Attachment 2 is an update from PwC on the current status of the internal audit plan.

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

A budget information update report will be submitted monthly to the Standing Policy Committee on Finance.

**Public Notice**

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

**Attachments**

1. Internal Audit Budget Status Report
2. October 2017 Internal Audit Status Report - PwC

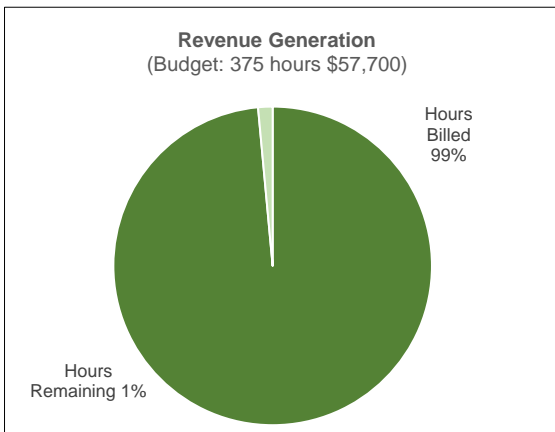
**Report Approval**

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

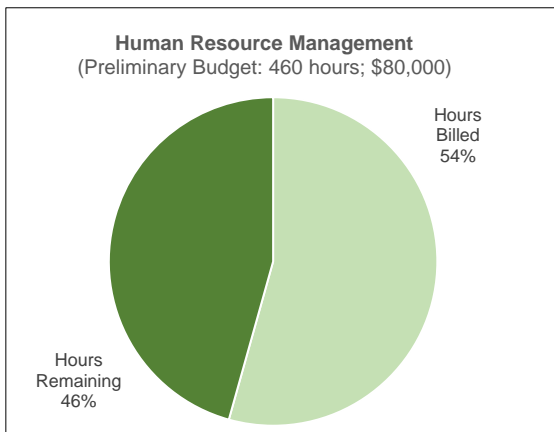
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Internal Audit Budget Status Report

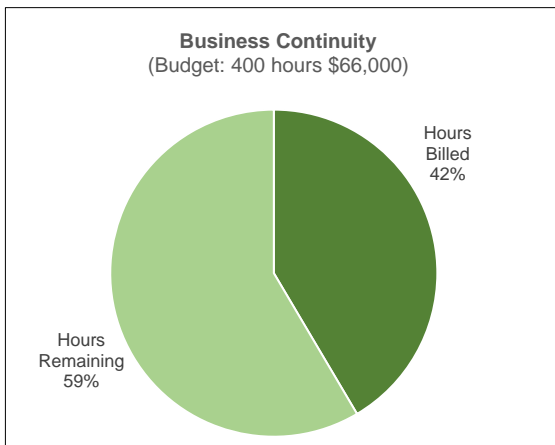
Internal Audit Projects



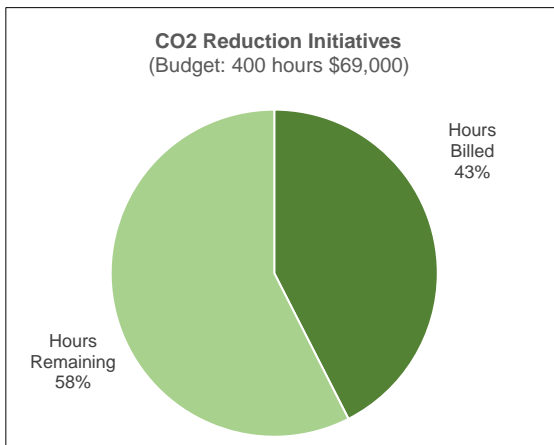
**Notes:** Statement of Work approved November 7, 2016. Audit fieldwork complete. Draft audit report being circulated to Administration for review and comment. Anticipated reporting to Committee by the end of 2017.



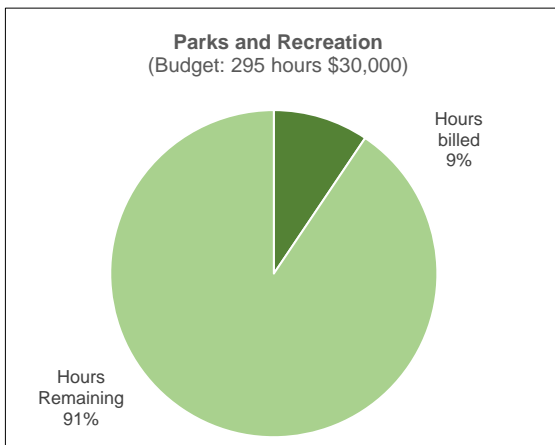
**Notes:** Statement of Work approved August 14, 2017. Audit fieldwork underway. Anticipated reporting to Committee late 2017/early 2018.



**Notes:** Statement of Work approved August 14, 2017. Audit fieldwork underway. Anticipated reporting to Committee late 2017/early 2018.

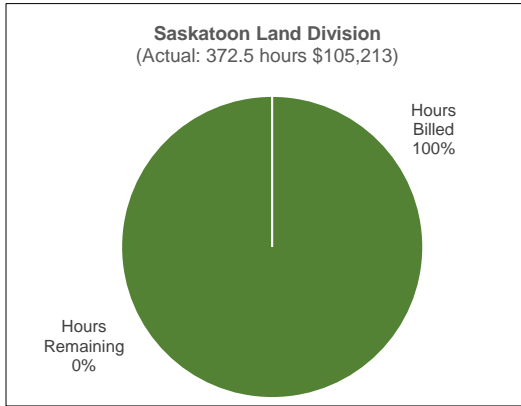


**Notes:** Statement of Work approved August 14, 2017. Audit fieldwork underway. Anticipated reporting to Committee late 2017/early 2018.

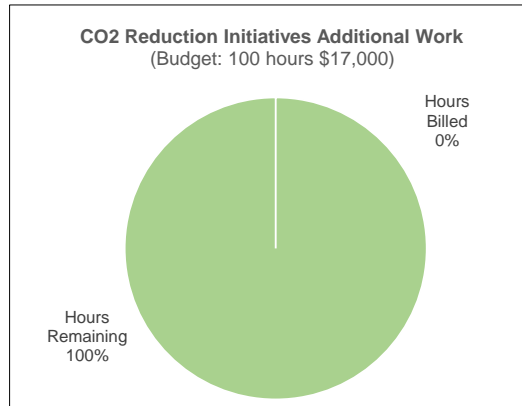


**Notes:** Preliminary planning activities have started. Statement of Work expected to be presented to Committee by the end of 2017.

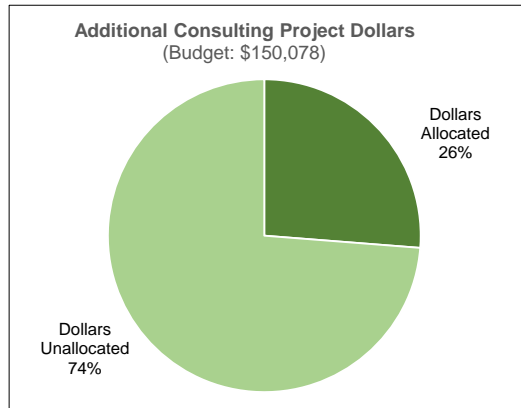
### Additional Consulting Projects



**Notes:** Audit report presented to Committee on August 14, 2017. Administration agreed with all 21 findings.

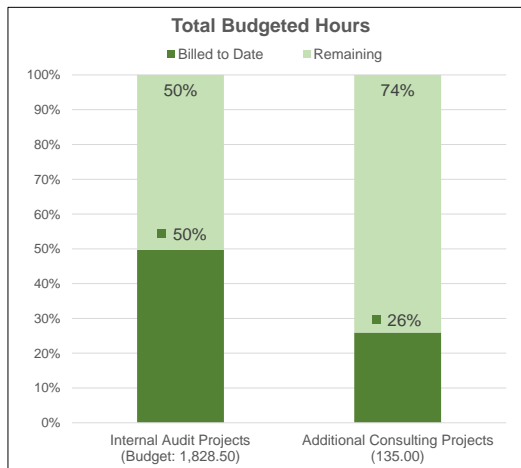


**Notes:** Statement of Work approved August 14, 2017. Audit fieldwork underway.

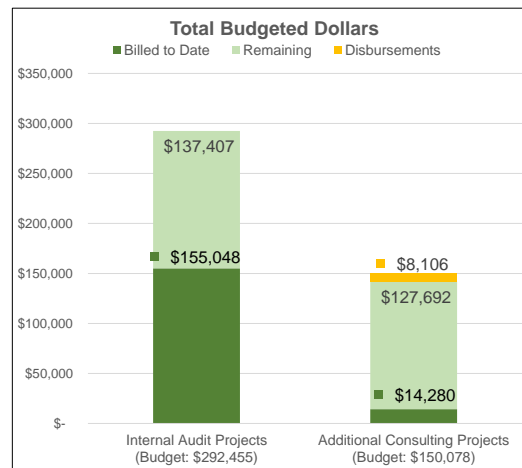


**Notes:** 26% of additional consulting project dollars have been allocated to specific consulting projects and disbursements to date.

### Overall Internal Audit Program



**Notes:** A total of 909.0 hours of internal audit work and 35.0 hours of additional consulting work have been billed to October 13, 2017.



**Notes:** A total of \$177,433.53 has been billed to October 13, 2017 for internal audit services, consulting services and disbursements. This represents 40% of the total available funding for 2017.



October 18, 2017

City of Saskatoon Standing Policy Committee on Finance (“SPC on Finance”)  
222 Third Avenue North  
Saskatoon, SK S7K 0J5

### **October 2017 Internal Audit Status Report**

We are pleased to provide you with an update on the internal audit work that PwC is providing to the City of Saskatoon. There are currently 5 projects underway. As of October 15, 2017 we have achieved a total of 50% (compared to 36% as of September 15, 2017) of the total hours available in the internal audit plan for the 2017 calendar year. Our progress on the 2017 internal audit plan can be broken down into 3 distinct periods (also please see the Appendix):

- a) January 1, 2017 to April 1, 2017 – during this period, the internal audit plan underwent formal approval from the SPC on Finance as well as City Council. The internal audit plan was taken to City Council to ensure that the priorities reflected in the internal audit plan (first formed as a 5-year plan in 2015 and refreshed annually) continued to reflect the priorities of the newly elected City Council. As a result of this consultation there was an amendment made to the internal audit plan for a Carbon Reduction project, replacing the initially planned Bridge Maintenance project.
- b) April 1, 2017 to August 1, 2017 – during this period, the internal audit team began forming the Statements of Work for the approved 2017 projects, in particular for the Business Continuity and Carbon Reduction projects. A verbal update for these 2 projects was provided to the SPC on Finance at its meeting on May 29 as there was a scheduled break in meetings until August 14. As a result, there were approximately 100 hours for each of those 2 projects available to be completed during this period, for planning and pre-fieldwork activities (assuming that 25% of the total project hours were available for internal audit to perform prior to formal approval of a final Statement of Work for each project).

During this period of January 1 through July 31, there were 500 hours available for internal audit, consisting of 300 hours carried over from the 2016 internal audit plan and 200 hours for new projects as described above. The initial audit plan contained a higher number of carryover hours, however certain of these hours not required for the carryover projects were transferred to projects to be performed later in the year (please refer to the Appendix for a reconciliation).

During this period, 395.5 (or 79%) of the 500 available hours were achieved. The gap in hours achieved against the internal audit plan as of August 1 was 104.5.

- c) August 1, 2017 onward – as of August 1, there remained 1,429.5 hours (or 78%) of the internal audit plan to be achieved in the final 5 months of 2017. In addition to what has been described in sections a) & b) immediately above, approximately 725 hours (or 40% of the internal audit plan) was unavailable to be started until September as a result of the fall timing requested for the Human Capital and Parks & Recreation projects (460 and 265 hours, respectively).

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### **Project #1 – Revenue Generation**

- This project remains from the 2016 internal audit plan. All hours available in the budget have been utilized. The initial draft report was vetted through various applicable members of the Administration during the summer of 2017, and the updated version reflecting feedback received was provided to certain key stakeholders in Sept. 2017 for review.

### **Project #2 – Human Capital**

- This project began preliminary scoping activities in Jan. 2017, however as a result of a change in the General Manager of Corporate Performance position and restructuring within Corporate Performance (related to Strategic Negotiations, Total Rewards & Workforce Analytics and Employee Experience & Performance) was requested to be delayed to Sept. 2017. The 24 hours incurred on this project from January 1 to August 1 are reflected in “Period 3” in the Appendix.
- Project workshops began the week of Sept. 11, 2017 and took place over a 4-week period ending mid-October. We are currently working with Administration on setting up the second half of the project (Phase II), which leverages from the work that has now been completed in Phase I. We expect to complete approximately 90% of the hours on the project before the end of Dec. 2017 with reporting to occur in either late 2017 or early 2018.

### **Project #3 – Business Continuity**

- The internal audit project team, including a Business Continuity subject matter specialist, held a workshop with the Leadership team on Sept. 26 to gain insight on critical services and restoration priorities thereof. Follow-up workshops held the week of Oct. 23 with Community Services, Asset & Financial Management, Corporate Performance, and Transportation & Utilities will be critical to the project work dedicated to developing Business Impact Analysis assessments. Following these activities will be the development of draft Business Continuity plans.
- For the remainder of the year we will be working through procedures outlined in the Statement of Work. We expect to complete approximately 90% of the hours on the project before the end of December 2017 with reporting to occur in either late 2017 or early 2018. This is dependent on working with Administration on a quick turnaround of Business Impact Analysis assessments.

### **Project #4 – Carbon Reduction**

- The internal audit project team kicked off detailed project activities with the key stakeholders in early Sept. Detailed work on sub-project #1 has been substantially completed in Oct. and we will meet with key project stakeholders the week of Oct. 23 to discuss. We expect to complete approximately 90% of the hours on the project before the end of Dec. 2017 with reporting to occur in either late 2017 or early 2018. This is dependent on a quick turnaround of the final project reporting with the Administration.

### **Project #5 – Parks and Recreation**

- Early project planning activities occurred in Sept. & Oct. 2017. The total project hours (approx. 495) are split between 2017 and 2018 – we are currently forecasting carryover of approx. 80 project hours into 2018 but this may increase depending on the ability to execute project fieldwork on a timely basis in late 2017.

**Appendix – Illustrative Table of Hours Available and Achieved in 2017**

Project Description	Total	Adjust	Revised	Period 1 & 2 (Jan 1-July 31)		Period 3 (Aug 1 - Dec 31)		Remaining	Expected		
	Hours	Plan *	Total	Available	Achieved	Available	Achieved	Hours	Carryover		
<b>2016 Carryover</b>											
Revenue Generation	280.0	(30.0)	250.0	250.0	250.0	-	-	-	-		
Asset Life Cycle Costs	100.0	(70.0)	30.0	30.0	30.0	-	-	-	-		
Transit Services	15.0	5.0	20.0	20.0	20.0	-	-	-	-		
Human Capital	75.0	(75.0)	-	-	-	-	-	-	-		
	<u>470.0</u>	<u>(170.0)</u>	<u>300.0</u>								
<b>2017 Projects</b>											
Human Capital	385.0	75.0	460.0	-	-	b	460.0	250.0	210.0	40.0	
Business Continuity	400.0	-	400.0	100.0	68.5	a	331.5	97.5	234.0	30.0	
Carbon Reduction	275.0	125.0	400.0	100.0	27.0	a	373.0	143.0	c	230.0	30.0
Parks & Recreation	295.0	(30.0)	265.0	-	-	b	265.0	25.0	240.0	80.0	
	<u>1,825.0</u>	<u>-</u>	<u>1,825.0</u>						<u>914.0</u>	<u>180.0</u>	
<b>Hours available in period</b>				<u>500.0</u>			<u>1,429.5</u>				
<b>Hours achieved in period</b>					<u>395.5</u>		<u>515.5</u>				
					79%		36%				
<b>Gap in hours for period</b>					(104.5)		(914.0)				

\* - Adjustments made to plan to reflect projects under-budget on hours and moved to new projects (approved in SOW's).

a - Assuming 25% available to perform prior to formal approval of project SOW for planning and pre-fieldwork activities.

b - Fall timing requested by the Administration.

c - 100 extra hrs approved in SOW beyond 400 hours in audit plan/contract; will represent the last 100 hrs of the project.



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## Repaid Productivity Improvement Loans 2017

### Recommendation

That the information be received.

### Topic and Purpose

The purpose of this report is to provide the Standing Policy Committee on Finance with an update on Productivity Improvement Loans that have been repaid in 2017. This report includes an update on the achievement of expected benefits of the projects for which the loans were applied, as well as the intended use of the savings as a result of the expired loan payments.

### Report Highlights

1. A Productivity Improvement Loan to accommodate new legislative authority to seize vehicles for parking violations generated additional net revenue of approximately \$135,000 which was included in the 2008 Budget.

### Strategic Goals

This report supports the Strategic Goal of Asset and Financial Sustainability by ensuring the services the City of Saskatoon (City) provides are aligned with what citizens expect and are able to pay.

This report also supports the Strategic Goal of Continuous Improvement as Productivity Improvement Loans enable the City to provide the best possible services using innovative and creative means by removing financial barriers, allowing the City to go beyond conventional approaches to meet the changing needs of Saskatoon.

### Background

Internal loans are sometimes provided to departments or Civic Boards that wish to purchase or construct assets that will result in productivity gains with expense savings or incremental revenues (or any combination) that will be the source of repayment for the loan principal and interest.

There are two types of these loans:

- Productivity Improvement Loans: Whereby capital expenditures are fully repaid by additional operating revenues and/or operating expenditure savings (with or without a service enhancement) within a period that does not exceed five years.
- Green Loans: Whereby the capital expenditures are fully repaid from utility expenditure savings within a period that does not exceed ten years.

In addition, there are other internal loans that do not qualify under these definitions, but if excess fund balances are available, an internal loan for other purposes may be agreed to under certain circumstances. These are covered under Council Policy No. C03-027, Borrowing for Capital Projects. These types of loans are excluded from this report.

This report identifies the extent to which retired loan objectives were achieved, as well as the use of retired debt funds.

The anticipated additional revenue and/or cost savings from “Green” or “Productivity Improvement Loans” should result in a budget reduction, equivalent to at least the annual amount of debt repayment, once the loans have been paid off.

### **Report**

In 2017, one Productivity Improvement Loan (PIL) was repaid. The following information summarizes the actual outcome compared to the outcome intended, as well as an explanation of the use of funds no longer required for debt charges for the repaid loan.

- Loan Amount: \$400,000; Term: 5.25%, 10 years; Annual Repayment: \$52,400

This PIL was for a land acquisition to move the former 1.8 acre impound lot previously located at 1<sup>st</sup> Avenue North and 43<sup>rd</sup> Street to the current Holiday Park Industrial area location, which is approximately 4.0 acres in size.

The project was completed in 2008 and an associated \$135,000 in revenue was included in the 2008 Budget (\$210,000 in revenue offset by \$75,000 in management fees). The PIL payment of \$52,400 was returned to the property tax budget in 2018 to help offset other inflationary, growth and revenue pressures.

### **Financial Implications**

The financial implications are addressed in the body of this report.

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

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

### **Public Notice**

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

### **Report Approval**

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

PIL 2017.docx

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## Three-Year Land Development Report 2018 – 2020

### Recommendation

That the information be received.

### Topic and Purpose

The Three-Year Land Development Report (Attachment 1) provides a summary of key indicators influencing growth and the subsequent developer servicing plans for suburban, residential/commercial and non-residential employment lands within Saskatoon. The report also provides a summary of potential infill development projects being considered by Saskatoon Land.

### Report Highlights

1. Steady population, employment and Gross Domestic Product (GDP) growth is expected to occur in Saskatoon over the next few years.
2. As of September 1, 2017, single-family builder and developer inventory accounted for a total of 1,524 lots while developers have another 376 lots to be released in the Aspen Ridge, Kensington and Rosewood neighbourhoods.
3. Multi-family inventory held by builders and developers has fluctuated between 2,400 and 4,000 dwelling units since 2011.
4. A number of potential infill projects on City of Saskatoon (City)-owned land are being reviewed by the Administration. Potential exists to add an estimated 5,300 units to the City's infill housing stock on these parcels.
5. Over the next three years, developers in Saskatoon are planning residential land servicing capable of accommodating an estimated 6,001 dwelling units.
6. Over the next three years, developers in the city plan to service approximately 109 acres of industrial land and approximately 75 acres of commercial and mixed-use land.
7. To accommodate the planned servicing identified in the report, the Administration is requesting \$49.67million in capital funding in this year's capital budget submission.

### Strategic Goals

Servicing of land noted in the report supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes under the Strategic Goal of Asset and Financial Sustainability.

The information provided in the report also supports the long-term strategy of planning and investing in infrastructure needed to attract and support new businesses and skilled workers to the city, and the four-year priority of continuing to create and support a business friendly environment and increase the commercial and industrial tax base under the Strategic Goal of Economic Diversity and Prosperity.

The infill projects identified for development throughout the report also support the City's Strategic Goal of Sustainable Growth to increase and encourage infill development and corridors to balance growth.

## **Background**

The Three-Year Land Development Report is an annual report which summarizes the servicing of residential and non-residential suburban land within Saskatoon. This information is used by the Administration to plan and budget for growth-related infrastructure investments that are outlined in the Land Development Capital Budget.

The report provides information on economic growth indicators, builder and developer inventory levels, servicing plans, and dwelling unit demand profiles based on various population growth scenarios.

## **Report**

### Key Indicators and Housing Demand

Population in Saskatoon has been growing over the past several years, with an average population growth rate of 1.87% for the 2015 – 2017 period. For the 2018 – 2020 period, a steady growth rate between 1.5% and 2.5% is anticipated based on economic and housing indicators. At a 1.5% to 2.5% population rate increase, approximately 4,281 to 7,206 new dwelling units will be required in new suburban growth areas over the next three years based on current demand projections.

### Residential Land Inventory – Single-Family

As of September 1, 2017, 543 single-family lots were held by developers and 981 single-family lots were held by builders for a total of 1,524 single-family lots. Developers also hold 376 single-family lots in the Aspen Ridge, Kensington and Rosewood neighbourhoods which have yet to be released to the market. Factoring in these lots result in a total builder and developer inventory of 1,900 single-family lots.

Builder demand for lots in east Saskatoon has been steady. A significant portion of developer inventory is comprised of lots in west Saskatoon and higher-end lots, which includes larger cul-de-sac lots, park-backing lots and lots designed to accommodate walk-out basements.

As of January 1, 2017, builders and developers held approximately 2,100 single-family lots in inventory. Builder and developer single-family inventory levels are anticipated to decrease to approximately 1,700 lots by the end of 2017, which is an approximate reduction of 19%.

### Residential Land Inventory – Multi-Family

Multi-family inventory held by builders and developers has fluctuated between 2,400 and 4,000 dwelling units since 2011. While an elevated supply of multi-family units presently exists in the housing market, as of September 1, 2017, building permits were issued for 578 multi-family units, which was an increase of approximately 54% year over year.

Developer multi-family inventory levels are anticipated to be high in the next few years due in large part to the completion of key transportation infrastructure needs and a broader shift to higher density and more transit conducive suburban neighbourhoods. An example of this includes the completion of McOrmond Drive which extends through the Aspen Ridge neighbourhood. To support and promote future transit ridership, multi-family parcels front McOrmond Drive creating convenient options for future use of public transportation. Completion of this arterial roadway was required to accommodate transportation connections to the North Commuter Parkway.

### Infill Development

While the Three-Year Land Development Report primarily focuses on suburban development, a number of infill projects being considered by the Administration have been highlighted in the Report. Notably, these include the South Caswell and North Downtown areas, as well as future River Landing phases. Completion of these projects will contribute to a more balanced suburban and infill growth framework in Saskatoon, in step with the long-term growth scenarios identified in the Growth Plan Summary Report (April 2016).

Definitive servicing or development time frames and the process for taking these City-owned parcels to market have not been established. In most cases, extensive public consultation is still required. However, collectively, the potential exists to add an estimated 5,300 units to the City's infill housing stock.

The suburban lands identified by Saskatoon Land for planned servicing throughout the report also play a role in facilitating future infill development. To date, \$123.3 million in net proceeds from the sale of property in Hampton Village, Willowgrove, Rosewood and Evergreen have been made available for City Council to allocate to various projects including land acquisitions or infrastructure improvements for infill projects such as Pleasant Hill Village, River Landing and North Downtown.

### Residential Servicing Plans

Over the next three years, land developers in Saskatoon are planning land servicing capable of accommodating an estimated 6,001 dwelling units, which includes 3,408 single-family units and 2,593 multi-family units. This number of dwellings would support an annual population growth rate of 2.1% over the same time period and would accommodate targeted residential inventory levels. This level of residential servicing represents an approximate increase of 3% from the level of servicing quantified during the 2017 – 2019 period. More detailed information on developer servicing schedules is included in the report.

The servicing projections in the report are reflective of existing builder and developer inventory levels and local economic forecasts for the next few years. The modest servicing level increase is a testament of improved developer confidence in a rebound in the housing market, buoyed by steady employment and GDP growth. However, some uncertainty in the new home market will be prevalent due to recent increases in interest lending rates, Canada Mortgage and Housing Corporation's (CMHC) changes to qualification rules for insured mortgages, new Provincial Sales Tax on labour and proposed federal tax changes that could impact builders.

Another trend evident between this year's and last year's report figures is the amount of multi-family land being serviced. The servicing projections included in last year's report outlined a planned servicing split of 61% multi-family and 39% single-family. Present report figures outline a 43% multi-family and 57% single-family split, with the planned multi-family servicing reduction being reflective of the number of parcels that have recently been serviced and elevated multi-family unit listings currently on the market.

In summary, Saskatoon Land's plan for residential servicing over the next three years involves a drawdown of residential inventory levels in west Saskatoon in the short term, while continuing to service new residential parcels in the northeast to meet market demand. Assuming steady annual absorption continues and inventory levels continue to fall, increased investments in the overall number of lots being serviced will be made in the later years of the plan.

#### Industrial Servicing Plans

From 2018 – 2020, developers plan to service approximately 109 acres of industrial land in the city. The majority of industrial servicing will occur in the Marquis Industrial area, with some additional parcels in the Hampton Village Business Park also being made available.

Information on industrial servicing schedules is provided in the report.

#### Commercial and Mixed-Use Servicing Plans

From 2018 – 2020, developers plan to service approximately 75 acres of commercial and mixed-use land, which is capable of accommodating approximately 750,000 square feet of retail space. In addition to the 75 acres, opportunities for commercial use also exist on sites zoned for industrial use. For example, industrial-zoned sites located adjacent to high-traffic roadways frequently accommodate retail use, such as those located on Marquis Drive or Millar Avenue.

Information on planned commercial and mixed-use servicing is provided in the report.

#### 2018 Land Development Capital Budget

To accommodate the planned servicing identified in the report the Administration is requesting an estimated \$49.67 million in capital funding in this year's budget request. 2018 Capital Investments for Land Development include:

1. \$20.25 million for direct servicing costs attributable to Saskatoon Land development areas;
2. \$26.07 million for offsite servicing costs of arterial roads, primary water mains, and trunk sewers and lift stations; and
3. \$3.36 million for a variety of parks in Rosewood, Aspen Ridge and Brighton.

Figures in the report identify the various areas throughout the city where these investments in municipal improvements are planned to be made.

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

This report is produced annually by Saskatoon Land. The Three-Year Land Development Report providing a summary for 2019 – 2021 servicing plans will be presented to the Standing Policy Committee on Finance in late 2018.

### **Public Notice**

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

### **Attachment**

1. Three-Year Land Development Report 2018 – 2020

### **Report Approval**

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

Three-Year Land Development Report 2018 – 2020.docx



*City of*  
**Saskatoon**  
Saskatoon Land



THREE-YEAR LAND DEVELOPMENT REPORT  
(2018 - 2020)

*Suburban servicing projections for:*

- Aspen Ridge*
- Brighton*
- Hampton Village Business Park*
- Holmwood Suburban Centre*
- Kensington*
- Marquis Industrial*
- Rosewood*
- Willows*



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# Introduction

The Three-Year Land Development Report is an annual report that summarizes the planned servicing of suburban residential and non-residential lands and potential infill projects in the city of Saskatoon. This report includes the following information:

- summary of key indicators;
- review of demand profiles;
- builder and developer inventory levels and housing market assessment;
- new neighbourhood build-out time frames and market absorption;
- planned servicing schedules for 2018 – 2020; and
- potential infill opportunities on City-owned lands.



Evergreen Aerial (facing west)



Evergreen Village Square

The Three-Year Land Development Report is produced by the Saskatoon Land Division, City of Saskatoon (City). As part of this process, Saskatoon Land collects known servicing information from all major land developers in Saskatoon. The collected information is used by City Administration to plan and budget for growth-related infrastructure investments that are detailed in the Land Development Capital Budget.

While the focus of the Three-Year Land Development Report primarily focuses on suburban development, a number of potential city-wide infill projects have been highlighted in Section 7 of this report. Definitive servicing or development time frames have not been established for a number of these project areas, though collectively, potential exists to add an estimated 5,300 dwelling units to the City’s infill housing stock.

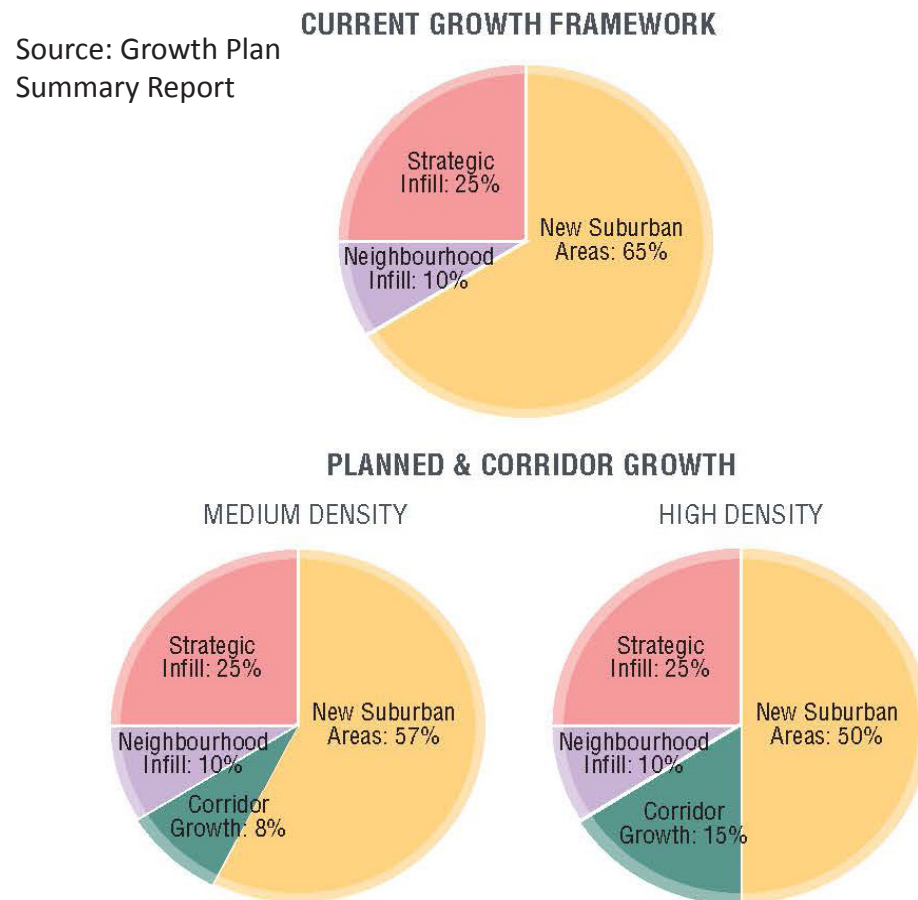
The City’s Growth Plan Summary Report (April 2016) identified opportunities for the re-development of strategic areas that could substantially alter Saskatoon’s overall growth pattern, shifting the balance of growth to 50% suburban and 50% infill. Figure 1 compares various growth scenarios based on current and future growth patterns in the city.

It must be recognized that achieving the 50/50 growth ratio is a long-term plan that is dependent on the re-development and development of a number of linear (e.g. 22nd Street, 8th Street) and nodal (e.g. Confederation Park) growth areas identified in the City’s Growth Plan Summary Report as shown in Figure 2.

The notion of balanced growth is inclusive of the development of the approved sector plans, including the suburban development areas planned for servicing as identified in this report.

The supply of serviced residential land in the City’s suburban growth areas is entirely a market-driven investment, and demand for suburban single-family homes will continue to be a popular choice by new home buyers.

**Figure 1: Distribution of Population (Current Growth Framework vs. Priority Growth Corridors)**





The suburban lands identified by Saskatoon Land for planned servicing throughout this report also play a role in facilitating future infill development. To date, \$123.3 million in net profits from the sale of property in Hampton Village, Willowgrove, Rosewood and Evergreen have been made available for City Council to allocate to various projects, including land acquisitions and/or municipal improvements for numerous infill projects including Pleasant Hill Village, River Landing and North Downtown.

Other notable allocations include the following:

- funding for the City's Affordable Housing Reserve commitments (\$14.5 million);
- operating budget contributions (\$8.2 million between 2008 to 2013);
- Mayfair pool replacement (\$5.0 million);
- road rehabilitation and preservation (\$13.9 million);
- prepaid reserve deficiency (\$28.3 million); and
- Northeast Swale funding plan (\$1.5 million).

Over time, the City's involvement in land development has proven to be a financial asset that would be difficult to replace. Contributions made by returns from the investment in and subsequent sale of development lands have resulted in significant savings for Saskatoon taxpayers.



# 1. Key Indicators

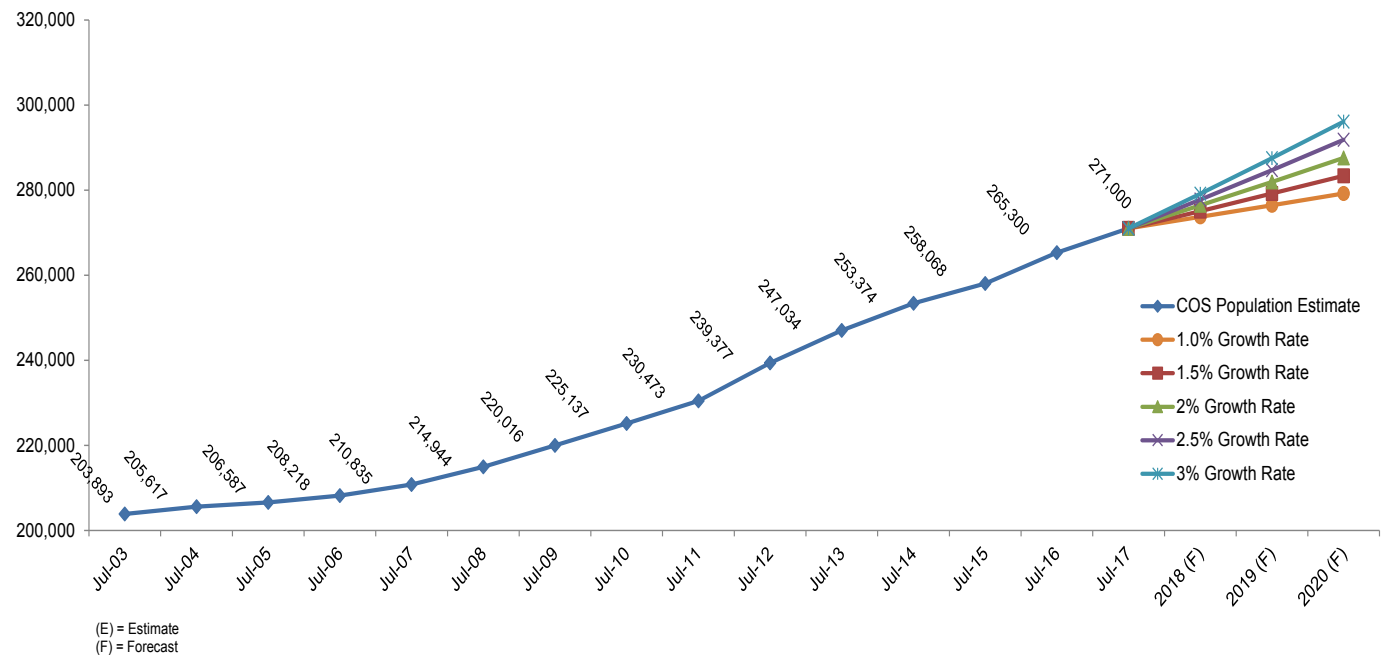
## Population

Over the past 10 years, Saskatoon has experienced substantial population growth. Based on the City’s annual population estimates, Saskatoon has been growing at an average annual rate of 2.32% for the last 11 years (2007 – 2017), and 1.87% for the last 3 years (2015 – 2017). A civic estimate as of June 30, 2017, had Saskatoon’s population at 271,000, based on a projected annual growth rate of 1.9%. While growth rates have moderated from the more robust growth rates experienced prior to 2015, Saskatoon is still experiencing steady population growth.

Over the next few years, population growth rates in Saskatoon are estimated at rates between 1.5% to 2.0%. The rate at which growth will occur is unknown, but projecting various growth rates allows land developers to plan for adequate levels of serviced land to meet demand in these scenarios.

Population projections for growth rates from 1.5% to 3.0% are shown in Figure 3.

**Figure 3: City of Saskatoon Population Projections, 2003 - 2020**



### Saskatoon CMA Employment

According to Statistics Canada, Saskatoon’s Unemployment Rate reached its highest levels in 2016 since 1996. The Conference Board of Canada anticipates similar rates in 2017 and 2018 as job gains are offset by labour force growth. Employment is anticipated to recover in 2017 and 2018, while still being below the 10-year average (Figure 4).

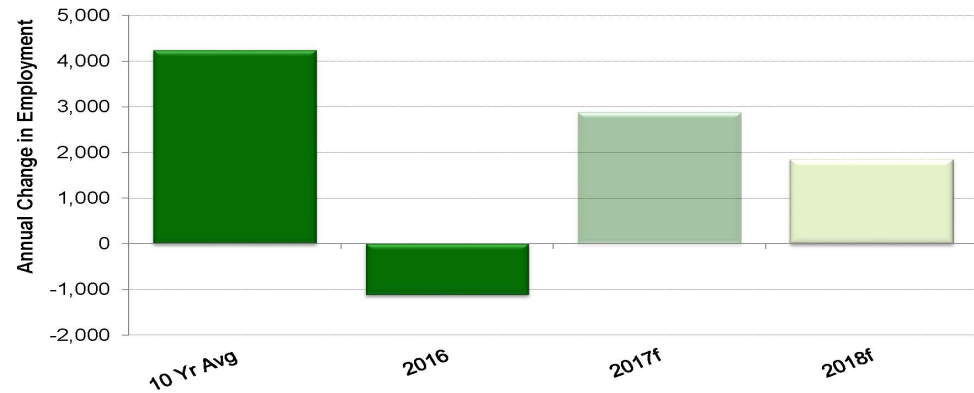
### Housing Market Assessment

Canada Mortgage and Housing Corporation (CMHC) and the Conference Board of Canada anticipated a fall in Saskatoon Census Metropolitan Area (CMA) housing starts in 2017 due to soft demand and an oversupply in the market, with a marginal rebound being anticipated in 2018 resulting from improved economic conditions. However, as of September 1, 2017, housing starts in the city total 1,242 units, which, year over year, is an increase of approximately 20%.

The Real Estate Investment Network (REIN) Saskatoon: Economic Fundamentals publication notes that Saskatoon’s economic diversity has helped buffer the downtrends that many other cities in energy focused provinces have experienced. This diversity has helped cushion the housing and commercial real estate markets from dramatic downturns that have been witnessed in other Western Canadian cities.

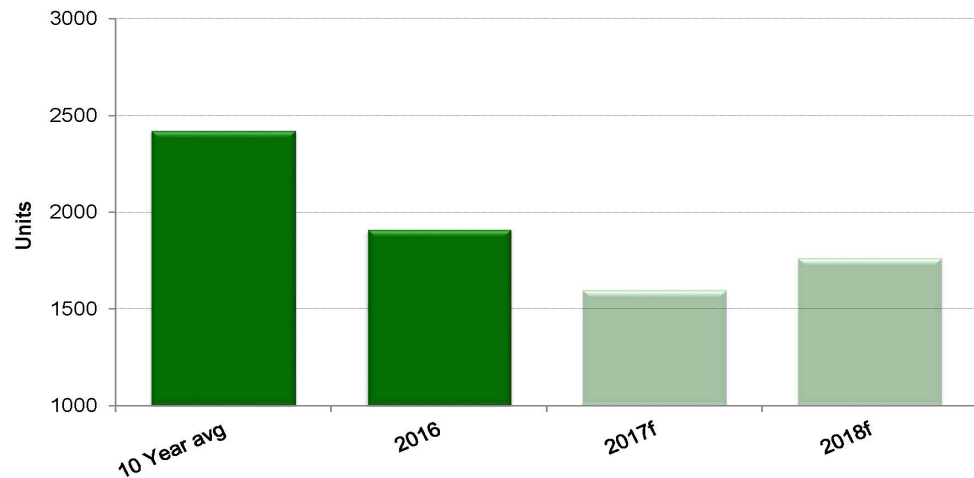
However, some uncertainty in the new home market will be prevalent due to recent increases in interest lending rates, CMHC changes to qualification rules for insured mortgages, new Provincial Sales Tax on labour and proposed federal tax changes that could impact builders.

Figure 4: Saskatoon CMA Employment, 2016 - 2018



Source: Statistics Canada, Conference Board of Canada

Figure 5: Saskatoon CMA Housing Starts, 2016 - 2018



Source: CMHC and Conference Board of Canada

# 2. Demand Profile

## Demand for Residential Land

Demand for residential land is estimated based on assumptions of population growth, household size and density of development. Estimates of total population growth are divided by the average household size to determine the number of housing units. To estimate the amount of land required to develop these units requires assumptions about the type of housing that will be required. Based on the population growth projected in the various growth scenarios shown in Figure 1 and average household size, it is possible to estimate how many dwelling units may be required to meet a given population increase. Table 1 indicates the population increase based on various growth scenarios determined from the City’s June 30, 2017 population estimate of 271,000.

Table 2 demonstrates the suburban dwelling unit demand in Saskatoon at various population growth scenarios. The number of dwelling units for each growth scenario is calculated based on population growth and an average household size of 2.4 persons per unit. An average split of 83% suburban development and 17% infill development is assumed based on an average of actual building permits issued over the past 5 years. A 50/50 single-family and multi-family split was used to project suburban dwelling unit demand. This ratio is based on an average of actual building permits issued for the past 5 years. Additional information on historical demand based on building permit numbers is identified in Figure 6.

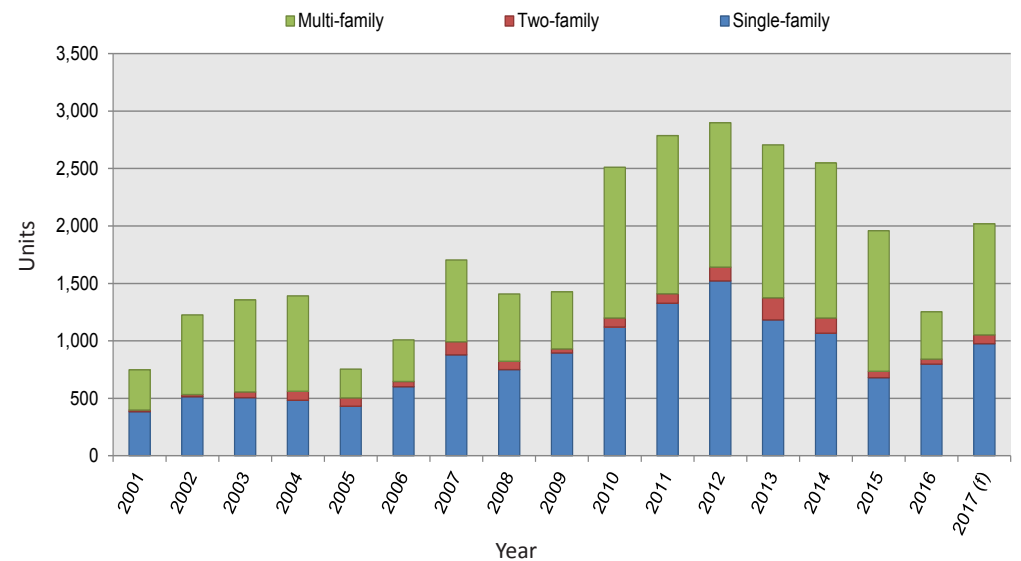
**Table 1: City of Saskatoon Population Growth Scenarios, 2018 - 2020**

Growth Rate	2018	2019	2020	Total
1.0%	2,710	2,737	2,764	8,211
1.5%	4,065	4,126	4,188	12,379
2.0%	5,420	5,528	5,639	16,587
2.5%	6,775	6,944	7,118	20,837
3.0%	8,130	8,374	8,625	25,129

**Table 2: City of Saskatoon Suburban Dwelling Unit Demand Projections, 2018 - 2020**

Growth Rate	2018	2019	2020	Total
1.0%	937	947	956	2,840
1.5%	1,406	1,427	1,448	4,281
2.0%	1,874	1,912	1,950	5,736
2.5%	2,343	2,402	2,462	7,207
3.0%	2,812	2,896	2,983	8,691

**Figure 6: Historical Building Permit Issuance, 2001 - December 31, 2017 (f)**





### Demand for Non-Residential Land

Non-residential development does not follow the same growth pattern of residential development. Gross Domestic Product (GDP) growth drives employment, labour force and income trends, and results in the development of commercial facilities.

Commercial and industrial development in Saskatoon also services the surrounding area, so household growth in the CMA and within an approximate 100 kilometre surrounding area will influence the demand for commercial land in Saskatoon. Data from the City’s Building Standards Division indicated that 2016 building permit values moderated to approximately \$730 million, down from 2015 permit values which exceeded \$1 billion. Based on the level of construction activity experienced during the first half of 2017, building permit values are anticipated to further moderate to approximately \$651 million.

### GDP Growth

According to the Conference Board of Canada’s Metropolitan Outlook Report (Spring 2017), Saskatoon’s real GDP is forecasted to rise by 1.6% in 2017, following 2 years of contractions, as shown in Figure 8.

Figure 7: Building Permit Values (\$,000), 2003 - 2017(f)



Source: Building Standards Division, City of Saskatoon

Figure 8: Saskatoon CMA GDP Growth, 2008 - 2021



Source: Conference Board of Canada

## 3. Land Inventory - Residential

### Real Estate Listings

As of October 1, 2017, total active listings available to Saskatoon home buyers through the Multiple Listing Service® (MLS®) reached its lowest level since June as the number moderated to 2,067 listings. However, year over year, this is still an increase of 8% over last year's totals.

### Single-Family Inventory

As of September 1, 2017, 543 single-family lots were held by developers and 981 single-family lots were held by builders for a total of 1,524 single-family lots (Table 3). Developers also hold 376 single-family lots in the Aspen Ridge, Kensington and Rosewood neighbourhoods which have yet to be released to the market. Factoring in these lots result in a total builder and developer inventory of 1,900 single-family lots. Future offering of the unreleased lots will be based on a review of market absorption and inventory levels.

As of January 1, 2017, builders and developers held approximately 2,100 single-family lots in inventory. Builder and developer single-family inventory levels are anticipated to decrease to approximately 1,700 lots by the end of 2017, which is an approximate reduction of 19%.

A large majority of builder and developer inventory is located within the suburban neighbourhoods of Kensington and the Parkridge Extension. Due to the amount of inventory in west Saskatoon, developers have adjusted servicing plans accordingly and planned single-family servicing levels in west growth areas have been deferred to later years.

**Table 3: Builder and Developer Single-Family Lot Inventory, September 1, 2017**

Neighbourhood	Builder Inventory	Developer Inventory		Total
		City	Private	
Aspen Ridge	72	55	0	127
Arbor Creek	3	0	0	3
Briarwood	5	0	0	5
Brighton	201	0	0	201
Evergreen	76	33	0	109
Hampton Village	3	2	0	5
Kensington	304	201	64	569
Parkridge	5	147	0	152
Rosewood	279	5	34	318
Stonebridge	26	0	0	26
Westview	0	2	0	2
Willowgrove	2	0	0	2
The Willows	5	0	0	5
<b>Totals</b>	<b>981</b>	<b>445</b>	<b>98</b>	<b>1,524</b>

### Multi-Family Inventory

Table 4 identifies inventory of multi-family land held by builders and developers. As of September 1, 2017, builders and developers hold multi-family inventory which can potentially accommodate up to approximately 2,400 dwelling units.

In addition to the figures identified in Table 4, Saskatoon Land also has approximately 34 acres in Evergreen and 24 acres in Aspen Ridge of serviced multi-family land which has yet to be released to the market.

Much of the residential servicing work was advanced as part of completing the infrastructure needs for completion of the North Commuter Parkway bridge. Offering of these parcels will be subject to future evaluation of absorption levels and market demand.

**Table 4: Builder and Developer Multi-Family Inventory, September 1, 2017**

Neighbourhood	Builder Inventory		Developer Inventory				Totals	
	Acres	Units	City		Private		Acres	Units
			Acres	Units	Acres	Units		
Blairmore S.C	4.05	243	4.84	97	0	0	8.89	340
Brighton	0	0	0	0	14.95	371	14.95	371
Evergreen	11.15	167	15.13	471	0	0	26.28	638
Hampton Village	0.99	40	0	0	0	0	0.99	40
Kensington	5.42	94	1.85	28	2.05	31	9.32	153
Lakewood	3.82	152	0	0	0	0	3.82	152
Rosewood	9.98	149	0	0	4.47	81	14.45	230
Stonebridge	18.91	477	0	0	0	0	18.91	477
<b>Totals</b>	<b>54.32</b>	<b>1,322</b>	<b>21.82</b>	<b>596</b>	<b>21.47</b>	<b>483</b>	<b>97.61</b>	<b>2,401</b>

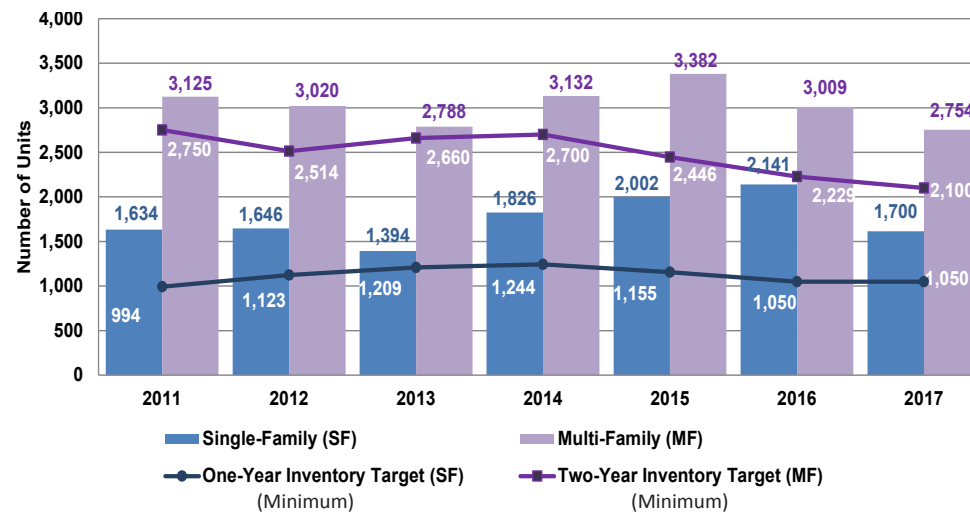
Notes: Dwelling unit estimates are based on a range of 15 units per acre for townhouse style parcels to 60 units per acre for institutionally zoned sites. Commercial and mixed-use zoned parcels which have the potential to accommodate residential uses have been omitted from the figures in Table 4.

### Single-Family & Multi-Family Targets

Saskatoon Land and private developers have set minimum supply targets for single-family at a minimum 1-year supply and multi-family land at a minimum 2-year supply. These targets are based on past building permits, projected population growth and projected demand for single-family units and multi-family units in the upcoming year.

As indicated in Figure 9, since 2011, the land development industry in Saskatoon has met or exceeded these targets.

**Figure 9: Builder and Developer Inventory Levels, 2011 - 2017 (f)**





## 4. Market Absorption & Neighbourhood Build-out

Table 5 outlines projections for the full build-out of neighbourhoods currently under development, based on building permit issuance. Neighbourhoods initiated in the early 2000's such as Hampton Village and Willowgrove experienced shortened build-out time frames of 7 to 8 years due to the robust growth rates during those times.

As population growth rates have moderated, neighbourhood build-out time frames are anticipated to increase to a 10 to 12 year time frame, or possibly longer dependent on the size and density of each neighbourhood.

**Table 5: New Neighbourhood Build-outs, September 1, 2017**

Neighbourhood	ODU* (to date)	MUD** (to date)	Total Est. ODU	Total Est. MUD	Build-out % SF	Build-out %MF	Overall Build-out	Est. Full Build-out
Aspen Ridge	125	0	2,177	2,464	5.7%	0.0%	2.7%	2027
Brighton	241	19	2,744	2,763	8.8%	0.7%	4.7%	2027
Kensington	601	383	1,708	1,741	35.2%	22.0%	28.5%	2023
Evergreen	1,700	1,348	1,753	2,982	97.0%	45.2%	64.4%	2020
Rosewood	1,338	517	2,731	1,532	49.0%	33.7%	43.5%	2025

\* ODU: One-unit Dwelling

\*\* MUD: Multi-family Dwelling Unit

Source: Building Standards Division, Monthly Housing Reports



## 5. Land Inventory - Industrial

### Demand for Industrial Land

Demand for industrial land is perhaps the least dependent on local demand. While industrial land is used extensively to service the local economy, demand for industrial services and land can be generated by regional, inter-provincial, and international demand. However, local labour force and community characteristics will play an essential part in attracting non-local industrial capacity. Current inventories and historical absorption rates of industrial land are an essential baseline for guiding the development of additional industrial land.

Saskatoon Land’s 5-year average for industrial land sales and long-term leases is shown in Table 6. From 2013 - 2017, Saskatoon Land averaged approximately 33 acres per year of industrial land sales and long-term leases.

Saskatoon Land is mandated to ensure a minimum 2-year supply of industrial land at the end of each construction season. Figure 10 shows the historical inventory levels of land available for industrial development held by developers and recent industrial land purchasers. The 2-year inventory target is based on industrial absorption rates from the preceding 5 years.

Table 6: Five-Year Average Industrial Land Sales/Lease, 2013 - 2017(f)

Year	Acres
2013	54.80
2014	54.56
2015	20.97
2016	21.53
2017 (f)	15.08
<b>Average</b>	<b>33.39</b>

For example, the 2017 2-year inventory target is based on the annual average industrial land absorption from 2012 - 2016, and doubled to equal a two-year inventory target. In addition to the industrial land inventory totals shown in Figure 10, Saskatoon Land holds a large parcel (approximately 26 acres in area) which is aimed at facilitating economic development opportunities and employment attraction.

Figure 10: Historical Industrial Inventory, 2013 - 2017 (f)



# 6. Infill Development Opportunities

To achieve the City’s Strategic Goal of Sustainable Growth, the Administration has identified a target of at least 25% of residential development within infill neighbourhoods by 2023.

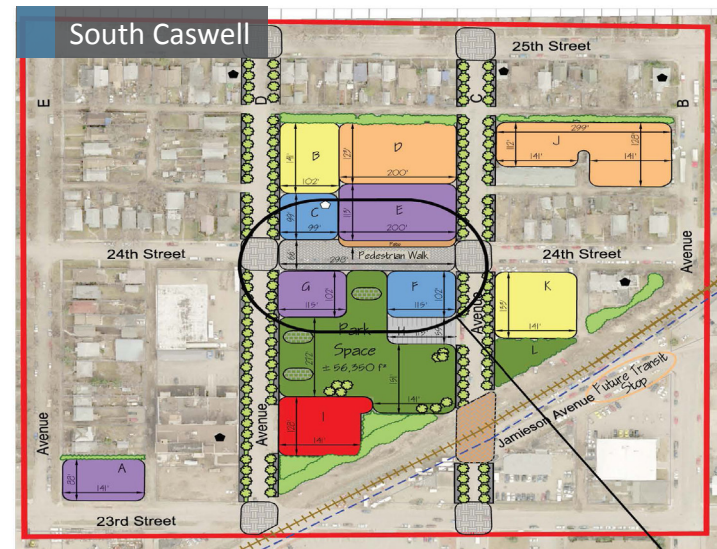
Longer term goals in the City’s Growth Plan Summary Report identify re-development strategies that could significantly alter Saskatoon’s overall growth pattern, shifting the balance of growth to 50% suburban and 50% infill.

The target supports the success drivers of sustainable growth, neighbourhood quality, balanced land use, and multiple transportation options, and it can also contribute significantly to the availability of land for development.

Based on an average of building permit data for the 2012 - 2016 period, 83% of residential development has occurred in the City’s suburban growth areas, with the remaining 17% occurring within established neighbourhoods.

While the focus of the Three-Year Land Development Report is to highlight planned suburban servicing levels, a summary of potential City-owned infill projects is presented on the following pages.

Many of these projects are at the planning or exploratory stage with no definitive servicing or release time frames have been identified.



## INFILL PROJECTS

### North Downtown

- projected population of 7,600 people at 36 dwelling units per acre
- servicing costs and financial implications yet to be finalized
- no definitive servicing time frame

### South Caswell

- mixed-use community developed on former “bus barn” sites
- presently exploring options for site servicing and mechanism for disposal of sites

### 410 5th Avenue North

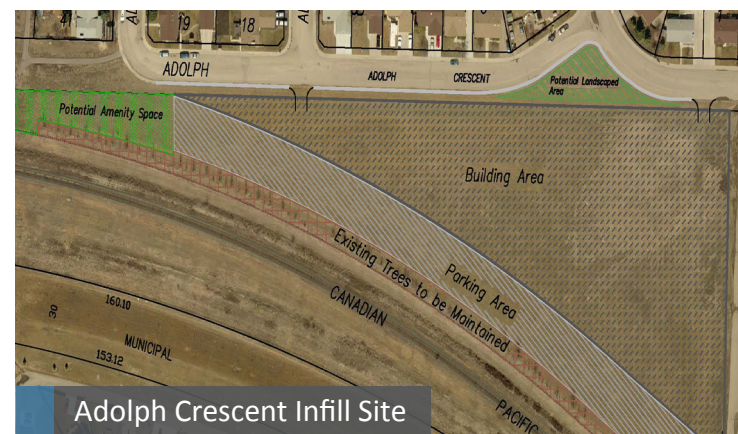
- B5 zoned site for future mixed-use project in the City Park Neighbourhood
- Saskatoon Land is currently soliciting offers for the purchase of the site

### Dundonald Avenue Parcels

- remnant parcels remaining from the Circle Drive South Project
- Saskatoon Land currently exploring potential development and servicing options for the site
- no definitive servicing or development time frames have been identified

### 900 Block - 3rd Avenue

- land holdings retained for potential 3rd Avenue road widening
- exploring preliminary development concepts, in the event that lands are not required for right-of-way dedication
- no definitive servicing time frames have been identified



## INFILL PROJECTS (continued)

### Adolph Crescent Development Site

- rezoning application presently being reviewed by the Administration to rezone parcel to RMTN1 District
- release of parcel anticipated in 2018
- partnership with the University of Saskatchewan

### Delayen Crescent (Forest Grove - Extension)

- currently exploring development options for remnant land holdings remaining from Central Avenue/Attridge Drive Intersection improvements
- no definitive servicing or development time frames

### 25th Street Development Sites (across from Police Headquarters)

- currently exploring zoning changes for the sale and development of parcels
- potential market release in 2018

### 2702 Lorne Avenue Site (adjacent to Western Development Museum)

- servicing upgrades required to provide storm capacity and adequate fire suppression
- market release anticipated in 2018

### River Landing - Parcels BB and DE

- projected market release of mixed-use Parcel BB in 2019
- projected market release of mixed-use Parcel DE in 2018, to be determined based on market conditions

Proposed land uses and densities for a number of these projects have yet to be determined and will be finalized once a thorough servicing and feasibility analysis and appropriate public consultation has been conducted.

It is estimated that, collectively, these sites could accommodate approximately 5,300 dwelling units that would contribute to the City's infill housing stock.







## 7. Servicing Plans - Residential

Servicing plans for suburban single-family lots and multi-family parcels by Saskatoon Land and private developers are outlined in Tables 7 and 8. Corresponding Figures 11 - 16 show the areas planned for servicing by neighbourhood for 2018, 2019, and 2020. These servicing forecasts are assembled from information provided by Saskatoon Land and private developers. Forecasts represent a best-case scenario for servicing completion and assume satisfactory contractor performance and normal weather conditions.

It should be noted that land developers have the option to scale back on servicing plans, should market demand slow or in an effort to avoid over-supplying the market. Land developers can control the timing of the release of single-family lots to the market, further influencing inventory supply. Similarly, land developers have the ability to accelerate servicing plans should market demand increase. The planned servicing levels outlined in this report are projections and intend to note all the lots currently planned to be serviced.



Aspen Ridge



Kensington Pocket Park

### Single-Family Servicing

Table 7 identifies the servicing plans for single-family lots by neighbourhood.

**Table 7: Single-Family Lot Servicing Projections, 2018 - 2020**

Neighbourhood	2018		2019		2020		Total
	City	Private	City	Private	City	Private	
Aspen Ridge	261	0	307	0	198	0	766
Brighton	0	580	0	393	194	362	1,529
Kensington	0	100	0	100	112	100	412
Rosewood	0	224	0	309	0	125	658
Willows	0	0	0	43	0	0	43
<b>Total</b>	<b>261</b>	<b>904</b>	<b>307</b>	<b>845</b>	<b>504</b>	<b>587</b>	<b>3,408</b>

Source: Saskatoon Land



**Table 8: Multi-Family Servicing Projections, 2018 - 2020**

Neighbourhood	2018		2019		2020	
	Acres	Units <sup>1</sup>	Acres	Units <sup>1</sup>	Acres	Units <sup>1</sup>
Aspen Ridge						
City	2.23	33	7.68	115	5.83	233
Private	3.18	58	0	0	0	0
Total	5.41	91	7.68	115	5.83	233
Brighton						
City	0	0	0	0	5.12	77
Private	12.90	194	23.2	348	0	0
Total	12.9	194	23.2	348	5.12	77
Holmwood S.C.						
City	0	0	0	0	0	0
Private	0	0	0	0	4	60
Total	0	0	0	0	4	60
Kensington						
City	0	0	0	0	16.03	308
Private	20.91	511	0	0	0	0
Total	20.91	511	0	0	16.03	308
Rosewood						
City	0	0	0	0	0	0
Private	6.70	101	13.44	202	13.88	208
Total	6.70	101	13.44	202	13.88	208
Willows						
City	0	0	0	0	0	0
Private	0	0	9.65	145	0	0
Total	0	0	9.65	145	0	0
Summary						
City	2.23	33	7.68	115	26.98	618
Private	43.69	864	46.29	695	17.88	268
<b>Grand Total</b>	<b>45.92</b>	<b>897</b>	<b>53.97</b>	<b>810</b>	<b>44.86</b>	<b>886</b>

1. Dwelling unit estimates based on 15 units/acre for townhouse sites, 20 units/acre for stacked townhouse sites and 40 units/acre for apartment sites.

### Multi-Family Servicing

Table 8 identifies the servicing plans for multi-family land by neighbourhood for 2018 - 2020. For each year, the number of acres of land being serviced is shown as well as an estimate of the number of possible residential units that could be accommodated on that amount of land.

Land zoned for mixed-use development may also accommodate residential development. However, as development forms on mixed-use zoned sites are difficult to predict, they are not included in the multi-family estimates.



### Total Residential Servicing

Table 9 summarizes single-family and multi-family dwelling unit servicing schedules for all developers from 2018 - 2020. During this period, developers in Saskatoon plan to service land for a total of 6,001 dwelling units. Saskatoon Land's share of this total is estimated at 31%.

**Table 9: Residential Servicing Projections Summary, 2018 - 2020**

Land Use	2018	2019	2020	Total
Single-Family	1,165	1,152	1,091	3,408
Multi-Family	897	810	886	2,593
<b>Total</b>	<b>2,062</b>	<b>1,962</b>	<b>1,977</b>	<b>6,001</b>

Based on the servicing projections contained in last year's report, developers planned to service land to accommodate approximately 5,800 dwelling units over a three-year period. The 2018 - 2020 servicing total of 6,001 dwelling units, an increase of approximately 3% over last year's figure. The planned residential servicing levels outlined in this report are targeted towards accommodating a modest population growth rate of 2% to 2.5% while achieving the minimum supply targets for land inventory determined by Saskatoon Land and private developers.

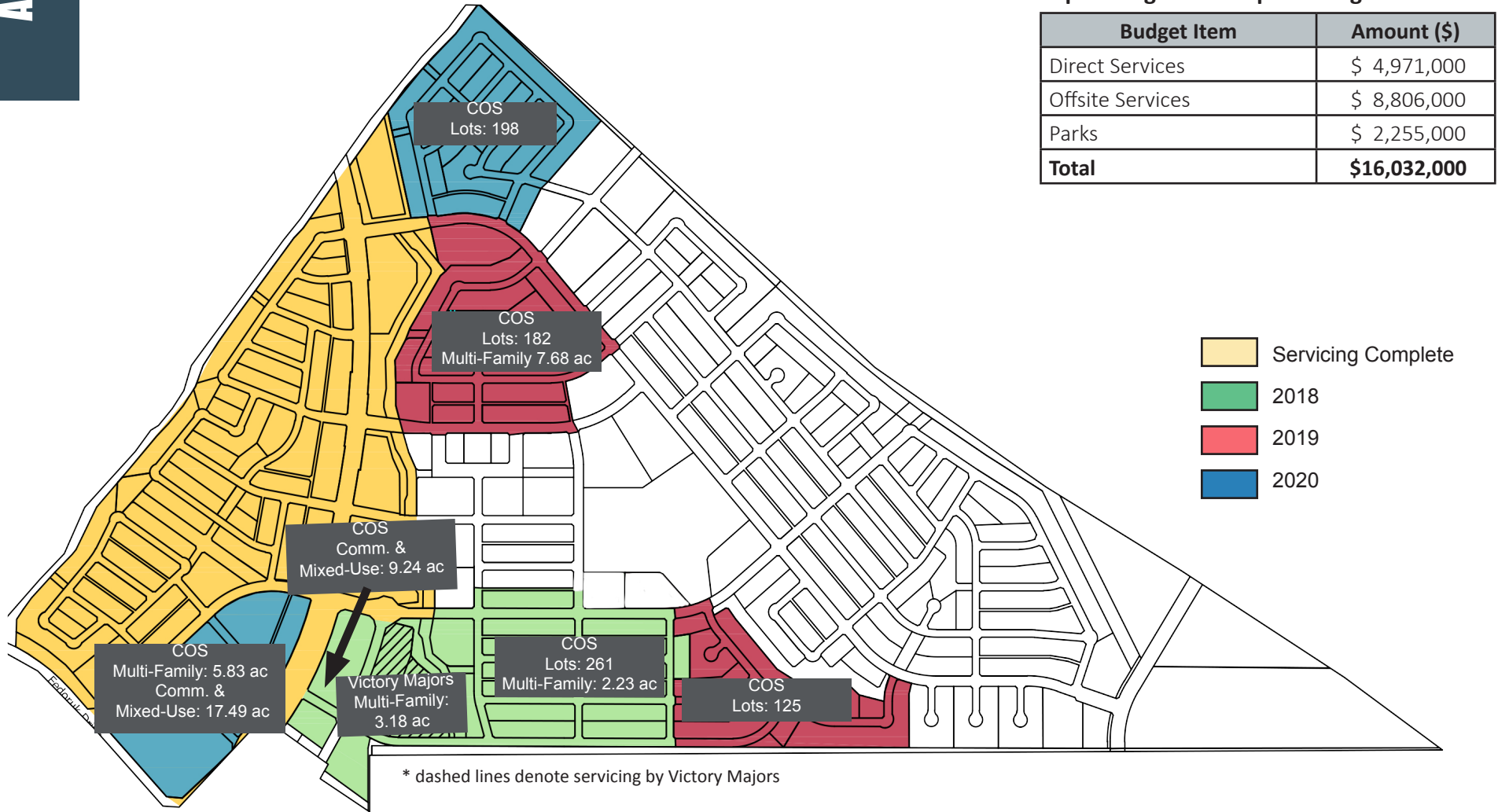
The servicing projections in this report show reactions to servicing levels from land developers based on a number of factors, including existing builder and developer inventory levels and economic forecasts. The modest servicing level increase is testament towards developer confidence in a rebound in the housing market, buoyed by anticipated employment and GDP growth. However, uncertainty still exists due to a number of factors that will influence housing market demand, including higher interest rates, CMHC mortgage rule changes and new provincial and federal taxes.

One trend evident between this year's report figures and last year's version is the amount of multi-family land being serviced. The servicing projections included in last year's report outlined a planned servicing split of 56% multi-family and 44% single-family. Present report figures outline a 43% multi-family and 57% single-family split, with the planned multi-family servicing reduction being reflective of the elevated number of serviced multi-family parcels that could be made available and the number of completed units that are currently on the market.

Should population growth be lower than expected, developers, including Saskatoon Land, would respond by adjusting servicing levels to avoid an oversupply of serviced land and increased carrying costs. Risk levels will be managed by the continuous monitoring of land absorption and inventory levels. Furthermore, use of a phased servicing approach that involves the installation of deep services one year and roadway construction the following year will provide Saskatoon Land additional flexibility in managing capital outlay and its land supply objectives.

Figures 11 - 16 identify the planned residential servicing from 2018 - 2020.

Figure 11: Aspen Ridge Servicing Projections, 2018 - 2020

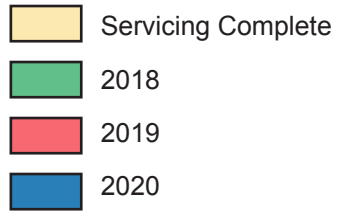


Aspen Ridge 2018 Capital Budget

Budget Item	Amount (\$)
Direct Services	\$ 4,971,000
Offsite Services	\$ 8,806,000
Parks	\$ 2,255,000
<b>Total</b>	<b>\$16,032,000</b>

- Servicing Complete
- 2018
- 2019
- 2020

Figure 12: Brighton Servicing Projections, 2018 - 2020



Brighton 2018 Capital Budget

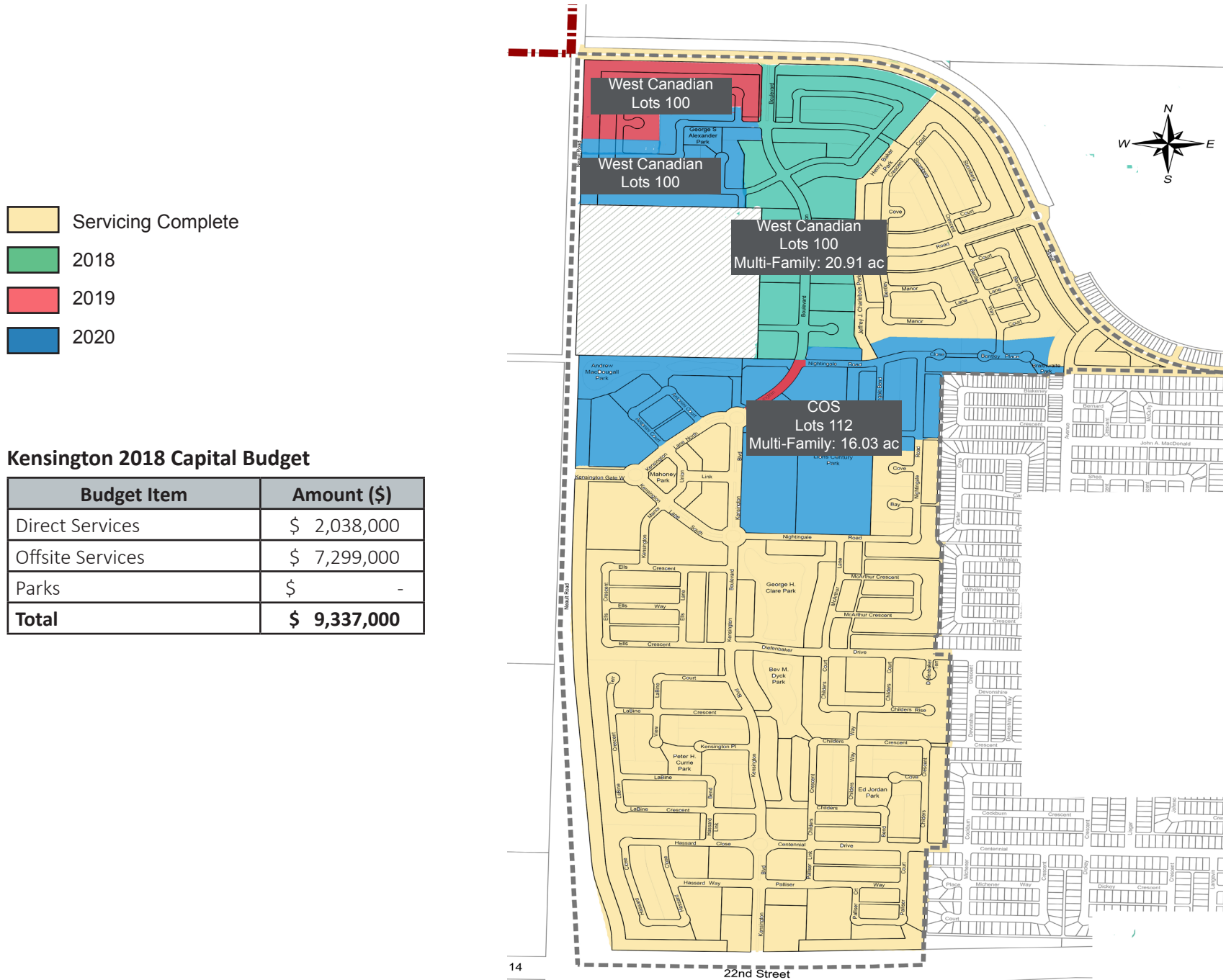
Budget Item	Amount (\$)
Direct Services	\$3,967,000
Offsite Services	\$ 50,000
Parks	\$ 858,000
<b>Total</b>	<b>\$4,875,000</b>



Figure 13: Holmwood Suburban Centre Servicing Projections, 2018 - 2020



Figure 14: Kensington Servicing Projections, 2018 - 2020



- Servicing Complete
- 2018
- 2019
- 2020

**Kensington 2018 Capital Budget**

Budget Item	Amount (\$)
Direct Services	\$ 2,038,000
Offsite Services	\$ 7,299,000
Parks	\$ -
<b>Total</b>	<b>\$ 9,337,000</b>



Rosewood 2018 Capital Budget

Budget Item	Amount (\$)
Direct Services	\$ 418,000
Offsite Services	\$ 2,873,000
Parks	\$ 74,000
<b>Total</b>	<b>\$ 3,365,000</b>

Figure 15: Rosewood Servicing Projections, 2018 - 2020

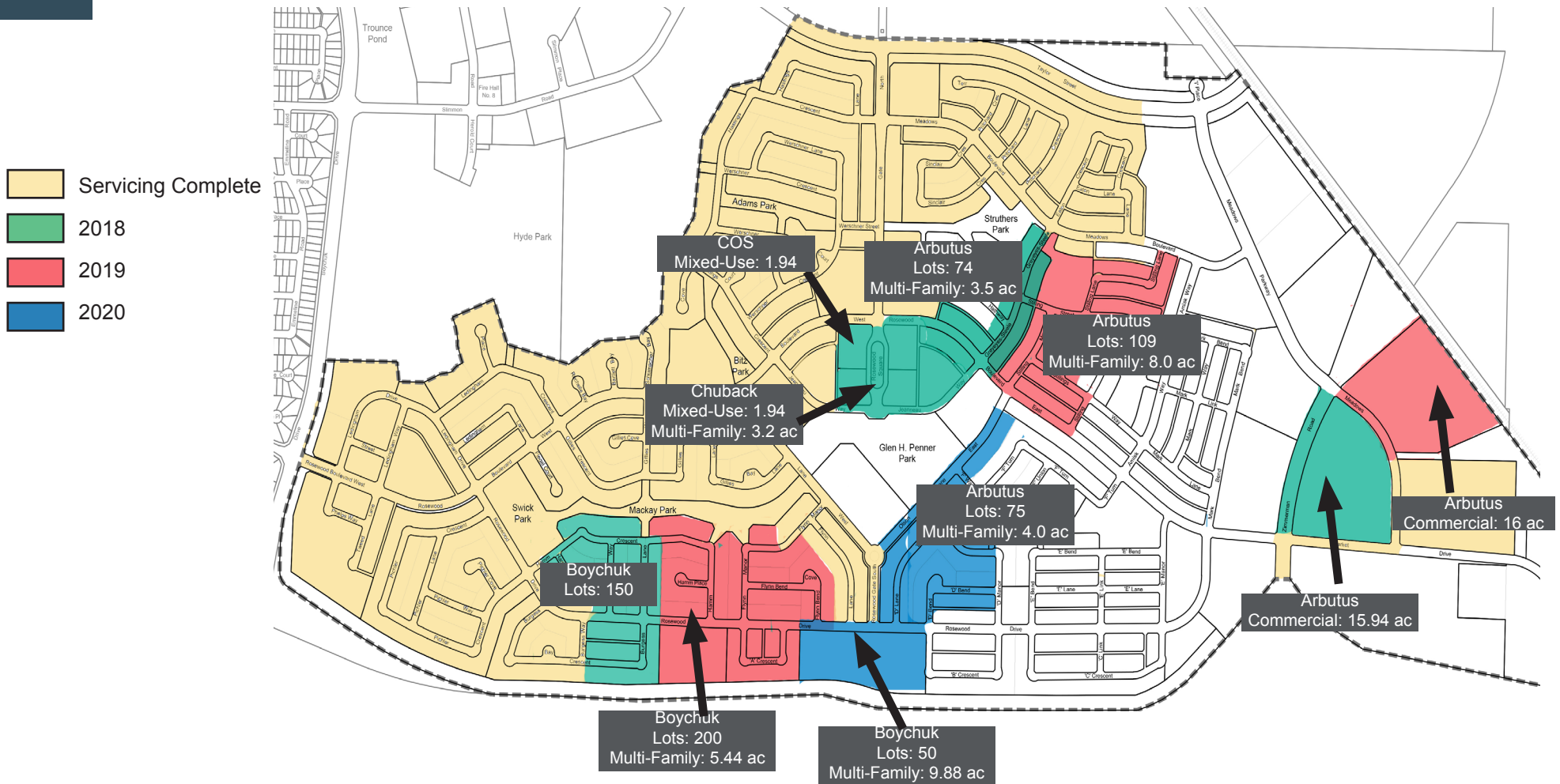
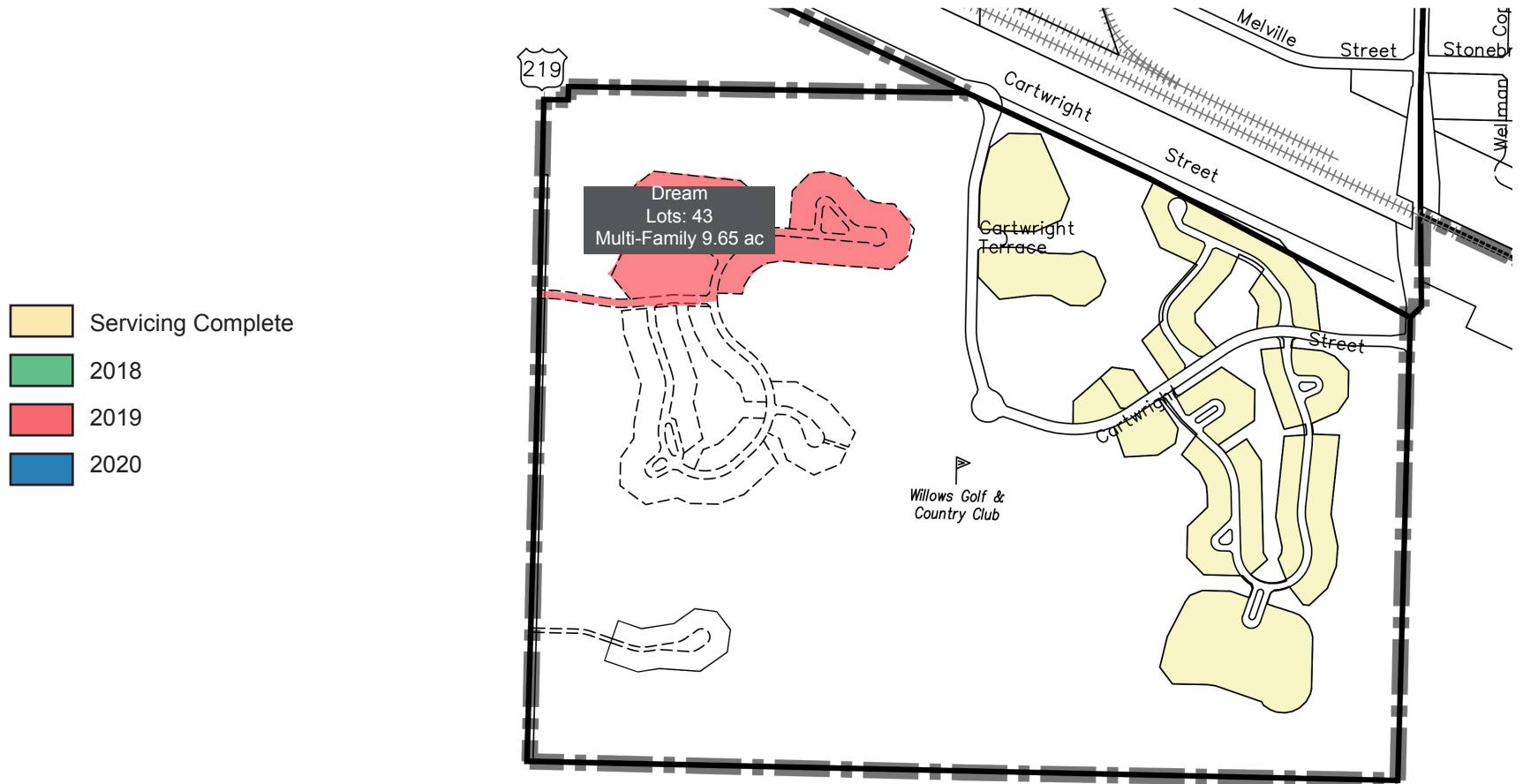


Figure 16: Willows Servicing Projections, 2018 - 2020





## 8. Servicing Plans - Industrial

Table 10 identifies projected industrial land servicing for 2018 - 2020. The majority of planned industrial servicing occurs within the Marquis Industrial area. Additional industrial servicing is projected to occur in the Hampton Village Business Park area, which is envisioned as an office/business park development, which includes district-level retail services adjacent to Claypool Drive.

The Saskatoon Airport Authority has also identified preliminary development plans for its land holdings north of the Hampton Village Business Park area, though the majority of servicing work associated with developing these lands is expected to occur beyond the 2018 - 2020 horizon.

This 3-year servicing cycle will also see the servicing completion of the Marquis Sector, excluding privately held lands. Future design work and planning will be initiated in late 2017 for the first development area in the Riel Sector.

**Table 10: Industrial Servicing Projections, 2018 - 2020**

Neighbourhood	2018		2019		2020		Total	
	City (ac)	Private (ac)	City (ac)	Private (ac)	City (ac)	Private (ac)	City (ac)	Private (ac)
Marquis	58.12	0	0	0	47.54	0	105.66	0
Hampton Bus. Park	0	0	0	3.7	0	0	0	3.7
<b>Total</b>	<b>58.12</b>	<b>0</b>	<b>0</b>	<b>3.7</b>	<b>47.54</b>	<b>0</b>	<b>105.66</b>	<b>3.7</b>



## 9. Servicing Plans - Commercial and Mixed Use

Table 11 outlines projected commercial-servicing plans from Saskatoon Land and private developers in the Aspen Ridge, Hampton Village Business Park, Holmwood Suburban Centre and Rosewood areas. As indicated in Table 11, developers plan on servicing approximately 75 acres of commercial land which can accommodate approximately 750,000 square feet of commercial space.

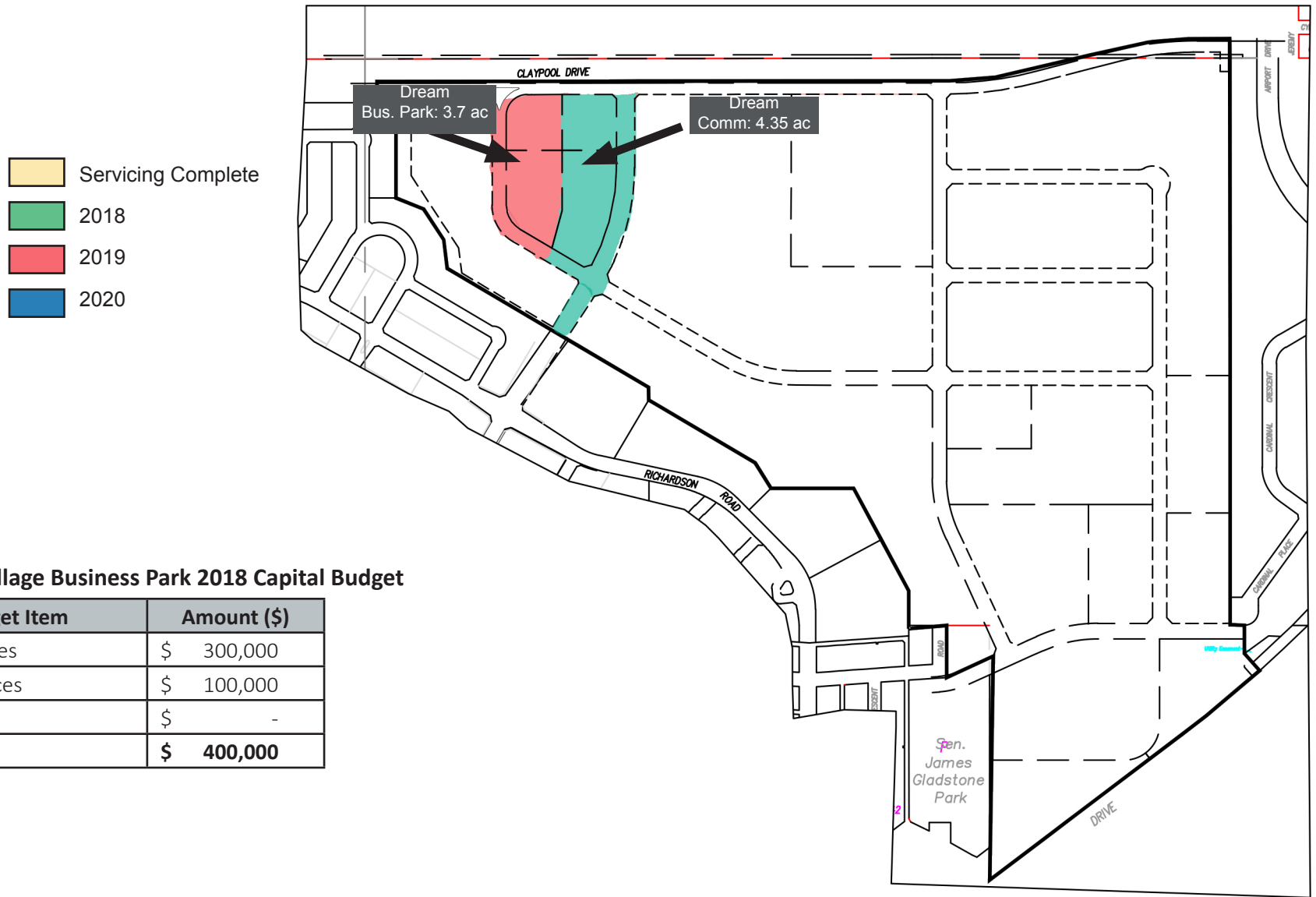
**Table 11: Commercial and Mixed-Use Land Servicing - Land Area (ac) and Retail Square Footage (000's), 2018 - 2020**

Neighbourhood	2018				2019				2020			
	City (ac)		Private (ac)		City (ac)		Private (ac)		City (ac)		Private (ac)	
	ac	sq. ft.	ac	sq. ft.	ac	sq. ft.	ac	sq. ft.	ac	sq. ft.	ac	sq. ft.
Aspen Ridge	9.24	92.4	0	0	0	0	0	0	17.49	175	0	0
Hampton Bus. Park	0	0	4.35	43.5	0	0	0	0	0	0	0	0
Holmwood S.C.	0	0	0	0	0	0	0	0	0	0	10	100
Rosewood	1.94	19.4	15.94	159.4	0	0	16	160	0	0	0	0
<b>Total</b>	<b>11.18</b>	<b>111.8</b>	<b>20.29</b>	<b>202.9</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>160</b>	<b>17.49</b>	<b>175</b>	<b>10</b>	<b>100</b>
<b>Grand Total</b>	<b>ac</b>											<b>74.96</b>
	<b>sq.ft.</b>											<b>749.70</b>

According to Colliers International's Saskatoon Retail Update, Third Quarter 2017, the retail market in Saskatoon remains the city's most in demand real estate asset class. While vacancy has increased and rents have decreased in both the industrial and office leasing markets, retail landlords in the city are experiencing low vacancies and stable rental rates. As of the third quarter 2017, the retail vacancy rate in Saskatoon was 3.21%.

With Saskatoon expected to experience steady population growth, demand for retail development should remain strong as new neighbourhoods throughout the city fill in.

Figure 17: Hampton Village Business Park Servicing Projections, 2018 - 2020



Hampton Village Business Park 2018 Capital Budget

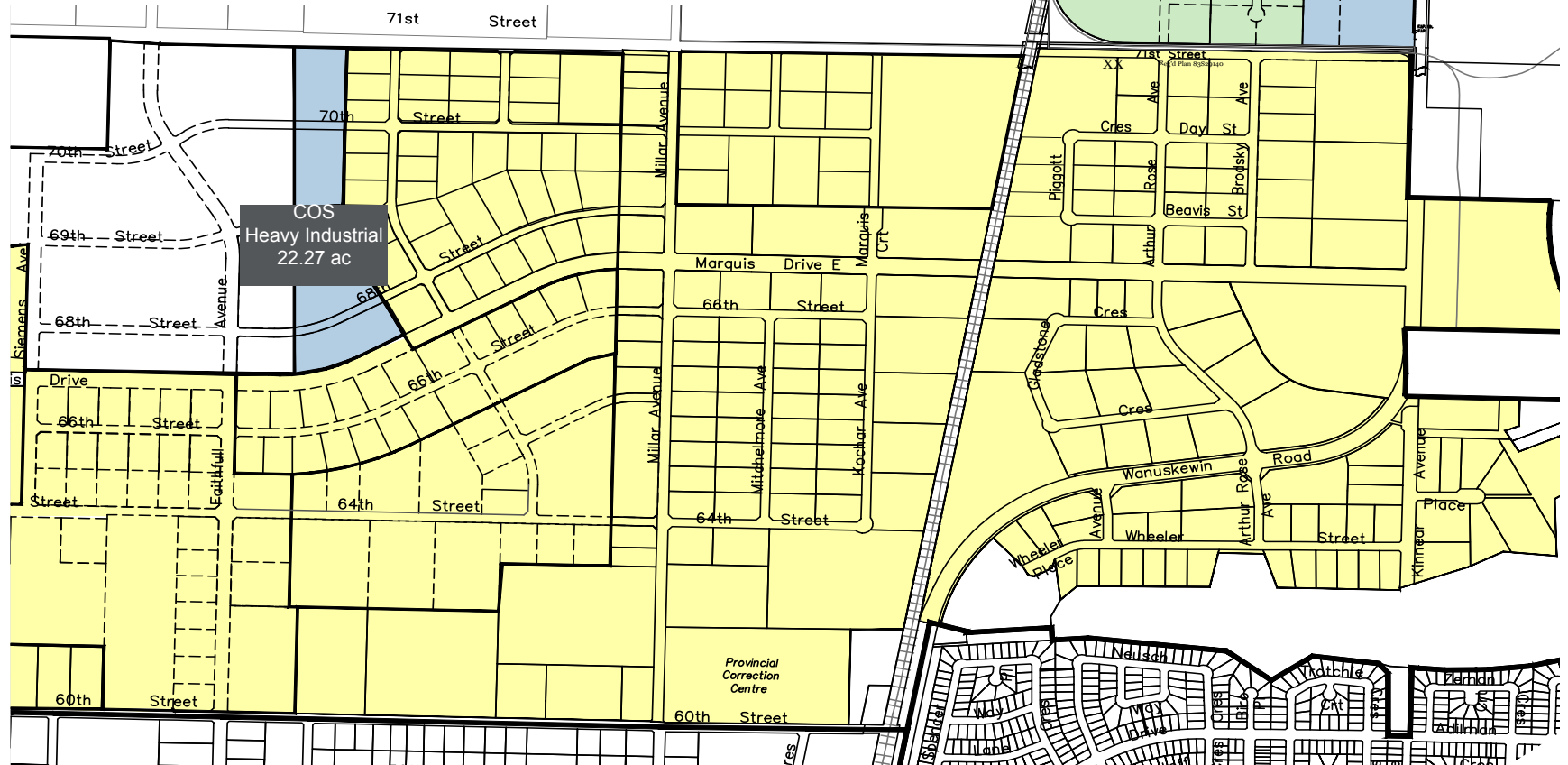
Budget Item	Amount (\$)
Direct Services	\$ 300,000
Offsite Services	\$ 100,000
Parks	\$ -
<b>Total</b>	<b>\$ 400,000</b>

**Marquis Industrial 2018 Capital Budget**

Budget Item	Amount (\$)
Direct Services	\$ 6,937,000
Offsite Services	\$ 3,473,000
Parks	\$ 170,000
<b>Total</b>	<b>\$10,580,000</b>

- Servicing Complete
- 2018
- 2019
- 2020

**Figure 18: Marquis Industrial Area Servicing Projections, 2018 - 2020**



# 10. 2018 Land Development Budget

To accommodate the planned servicing outlined in this report, a total of \$49.67 million has been requested in the 2018 Land Development Capital Budget submission, broken down as follows:

- Direct Servicing - \$20.249 million
- Off-Site Servicing - \$26.071 million
- Park Development - \$3.357 million

The direct servicing funding request is in support of Saskatoon Land's developments, where as off-site funding provides services that are common to entire neighbourhoods or broader geographical areas throughout the city. Examples include arterial roads, trunk sewers and storm water management ponds.

Figures 11 to 18 identify the direct service funding requested for each respective development area and the off-site funding required for improvements in the general area around each neighbourhood.



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## New Fire Station No. 5 Update

### Recommendation

That the information be received.

### Topic and Purpose

This report outlines the planning and preparation for the new Fire Station No. 5.

### Report Highlights

1. A lease for the site within the College Quarter is under negotiation with the University of Saskatchewan and should be finalized by the end of 2017.
2. The three-bay station will be staffed with 32 firefighters, four captains, and four lieutenants operating an engine company and aerial truck. These staff are split amongst four shifts, 24 hours per day. Also, two fire inspectors will have office space at this station.
3. A Fire Station building of approximately 16,000 square feet on a site of approximately 0.76 acres is recommended.
4. Options for future uses for the Fire Station No. 5 building and Central Avenue site are being considered.
5. The project plan includes a two-year design and construction schedule and it is anticipated that the building will be operational in early 2020.

### Strategic Goals

The report supports the Strategic Goal of Quality of Life – Saskatoon is a welcoming people place. The recommendation supports the corporate priority of life safety initiatives within the city.

### Background

In May 2015, Council approved a report updating the Saskatoon Fire Department's Continuous Improvement Program which establishes an effective baseline for the provision of emergency service to the community with safety of the citizens and the response personnel providing the service being primary considerations.

In part, the report outlined a proposal to move Fire Station No. 5 to the new College Quarter in the area of Preston Avenue and College Drive. This would remove existing overlap between Station No. 9 on Attridge Drive and gain the needed coverage for the University Campus. This initiative is in conjunction with the move of Station No. 3 to a location near the corner of Wilson Crescent and Clarence Avenue which commenced in 2016.

The previous plan suggested the operation of an additional station to achieve coverage needed to meet travel time for emergency response. Travel time is one of three components of NFPA 1710 which is the 4-minute response of fire apparatus from station to emergency location. Through a partnership with GIS (Geographic Information System) Mapping, the deployment analysis model has been studied. This model is a



long-term statistical approach to continually analyze the Saskatoon Fire Department's emergency response for the entire city. As the city continues to grow, it is important to revisit deployment analysis through response heat maps to determine the current statistical data.

This plan is projected to save over \$3 million in operating costs annually by operating one less facility, originally proposed for Stonebridge in the previous plan.

The 2017 Capital Budget includes \$500,000 for consultant services for the design of Fire Station No. 5.

### **Report**

Over the latter part of 2016, and throughout 2017, the real estate group with Saskatoon Land has been working with the University of Saskatchewan to identify an appropriate site for Fire Station No. 5 within the College Quarter. At its meeting on October 13, the University Board approved a proposed site and now the lease agreement will be finalized over the remainder of this year. A separate report is being brought forward by Saskatoon Land in due course for approval of the lease.

In order to provide information for the real estate negotiations and planning for the 2018 capital budget, a pre-design study by aodbt Architecture and Interior Design was carried out which included a functional program review, site analysis, summary of regulatory documentations, project schedule and cost estimate. The report created a "test-fit" program layout for the three-bay station. It will be operated by two active units with full crews of four firefighters and one officer per unit. In addition to this, two inspectors will work in the building. The building operates twenty-four hours a day, seven days a week.

The study recommends a building of approximately 16,000 square feet, to be located on a site of approximately 0.757 acres. Vehicle movements on the right-of-way and emergency response travel time have been considered in the site analysis, in consultation with the City's Traffic Division. Access to the station directly off of Preston Avenue is recommended. A provision of twenty-six parking stalls is planned.

The current Fire Station No. 5 on Central Avenue will be replaced by the new station on Preston Avenue. The Administration is currently reviewing uses for the Central Avenue building and site based on future civic needs and broader financial conditions.

The project schedule for Fire Station No. 5 identifies a two-year design and construction period, depending on the season of the construction start. The design is scheduled to commence with the finalized lease agreement, and it is anticipated that the building will be operational in early 2020.

### **Communication Plan**

The communication goal is that residents and businesses in Varsity View, Grosvenor Park, Greystone Heights and Sutherland neighbourhoods are aware of the proposed

fire station. City residents have been informed of the new service model and the benefits of improved coverage and savings to tax payers.

The strategy will use a variety of tactics to communicate information to various audiences through different phases of the project to build awareness and support of the Fire Department's long-term strategy to eliminate gaps and overlaps of emergency response services. This includes meetings with the Sutherland community and BID and information sessions and a newsletter for residents in Varsity View, Grosvenor Park, Greystone Heights and University neighbourhoods. For City-wide residents, there will be website updates.

### **Financial Implications**

In 2017, City Council approved Capital Project #2508 - Fire Station No. 5 Replacement for \$500,000 design funding.

The 2018 Capital Budget includes \$8,789,000 for the construction portion of the project.

### **Environmental Implications**

The building will be designed to meet:

1. the National Energy Code of Canada for Buildings, 2015;
2. ASHRAE Advanced Energy Design Guidelines for Small to Medium Office Buildings – Achieving 50% Energy Savings Toward a Net Zero Energy Building for Climate Zone 7; and
3. Selected items from ANSI/ASHRAE/USGBC/IES Standard 189.1-2014.

### **Other Considerations/Implications**

There are no public and/or stakeholder involvement, policy, privacy or CPTED implications or considerations.

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

Project completion is scheduled for early 2020.

### **Public Notice**

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

### **Report Approval**

Written by: Jeanna South, Special Projects Manager, Transportation & Utilities  
Glenn Ledray, Assistant Chief  
Reviewed by: Morgan Hackl, Fire Chief  
Approved by: Jeff Jorgenson, Acting City Manager

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## **Contract Award Report – May 1 to August 31, 2017 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 for the period of May 1 to August 31, 2017.

### **Report Highlights**

1. Competitive contracts totaled just over \$835,000 and sole source contracts totaled just over \$364,000.

### **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 of May 1 to August 31, 2017.

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

The next contract award report will be tabled in February 2018, for the period September 1, 2017 to December 31, 2017.

### **Public Notice**

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

### **Attachments**

1. Competitive Contracts – May 1, 2017 to August 31, 2017
2. Sole Source Contracts – May 1, 2017 to August 31, 2017

### **Report Approval**

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

Contract Award Report May to Aug 2017.docx

**Competitive Contracts Between \$50,000 - \$75,000  
for the Period May 1, 2017 to August 31, 2017**

Date	Project Title	Department	Contractor/Supplier	Contract Amt
17/08/02	Kinsmen Play Village Rubberized Play Surface	Asset & Financial Mgmt.	Prairie Rubber Paving	\$ 50,718.12
17/05/16	Digester Seepex Pump Replacement	Transportation & Utilities	John Brooks Company Ltd.	\$ 51,515.89
17/06/23	Paddling Pool Early Fill Locations	Community Services	SSG Safe Security Services Canada	\$ 52,000.00
17/06/19	Richards Secondary Core Park Playground	Community Services	Playgrounds-R-Us	\$ 52,299.87
17/05/17	2017 Stump Removals	Community Services	Big/Low Stump Removal	\$ 53,728.50
17/07/31	Horizontal Directional Drilling Services - SL&P	Transportation & Utilities	Dirty Devil Hydrovac Services	\$ 53,835.00
17/06/23	Hydrovac Services - SL&P	Transportation & Utilities	Dirty Devil Hydrovac Services	\$ 56,492.70
17/08/08	Various Power Cables	Transportation & Utilities	Noramco	\$ 56,571.90
17/06/02	Storage & Compression Licensing	Corporate Performance	Horizon Computer Solutions Inc.	\$ 56,782.05
17/05/09	2017 Material Testing Services	Transportation & Utilities	Englobe Corp.	\$ 57,750.00
17/08/24	Emergency Potable Water Supply	Transportation & Utilities	Water Matters Inc. dba Culligan Water Conditioning	\$ 58,000.00
17/07/28	Trenching & Backhoe Services	Transportation & Utilities	Klark's Trenching Ltd.	\$ 58,158.23
17/08/08	Various Power Cables	Transportation & Utilities	Apollo Electrical Supplies	\$ 58,459.82
17/05/24	Turf Sweeper	Asset & Financial Mgmt.	Martin Deerline	\$ 59,259.46
17/08/01	Valve Lifter Rings & Lids	Transportation & Utilities	Emco Corporation	\$ 60,000.00
17/07/10	Electronic Signage	Transportation & Utilities	Professional Computer Services	\$ 60,172.13
17/06/30	Janitorial Supplies	Asset & Financial Mgmt.	Bunzl Canada	\$ 62,175.00
17/05/18	Powered Ride-On Sweeper Scrubber	Transportation & Utilities	Cervus Equipment	\$ 64,050.33
17/05/02	2017 Tree Watering & Maintenance	Community Services	ULS Maintenance & Landscaping Inc.	\$ 64,775.00
17/05/24	Various Padmount & Overhead Transformers	Transportation & Utilities	Partner Technologies Inc.	\$ 65,198.07
17/05/04	Security Services - Various Facilities	Community Services	SSG Safe Security Services Canada	\$ 66,000.00
17/06/07	Light Replacement - Access Transit	Asset & Financial Mgmt.	Triad Power (2004) Ltd.	\$ 66,064.48
17/07/12	Railway Grade Crossing Safety Assessment	Transportation & Utilities	CIMA Canada Inc.	\$ 66,544.50
17/08/08	Breakaway Couplers	Transportation & Utilities	Mallard Forestry Equipment Inc.	\$ 67,835.43
17/07/14	Radar Detection Systems	Transportation & Utilities	Interprovincial Traffic Services Ltd.	\$ 71,461.80
17/07/31	Intelligent Transportation Systems (ITS) Strategic Plan	Transportation & Utilities	IBI Group	\$ 71,739.30
17/05/09	2017 Material Testing Services	Transportation & Utilities	WSP Canada	\$ 73,500.00
17/05/25	45-50 Power Take Off Horsepower Tractor	Asset & Financial Mgmt.	Earthworks Equipment Corporation	\$ 73,900.00
17/06/12	2017 Sidewalk Trip Ledge	Transportation & Utilities	Armadillo Walkway Repairs Inc.	\$ 74,108.60
17/08/01	1/4 Ton Crew Cab Pickup Truck	Asset & Financial Mgmt.	Sherwood Chevrolet Oldsmobile Inc.	\$ 74,467.50
17/07/05	Air Compressor	Transportation & Utilities	A+ Air Inc.	\$ 74,898.36
<b>Total</b>				<b>\$ 835,571.54</b>

**Sole Source Contracts Between \$50,000 - \$75,000  
for the Period May 1, 2017 to August 31, 2017**

<b>Date</b>	<b>Project Title</b>	<b>Department</b>	<b>Contractor/Supplier</b>	<b>Contract Amt</b>
17/08/08	Macerator (Grinder) - Franklin Miller Taskmaster	Transportation & Utilities	Corix Water Products	\$ 50,726.37
Policy Section 4.3(a) Proprietary rights (sole authorized distributor) and 4.3(b) Standardization/compatibility. Corix Water Products is the sole authorized distributor of this brand of equipment in this region. This macerator is the same macerator purchased via tender in 2016 and is being used in the same facility for the same application.				
17/08/24	Steril Koni Mobile Column Lifts	Asset & Financial Mgmt.	Westvac Industrial Ltd.	\$ 52,608.45
Policy Section 4.3(a) Proprietary rights (sole authorized distributor) and 4.3(b) Standardization/compatibility. Westvac Industrial is the sole authorized distributor of this equipment in this region. This brand of lifts has been established as a standard within the City and exists in both Fleet Services and the Transit Divisions.				
17/08/21	Highcom Carbine-Ceramic Plates & Vests	Saskatoon Police Service	911 Supply	\$ 52,633.67
Policy Section 4.3(a) Proprietary rights (sole authorized distributor) and 4.3(b) Standardization/compatibility. 911 Supply is the sole authorized distributor of this brand of protective gear in this region. This brand was selected through a testing process by SPS.				
17/05/26	Line Monitoring for Remai Modern Art Gallery of Saskatchewan (Remai Modern)	Asset & Financial Mgmt.	Johnson Controls Ltd.	\$ 63,258.10
Policy Section 4.3(a) Proprietary rights and 4.3(b) Standardization/compatibility. A service agreement on the controls system, which includes 24/7 line monitoring and provision of technical advice, was required at Remai Modern. As manufacturer of the controls system, Johnson Controls has the expertise and equipment to perform the work.				
17/06/01	Motorola Parts & Materials	Asset & Financial Mgmt.	Motorola Solutions Canada Inc.	\$ 70,000.00
Policy Section 4.3(a) Proprietary rights (sole authorized distributor) and 4.3(b) Standardization/compatibility. This equipment is compatible with the corporate trunked radio system in place until at least June 2019.				
17/07/04	Remai Modern Operations Start-up and Transition	Transportation & Utilities	Black & McDonald Ltd.	\$ 74,999.99
Policy Section 4.3(c) extension of work with contractor on existing project site and 4.3(d) In an emergency that has created an immediate and serious need, which could....adversely affect the operation of the City. Black and McDonald was already onsite and familiar with Remai Modern's systems. In order to ensure a 2017 opening, Black & McDonald was contracted to provide technical expertise which supported operations start up and transition services.				
<b>Total</b>				<b>\$ 364,226.58</b>

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## Acquisition of Land Owned by L&L Gravel & Ranching Co. Ltd. for North Commuter Parkway Project

### Recommendation

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

1. That the Real Estate Manager be authorized to acquire portions of LSD 9, 10, and 11 in Section 23; Township 37; Range 5; West of the 3<sup>rd</sup> Meridian, comprising approximately 2.82 acres from L&L Gravel & Ranching Co. Ltd.;
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal; and
3. That all costs associated with the land acquisition be charged to the Capital Project Land Acquisition account for the North Commuter Parkway project.

### Topic and Purpose

The purpose of this report is to receive City Council approval for the purchase of a portion of LSD 9 23-37-05 W3 Ext 181, LSD 10 23-37-05 W3 Ext 181 and 182, and LSD 11 23-37-05 W3 Ext 183, comprising an area of approximately 2.82 acres of land required for the North Commuter Parkway (NCP) project.

### Report Highlights

The City of Saskatoon (City) requires an additional portion of land from L&L Gravel & Ranching Co. Ltd.'s (L&L Gravel) property located at the north end of the existing Central Avenue to accommodate construction of the NCP project.

### Strategic Goals

This report supports the long-term strategy of optimizing the flow of people and goods in and around the city under the Strategic Goal of Moving Around.

This report also supports the long-term strategy of protecting the City's credit rating and the four-year priority of exploring alternate sources of revenue to pay for ongoing operations under the Strategic Goal of Asset and Financial Sustainability.

### Background

The Growing Forward! Shaping Saskatoon planning process identified the need for an additional river crossing in the northeast to accommodate increased commuter traffic between east residential neighbourhoods and the north end employment area. The functional plan for a new river crossing and connecting arterial road system as part of the NCP project was approved at the May 21, 2013 meeting of City Council.

At the September 23, 2013 regular meeting of City Council, it was resolved that the Real Estate Manager be authorized to acquire portions of LSD 9 23-37-05 W3 Ext 179,

## **Acquisition of Land Owned by L&L Gravel & Ranching Co. Ltd. for North Commuter Parkway Project**

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LSD 10 23-37-05 W3 Ext 180, and LSD 11 23-37-05 W3 Ext 181, comprising approximately 22.48 acres from L&L Gravel.

At a special meeting held on September 8, 2015, City Council awarded the Request for Proposal for the North Commuter Parkway and Traffic Bridge, naming Graham Commuter Partners (GCP) the Preferred Proponent.

### **Report**

#### **Land for NCP Project**

Design and construction of the project commenced in October 2015 and remains ongoing. GCP's design requires an additional 2.82 acres of land from the L&L Gravel site to accommodate a storm sewer outfall and back sloping for the new bridge.

This additional 2.82 acres of land is situated outside the area identified throughout the Request for Proposal process for the project. As such, payment for acquisition of these lands is the responsibility of GCP. However, to facilitate the acquisition, Real Estate Services undertook final negotiations and preparation of the sale agreement, and GCP will reimburse the City for all acquisition costs once the transaction has been completed.

The purchase price of \$76,140 is based on negotiations between L&L Gravel and GCP, a value of \$27,000 per acre.

#### **Other Terms and Conditions**

- The land is being purchased on an "as is", "where is" condition.
- The City will undertake the survey and subdivision of the land at GCP's cost.
- Possession of the Land shall be immediate upon receipt of City Council approval;
- Closing Date shall be the earliest date acceptable to both Buyer and Seller, subsequent to registration of the Plan of Subdivision and raising of title pursuant to the Plan.

### **Options to the Recommendation**

There are no options to the recommendation as this land is required to accommodate the infrastructure being constructed under the project.

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

Real Estate Services have discussed this purchase with the Major Projects & Preservation division, who are overseeing the NCP project.

### **Financial Implications**

All costs relating to this acquisition are the responsibility of GCP and will be reimbursed to the City upon completion of the transaction.

### **Environmental Implications**

A Phase I Environmental Site Assessment was completed on the entire NCP site area. The lands subject to this proposed acquisition were greenfield lands with no issues or concerns identified.

**Other Considerations/Implications**

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

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

At this time, no date has been identified for follow-up or project completion.

**Public Notice**

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

**Attachment**

1. L&L Gravel Land Acquisition Drawing

**Report Approval**

Written by: Keith Pfeil, Manager, Real Estate Services

Dan Willems, Director, Major Projects & Preservation

Reviewed by: Dan Willems, Director, Major Projects & Preservation

Frank Long, Director of Saskatoon Land, Asset & Financial  
Management Department

Approved by: Angela Gardiner, Acting General Manager, Transportation & Utilities  
Department

Finance KP DW – L and L Gravel – Additional Land Acquisition NCP 2017.docx



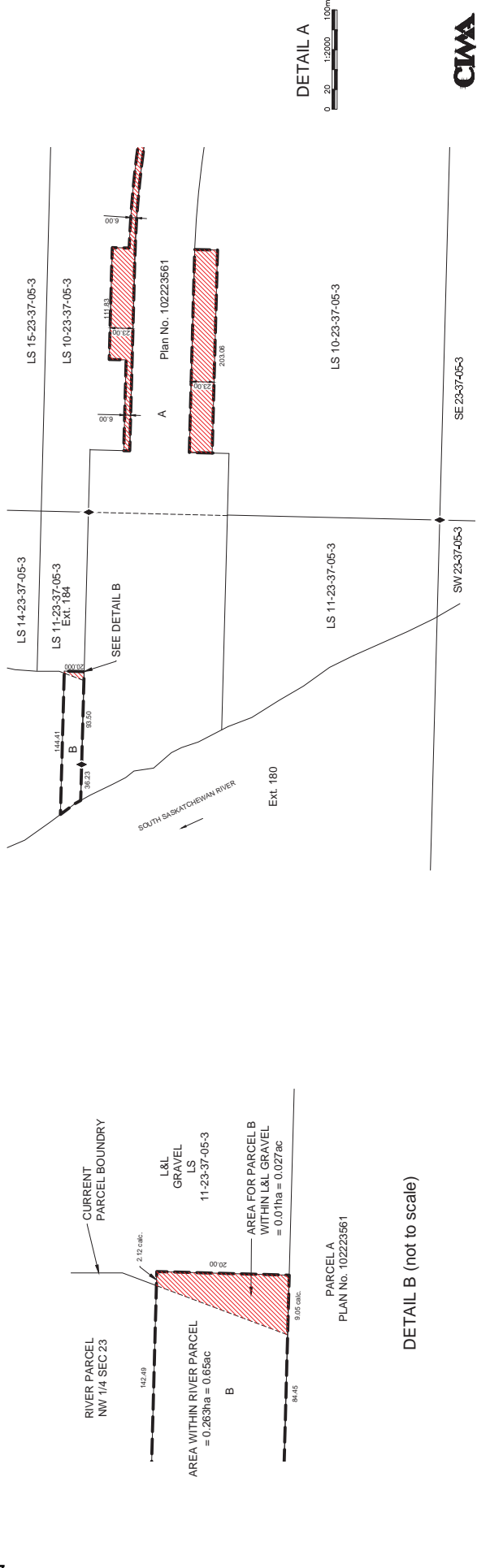
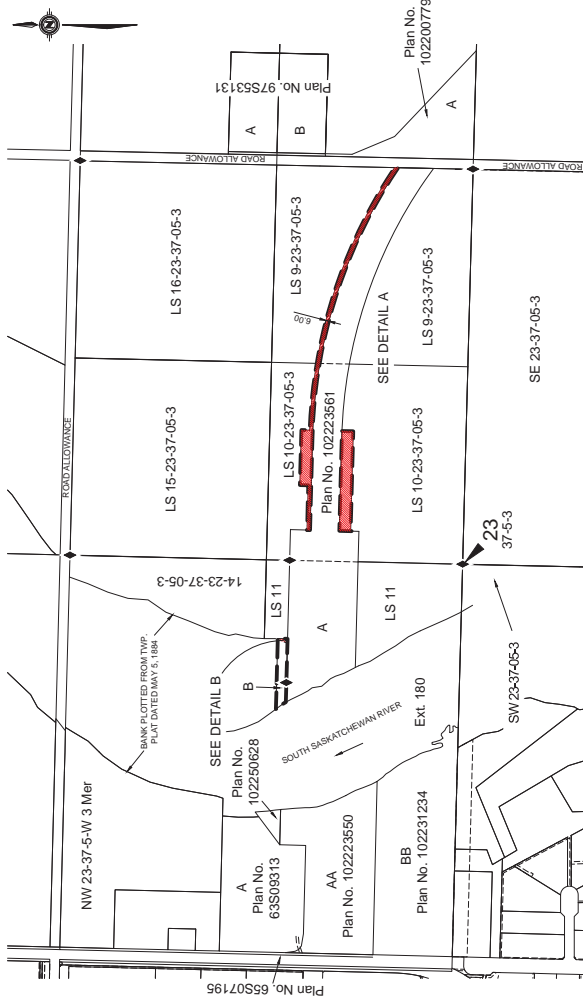
**PROPOSED PLAN OF SURVEY  
SHOWING  
SURFACE SUBDIVISION  
OF PART OF  
SOUTH SASKATCHEWAN RIVER IN NW 1/4 SEC 23  
AND  
LS 9, 10 & 11, SEC 23, TWP 37, RGE 5 W 3 MER  
IN THE  
CITY OF SASKATOON  
SASKATCHEWAN  
BY A. JAMIES HUMIE, S.L.S.**

SCALE = 1:5000  
0 50 100 200m

LEGEND:

- THIS BANK IS TAKEN AS THE BOUNDARY FOR DEFINITION OF BANK SEE SECTION 32 OF THE LAND SURVEYS REGULATIONS, 2000
- MEASUREMENTS ARE IN METRES AND DECIMALS THEREOF.
- AREA TO BE APPROVED IS OUTLINED WITH A HEAVY DASHED LINE.
- STANDARD IRON PEGS FOUND ARE SHOWN THUS: 

NORTH OF PLAN 102223561 0.66 ha = 1.63 ACRES  
SOUTH OF PLAN 102223561 0.47 ha = 1.16 ACRES  
PARCEL B 0.01 ha = 0.027 ACRES  
TOTAL L&L GRAVEL 1.14 ha = 2.82 ACRES



DETAIL A  
0 20 1:2000 100m

DETAIL B (not to scale)



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## Climate and Asset Management Network

### Recommendation

That the Standing Policy Committee on Finance recommend to City Council that His Worship the Mayor and the City Clerk be authorized to execute on behalf of the City of Saskatoon the contribution agreement for the funding grant under the Climate and Asset Management Network Program.

### Topic and Purpose

The purpose of this report is to obtain City Council approval to enter into a funding contribution agreement for the Climate and Asset Management Network Program.

### Report Highlights

1. The Climate and Asset Management Network (CAMN) Program assists municipalities with integrating climate change and sustainability goals into decision making about infrastructure assets and services.
2. The City of Saskatoon (City) applied to participate in the CAMN Program, and on September 29, 2017, was approved for grant funding up to \$52,000.

### Strategic Goal

This report supports the long-term strategy of reducing the gap in funding required to rehabilitate and maintain the City's infrastructure under the Strategic Goal of Asset and Financial Sustainability.

This report also supports the four-year priorities of communicating the benefits of environmental initiatives and considering mitigation strategies for the impact of severe weather events on the City's infrastructure under the Strategic Goal of Environmental Leadership.

### Background

The Federation of Canadian Municipalities' (FCM) Leadership in Asset Management Program ran from 2015 to 2017 and had similar features and goals as the new CAMN Program. The City did not participate in the Leadership in Asset Management Program.

### Report

#### Overview of the Climate and Asset Management Network Program

The CAMN Program is adapted from the Leadership in Asset Management Program and will provide peer learning, grant funding and training to help municipalities incorporate climate change and sustainability goals into decision making about infrastructure assets. The CAMN Program is offered through FCM's Municipalities for Climate Innovation Program and funded by the Government of Canada.

There are two phases to the CAMN Program. Phase 1 is eligible for a maximum grant of \$52,000, and Phase 2 is a maximum grant of \$123,000 for a combined total maximum of \$175,000.

- In Phase 1, participants will:
  - Receive a grant to develop or refresh an asset management policy, strategy and governance framework;
  - Take part in training and learning opportunities with participants from 10 to 15 other municipalities from across Canada; and
  - Become part of a network of municipalities sharing knowledge about innovative asset management practices.
- In Phase 2, participants will strengthen a specific aspect of the asset management planning to better incorporate climate risks and environmental, social and economic sustainability considerations.

Municipalities which were not ready to undertake a Phase 2 project when applying for CAMN funding can apply for Phase 2 at any time during implementation or after completion of the Phase 1 project.

### CAMN Grant Approval

On June 9, 2017, the Administration applied for grant funding, and on September 29, 2017, the Administration received approval from FCM for Phase 1 of the CAMN Program for a maximum of \$52,000 (Attachment 1). The Administration did not apply for Phase 2 at that time. As Phase 1 progresses, the Administration will determine a specific eligible project and apply for Phase 2.

During Phase 1, the City's team will consist of one representative each from the Finance, Major Projects and Preservation, and Environmental and Corporate Initiatives divisions. These team members will work together and with other City employees, as required, to develop the asset management policy, strategy and governance framework, as well as receive training and participate as part of the network of municipalities to share knowledge.

### **Options to the Recommendation**

City Council can choose not to execute the agreement. Administration does not recommend this option as it would mean the City would not participate in the FCM program and would not benefit from the associated funding, peer learning and formalization of the asset management policy, strategy and governance framework.

### **Financial Implications**

Eligible costs of this program include salary costs for the three team members to develop the asset management policy, strategy and governance framework, as well as travel reimbursement for mandatory training or peer networking sessions. It is estimated the total cost of Phase 1 will be \$82,900 of which the grant will cover eligible costs up to \$52,000. The remaining costs will be incurred and funded through already existing operating and capital programs where the salary for the three team members is currently charged.

**Other Considerations/Implications**

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

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

Phase 1 is expected to be completed within 12 to 18 months. As Phase 1 progresses, the Administration will report back regarding the application for Phase 2 funding.

**Public Notice**

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

**Attachment**

1. FMC Letter of Approval, dated September 29, 2017

**Report Approval**

Written by: Kari Smith, Manager of Financial Planning  
Reviewed by: Clae Hack, Director of Finance  
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

Climate\_Asset Management Network.docx

**President  
Président**

Clark Somerville  
Councillor  
Regional Municipality of  
Halton, ON

**First Vice-President  
Première vice-présidente**

Jenny Gerbasi  
Councillor  
City of Winnipeg, MB

**Second Vice-President  
Deuxième vice-présidente**

Sylvie Goneau  
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Ville de Gatineau, QC

**Third Vice-President  
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Bill Karsten  
Councillor  
Halifax Regional  
Municipality, NS

**Past President  
Président sortant**

Raymond Louie  
Acting Mayor  
City of Vancouver, BC

**Chief Executive Officer  
Chef de la direction**

Brock Carlton  
Ottawa, ON

September 29, 2017

**City of Saskatoon**  
**222 3<sup>rd</sup> Ave. N.**

Saskatoon, SK, S7K 0J5

**Title of initiative:** Climate and Asset Management Network  
**Application number:** MCIP 15277

Dear **Mr. Frank,**

On behalf of FCM's Executive Committee, I would like to congratulate the City of Saskatoon on its successful funding application for the above-noted initiative in relation to the Municipalities for Climate Innovation Program's (MCIP) Climate and Asset Management Network (CAMN). It is my pleasure to confirm that the City of Saskatoon has been approved for a grant in the amount of up to **\$52,000.**

In the near future, Dustin Carey will contact the **City of Saskatoon** to finalize the agreement for this funding via contract. FCM's obligation to fund the above-noted initiative will only become binding once the agreement is signed.

The CAMN program provides you with a combination of both funding and direct assistance through guided peer learning. In order to quickly ramp up the CAMN program, we have prepared a series of next steps that require swift attention.

1. To welcome you to the CAMN program, elaborate on our role and gather insight into your expectations from participation, we are scheduling a 30-minute one-on-one call with each municipality **between October 3<sup>rd</sup> and 13<sup>th</sup>**. Please select your preferred option in the following Doodle Poll. Time slots are first-come, first-served, so please select quickly to ensure a time is chosen that works for your project management team.

<https://doodle.com/poll/hsbimeeee69frpa9q>

The call will primarily focus on the following topics:

- Overview of next steps within the following weeks
- Clarification of the FCM's role in network facilitation
- Identification of your expectations and resources to ensure successful participation in CAMN

24, rue Clarence Street,  
Ottawa, Ontario, K1N 5P3

T. 613-241-5221  
F. 613-241-7440

www.fcm.ca



2. On **October 25<sup>th</sup>, 1:00-2:30 ET**, the first cohort-wide conference call will occur. This call will provide an overview content objectives throughout the project lifecycle, allow for customization and verification of program schedule and workshop content components, and review the expected outcomes of CAMN.
  
3. The first of two in-person workshops, which all participants are required to attend, will be occurring **in Ottawa on November 15-16**. The workshop will take place at the Novotel Hotel (33 Nicholas St, Ottawa, ON K1N 9M7). We have secured a discounted rate of \$179 per room per night at this hotel. Please book all necessary rooms **by October 16<sup>th</sup>** to take advantage of this discount. Reservations can be made by calling (613) 230-3033, referencing booking code **548950**. You are responsible make your own travel arrangements in line with Federal Treasury Board Guidelines. Expenses for your travel and accommodation are reimbursable under the terms of your contract. Please plan to be in attendance from 9:00 am on November 15<sup>th</sup> to 4:00 pm on November 16<sup>th</sup>.

Public announcements regarding MCIP-funded initiatives are overseen by FCM in partnership with the Government of Canada. During the October 25<sup>th</sup> conference call, FCM will an update as to the preferred method of publicly announcing your successful application. Until that time, before making any public statements related to the status of the application process for MCIP funding, please contact us at 613-907-6208 or by e-mail at [programs@fcm.ca](mailto:programs@fcm.ca).

Thank you for your interest in joining the Climate and Asset Management Network. We look forward to working with you to improve the quality of life in your community, and to help foster best practice approaches towards integrating climate change considerations into municipal asset management strategies that may be shared with communities across Canada. Should you have additional questions in the meantime, please do not hesitate to contact Dustin Carey at [dcarey@fcm.ca](mailto:dcarey@fcm.ca) or 343-925-6457.

Sincerely,

**Devin Causley, MCIP RPP**

Manager, Capacity Building | Municipalities for Climate Innovation Program

Gestionnaire, Renforcement des capacités | Programme Municipalités pour l'innovation climatique

T. 613-907-6370

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## Neighbourhood Land Development Fund Surplus Allocation

### Recommendation

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

1. That \$12.5 million from the previously declared Neighbourhood Land Development Fund be allocated in 2017 to the Capital Projects as outlined in Table 1 of this report;
2. That \$7.5 million from the previously declared Neighbourhood Land Development Fund surpluses be allocated in 2018 to the Capital Projects as outlined in Table 1 of this report, subject to approval of the 2018 Capital Budget; and
3. That the remaining unallocated surpluses previously declared from the Neighbourhood Land Development Fund be allocated as follows:
  - a) \$360,000 to the Reserve for Capital Expenditures Reserve for 2018;
  - b) \$400,000 to the Affordable Housing Reserve for 2019; and
  - c) \$5.034 million to the proposed new Recreation and Parks Funding Plan.

### Topic and Purpose

The purpose of this report is to receive City Council approval to allocate previously declared Neighbourhood Land Development Fund (NLDF) surplus funds that were held to cash flow the Prepaid Land Development Reserves and are no longer required.

### Report Highlights

1. The NLDF declared surplus funds prior that were held to cash flow prepaid land development reserves.
2. The Civic Facilities Funding Plan requires \$20 million from NLDF Evergreen surplus funds to fund the approved projects within the funding plan.
3. A proposed funding plan for the Recreation and Parks projects as well as the Reserve for Capital Expenditures (RCE) and the Affordable Housing Reserve require the remaining previously declared NLDF funds.

### Strategic Goals

This report supports the Strategic Goal of Asset and Financial Sustainability through the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes and the four-year priority of developing funding strategies for expenses related to new capital expenditures.

### Background

At its October 21, 2013 meeting, City Council approved a declaration of \$28 million of surpluses from the Evergreen neighbourhood. Additionally, on December 1, 2014, the Standing Policy Committee on Finance approved a declaration of \$10 million of surpluses from the Evergreen neighbourhood. Of the \$38 million declared,

## Neighbourhood Land Development Fund Surplus Allocation

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\$25.794 million remains unallocated to specific capital projects as it was held to cash flow prepaid land development reserves that were planned to be in a net deficit position. However, the need to continue cash flowing for this purpose is no longer required as the 2018 estimate for the net prepaid reserves balance is to be in a positive position.

At its November 28, 2016 meeting, City Council approved the sale of the former Saskatoon Police Service Headquarters (Police Headquarters) at 130 and 140 – 4<sup>th</sup> Avenue North. The financial implications within the report stated that proceeds from this sale would be applied to the City of Saskatoon's (City) cash holdings to replenish funds used to purchase 202 – 4<sup>th</sup> Avenue North (Civic Square East) and related parking lots at 209 and 221 – 5<sup>th</sup> Avenue North.

At its November 30, 2016 meeting, when considering the Funding Plans Update report, City Council resolved that the updated Civic Facilities Funding Plan, Major Transportation Infrastructure Plan, and Gas Tax Allocation Plan be approved. This report showed an expected amount of \$20 million from the NLDF to fund projects within the Civic Facilities Funding Plan.

At its meeting on August 14, 2017, the Standing Policy Committee on Planning, Development and Community Services considered a report from the General Manager, Community Services Department, regarding sustainable funding for the Affordable Housing Reserve. The report recommended that City Council approve that the level of annual funding be \$750,000 for the Affordable Housing Reserve. It was resolved that the Administration report back to the Standing Policy Committee on Planning, Development and Community Services with an expanded report including reporting on the neighbourhood land development fund and its return on investment on this and other programs in Saskatoon.

### Report

#### Neighbourhood Land Development Fund Previous Declarations

Further to the October 21, 2013 resolution of City Council and the December 1, 2014 resolution of the Standing Policy Committee on Finance, previous surpluses that were declared from the Evergreen development were held to cash flow the necessary work for Land Development which had put the Land Development reserves into a deficit. Projections to the end of 2017 and the 2018 preliminary budget forecast the Land Development reserves to be back in a surplus position; therefore, the funds that were held in the reserve for cash flow purposes are no longer required.

#### Civic Facilities Funding Plan

Further to the November 30, 2016 resolution of City Council, part of the funding expected in 2017 and 2018 for the projects in the previously approved Civic Facilities Funding Plan (Facilities Funding Plan) was from NLDF Evergreen surplus. The projects requiring funding from the Facilities Funding Plan are listed in Table 1. These projects were approved in previous Capital Budgets and the funding was approved under the Facilities Funding Plan identifying NLDF as a source in 2017. These funds had already been declared and were being held for this purpose.



## Neighbourhood Land Development Fund Surplus Allocation

**Table 1**

<b>Project Name</b>	<b>Amount</b>
<b>2017 Projects</b>	
P1135 AF-CBCM Program (Children's Discovery Museum)	1,300,000
P1584 Civic Operations Centre	2,400,000
P1943 AF-Emergency Back-up Power System	1,500,000
P1949 AF-Service Saskatoon Staffing Accommodation	1,000,000
P2259 TU-PW Satellite Yards (Growth Plan Operational Analysis)	200,000
P2373 Fire - Replacement of Station No. 3	2,143,155
P2508 Fire - Replacement of Station No. 5	333,333
Purchase of Civic Square East	3,672,015
<b>Total 2017 Projects</b>	<b>\$12,548,503</b>
<b>2018 Projects</b>	
P1584 Civic Operations Centre	3,118,164
P2508 Fire - Replacement of Station No. 5	4,333,333
<b>Total 2018 Projects</b>	<b>\$7,451,497</b>
<b>Total Required for Civic Facilities Funding Plan</b>	<b>\$20,000,000</b>

The 2018 projects listed are for funding that is proposed in the 2018 budget and will be presented at Budget Deliberations from November 27 – 29, 2017. If the projects are approved, the Administration is recommending that funding of \$7.5 million be applied in 2018 for those projects.

Project 1584, Civic Operations Centre, had identified alternate funding as a source of funding which included the Facilities Funding Plan. The \$3.1 million in NLDF is that portion required to fund the Facilities Funding Plan.

Project 2508, Fire – Replacement of Station No. 5, has identified the Facilities Funding Plan as its funding source for which the \$4.333 million from NLDF is contributing towards this project.

The purchase of the Civic Square East building (202 – 4<sup>th</sup> Avenue North and parking lots at 209 and 221 – 5<sup>th</sup> Avenue North) and related expenditures were funded through the City's cash holdings. The cost of the Civic Square East building was greater than the funds received through the sale of the former Police Headquarters by \$3.7 million. This amount was added into the Facilities Funding Plan as part of a \$6 million contingency that was approved at the November 30, 2016 City Council meeting.

### Reserve for Capital Expenditures

The RCE operating budget contribution has been reduced in the proposed 2018 budget in order to reduce the reliance on the property tax and is proposed that the NLDF will be used to backfill any requirements. Currently, there is \$2.39 million to be allocated to RCE in 2018 with \$2.75 million in proposed projects. This requires \$360,000 from NLDF to fill this gap.

### Affordable Housing Reserve

This report could also have been referred to the Standing Policy Committee on Planning, Development and Community Services; however, as this report deals with funding for multiple projects and associated dividends, it is being presented to the Standing Policy Committee on Finance. In addition, as both Standing Policy Committees would forward the report to City Council for a decision, the same results are achieved.

Further to the August 14, 2017 resolution of the Standing Policy Committee on Planning, Development and Community Services, while this funding is in place for 2018 which includes a base mill rate funding of \$250,000, future funding to backfill the remaining \$500,000 would be needed. The recommended plan is to begin phasing in mill rate funding in 2019 with an offsetting phase out of NLDF contributions to avoid the reliance on one-time funding each year from the NLDF. During the phase-in period, the plan would include \$400,000 in 2019 from the NLDF and would decrease by \$100,000 each year until the \$750,000 allocation was fully funded through the mill rate by 2023.

The recommended allocation of \$400,000 from the NLDF to be held for the 2019 contribution provides the ability for the Administration to plan and communicate this strategy and allow for proactive project planning by housing providers on an ongoing basis. Even if the mill rate phase-in plan is not approved in 2018, for the 2019 budget, there will be an additional \$400,000 available in 2019 for advance planning with housing providers and stakeholders.

### Recreation and Parks Funding Plan

A new Recreation and Parks Funding Plan is being proposed that will identify various City of Saskatoon funding sources for the requests for recreation and sports facilities that will be constructed through joint partnerships in and around Saskatoon. An amount of \$5.034 million is being proposed for allocation to this funding plan to help fund the various initiatives that have been identified. The specific projects, timing and other sources of funding is not finalized at this time but the Administration will hold the \$5.034 million of the remaining NLDF to begin creating this funding plan. A future report outlining additional funding options for the entire plan will be presented at a later date.

### **Options to the Recommendation**

City Council can choose not to approve the funding of these projects from the NLDF previously declared surplus funds. The Administration does not recommend this option as these approved projects will require the funding and an alternative funding source is not readily available to replace the NLDF Evergreen surplus funds. Using alternative funding such as the NLDF reduces the reliance and need for mill rate increases to fund capital projects or to repay borrowing.

### **Financial Implications**

The financial implications are addressed in the body of this report.

**Other Considerations/Implications**

There are no policy, environmental, privacy, or CPTED implications or considerations, and neither public and/or stakeholder involvement or a communication plan is required.

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

The proposed Recreation and Parks Funding Plan will be created and presented to City Council as part of a future funding plan update.

**Public Notice**

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

**Report Approval**

Written by: Kari Smith, Manager of Financial Planning  
Reviewed by: Clae Hack, Acting General Manager, Asset & Financial  
Management Department  
Randy Grauer, General Manager, Community Services Department  
Approved by: Jeff Jorgenson, Acting City Manager

NLDF\_Dividend for CFFP.docx

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## 2018 Property Tax Notice

### Recommendation

That the Standing Policy Committee on Finance recommend to City Council that the Administration be directed to continue with the one-page Property Tax Notice format currently provided to property owners.

### Topic and Purpose

The purpose of this report is to provide information based on citizen input, costs and environmental impact that supports the current one-page Property Tax Notice format, and to receive City Council approval to continue with this format for 2018 and forward.

### Report Highlights

1. The design of the property tax notice is reviewed annually with the objective of providing information to property owners as clearly and transparently as possible.
2. Results from the 2017 Citizen Advisory Panel Property Tax Survey indicate a strong preference to stay with the current one-page property tax notice format.
3. Separate tax notice mailings would increase environmental impact and increased costs by approximately \$80,000 to \$90,000.

### Strategic Goals

This report supports the Strategic Goal of Asset and Financial Sustainability by ensuring that services are aligned with what citizens expect. The information in this report also supports the Strategic Goal of Continuous Improvement, with a focus on improving service delivery to citizens and streamlining operations.

### Background

At its meeting of April 24, 2017 when considering a report of the CFO/General Manager, Asset and Financial Management, regarding 2017 tax levy and BID levies, City Council resolved, in part:

- “2. That Administration be directed to provide two separate notices to property owners for 2018.”

### Report

#### Review of Property Tax Notice Design

*The Cities Act* allows flexibility in how property tax notices (Tax Notice) are printed (one notice or separate notices) but requires a summary of all taxes levied by all taxing authorities.

The design of the Tax Notice is reviewed annually with the objective of providing the information as clearly and transparently as possible.

Historically, the City of Saskatoon (City) had provided a one-page Tax Notice that included all annual taxes levied by the City, Saskatoon Public Library, and Province of Saskatchewan for Education.

For the years 2010 through 2013, the Tax Notice was three pages, including a separate Education Tax Notice, separate Municipal/Library Tax Notice and a summary page of all taxes. The goal of separate notices was to clarify that Education Property Taxes are collected for the Province and not kept by the City.

Feedback from citizens to frontline staff and through the 2013 Civic Services Survey was that they found the three-page notice both confusing and a waste of paper. Citizens were most interested in receiving the summary page showing their total taxes payable.

The separate notices did not appear to create an increased level of awareness that only a portion of property taxes are collected for the City. Building on this feedback, an initiative was undertaken in 2013 to review all available research and best practices regarding the design. The resultant 2014 Property Tax Notice design was a one-page format. This design was a reported continuous improvement resulting in financial savings, environmental savings, and a customer service enhancement.

The 2017 Education Taxes section of the Tax Notice (Attachment 1) was revised to improve communication. Specifically, additional information was added to the section stating that Education tax rates are set by the Province, and that Education taxes are collected on behalf of the Province. Also, a 2017 Education Property Taxes guide (Attachment 2) was included with the notice providing more information about the Education portion of property taxes.

The one-page Tax Notice design was based on citizen feedback, research and best practices from other municipalities, and on the following specific principles:

- striving for simplicity;
- having the most important information appear first;
- providing the relevant information property owners require while eliminating unnecessary information;
- reducing the City's environmental impact by reducing paper usage;
- reducing printing, mailing and labour costs;
- ensuring that access to more detailed information is made available online following the City's digital first strategy; and
- ensuring notices have a consistent appearance and are easily recognizable as coming from the City.

In keeping with these principles, the City's Utility Bill has also adopted a simplified legal size one-page format to be launched this fall, creating a consistent billing notice appearance for residents.

### Feedback from Citizens

From June 26 – July 7, 2017, the Citizen Advisory Panel (CAP) provided input on the idea of switching to a multiple page Tax Notice and on how property tax information should be presented in the future. Of the 296 respondents, 77% prefer the current one-page Tax Notice format.

Highlights from the summary of CAP responses (Attachment 3) include:

- current property tax notice format is clear, easy to read and understand;
- additional pages are not necessary and may be confusing with no additional benefit;
- brief, simple and direct communication is best, more detailed information can be found online; and
- additional pages are an unnecessary waste, inefficient and an increase in costs.

The 2018 Tax Notice design format will incorporate this feedback and additional enhancements will be undertaken to separate and clarify the Education Property Tax section of the notice.

### Increased Costs

Providing separate Tax Notices to property owners will require programming and design costs as well as increased use of paper, printing, labour and mailing. The additional costs to mail separate Tax Notices is estimated at \$80,000 to \$90,000.

### **Options to the Recommendation**

City Council can choose not to approve the recommended option of providing a one-page Tax Notice; however, the Administration does not recommend this option due to citizen preference, environmental impact and increased cost.

### **Communication Plan**

Planned communication activities to support the 2018 Tax Notice mailing will include and may not be limited to:

- Tax Notices will be mailed in a specially marked envelope marked “This is your Property Tax Notice.” A direct link to the 2018 Property Tax information webpage ([saskatoon.ca/propertytax](http://saskatoon.ca/propertytax)) and phone number are also printed on the envelope.
- A new “Property Tax Information” brochure will be developed based on key themes from citizen feedback and customer service inquiries. The guide will accompany the Tax Notice and will be available at Saskatoon Public Libraries, Leisure Centres, City Hall, and online.
- A “Guide to the Information Found on the 2018 Property Tax Notice” and a “Guide to Education Property Tax” brochure will be available online following the City’s digital first strategy.

- The online Property Assessment & Tax Tool ([saskatoon.ca/taxtool](http://saskatoon.ca/taxtool)) will be updated with the 2018 tax information. This tax tool allows the viewer to see current and historical assessment and property tax details for a specific address including the City's tax distribution for key civic services.
- PSAs will be sent prior to the mail-out of notices and again prior to the payment deadline of June 30, 2018.
- The City's website will be updated with the 2018 Tax Rates and 2018 Mill Rate Bylaws, the 2018 Property Tax Timeline, and Property Tax FAQs.
- Dedicated social media support.

### **Financial Implications**

Separate tax notice mailings would increase costs by approximately \$80,000 to \$90,000.

### **Environmental Implications**

Providing separate tax notices to property owners will increase the annual amount of paper used by 2,212 pounds, with additional greenhouse gas emissions of 2,500 kg carbon dioxide equivalent (CO<sub>2</sub>e).

Environmental impact estimates were made using the Environmental Paper Network Paper Calculator Version 3.2.1. For more information visit [www.papercalculator.org](http://www.papercalculator.org).

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

The Citizen Advisory Panel was engaged June 26 to July 7, 2017 with a survey regarding a review of the current format. Citizens' feedback collected from the Revenue Contact Centre was also considered.

### **Other Considerations/Implications**

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

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

Approval of the recommendation will facilitate production of the 2018 Tax Notices, the mailing of which will begin the second week of May 2018. IT programming of the 2018 Tax Notice will start in fall 2017.

### **Public Notice**

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

### **Attachments**

1. 2017 Sample Property Tax Notice
2. Your Guide to 2017 Education Taxes
3. Citizen Advisory Panel – Property Tax Notice Results Summary July 2017

**Report Approval**

Written by: Pamela Kilgour, Manager, Property Taxation & Support  
Reviewed by: Shelley Sutherland, Director of Revenue  
Approved by: Clae Hack, Acting General Manager, Asset & Financial  
Management Department

2018 Property Tax Notice.docx





## 2017 SAMPLE PROPERTY TAX NOTICE

Provincial legislation requires the City of Saskatoon to collect property taxes on behalf of the three taxing authorities:

School Boards | City of Saskatoon | Saskatoon Public Library

<b>Property Address</b> 123 Saskatoon Cres				<b>Roll Number</b> 123456789
<b>Assessed Value</b> 371,000	<b>Deferred Taxes</b>	<b>Lien Year</b>	<b>Notice Date</b> May 9, 2017	
<b>Legal Description</b> Parcel(s) 123456789				
<b>Registered Owners</b> Smith, John				
<b>Additional Information (if applicable)</b> Copy sent to Registered Owner. XYZ Trust Company: 12345				

### Education Taxes (Rates Are Set by the Province. Questions? See Reverse ★)

(100% Public)

Tax Class	Taxable Assessment	x	Tax Rate	Amount
Residential	296,800		0.0041200	\$1,222.82

**Total Education Taxes (38.89%) Collected for the Province ► \$1,222.82**

### Municipal Taxes

Provincial Budget Impact:  
**\$68.21**  
Included in Total Amount

Tax Class	Taxable Assessment	x	Tax Rate	Amount
Residential	296,800		0.0058668	\$1,741.27

**Total Municipal Taxes (55.37%) ► \$1,741.27**

### Library Taxes

Tax Class	Taxable Assessment	x	Tax Rate	Amount
Residential	296,800		0.0006083	\$180.54

**Total Library Taxes (5.74%) ► \$180.54**

### Other Charges

Tax Phase-In (Details on Reverse)	\$6.09
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**Total Other Charges ► \$6.09**

**Have Questions?** Visit [saskatoon.ca](http://saskatoon.ca) and look under Popular Services for Residents to look up detailed assessment and tax information on your property, or find out how the City distributes the taxes it receives.

<b>Total 2017 Taxes</b>	<b>\$3,150.72</b>
<b>Previous Balance</b>	<b>\$0.00</b>
<b>Balance at May 9, 2017</b>	<b>\$3,150.72</b>

For more information and payment options, call 306-975-2400 or visit [saskatoon.ca/propertytax](http://saskatoon.ca/propertytax)

807594 08140498 4/12/17 2:20 PM



**Property Address**  
123 Saskatoon Cres



51515608390000000339313

**Roll Number** 123456789  
**Date of Notice** May 9, 2017

**Amount Due Jun 30, 2017** \$3,150.72

# YOUR GUIDE TO 2017 EDUCATION TAXES

The Province of Saskatchewan sets the Education Property Tax mill rates each year.



The City of Saskatoon is bound by Provincial legislation to bill, collect and forward Education Property Taxes to the Province.

The City of Saskatoon *does not* keep Education Property Taxes for use in providing City services.

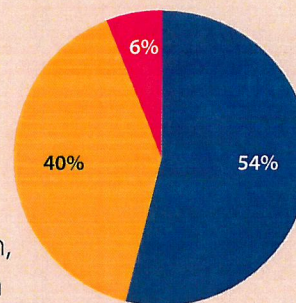
The Province increased the Education Property Taxes for 2017. As a result, property owners in the City of Saskatoon will see the Education portion of their property taxes increase as follows:

Property Class	Education Property Tax Increase
Residential	6.9%
Commercial	2.7%

Provincial legislation requires the City of Saskatoon to collect Property Taxes on behalf of three taxing authorities:

- City of Saskatoon
- Education
- Library

Of the total taxes collected, **40%** goes to the Province for education, **6%** goes to the Saskatoon Public Library and the remaining **54%** is kept by the City to provide civic services and programs.



# FREQUENTLY ASKED QUESTIONS ABOUT EDUCATION PROPERTY TAXES

## **For 2017, how much is the Education Tax increase on an average Saskatoon residential property?**

- > The Province increased residential Education Property Tax by 6.9% this year. For 2017, this increase means an additional \$79 for a residential property with an average assessed value of \$371,000, in the City of Saskatoon.

## **I am a property owner without children – am I required to pay the Education Property Taxes?**

- > Yes. Regardless of your family status, *The Cities Act* requires all property owners to pay the full amount of Property Taxes (Education + Municipal + Library) as shown on their Property Tax Notice.

## **If I have questions about my Education Property Taxes, who should I contact?**

- > Contact the Ministry of Education at **1-866-984-8577** or visit their website [saskatchewan.ca/residents/taxes-and-investments/property-taxes](http://saskatchewan.ca/residents/taxes-and-investments/property-taxes)

## **Have Other Tax Questions?**

Visit [saskatoon.ca/propertytax](http://saskatoon.ca/propertytax)  
or call **306-975-2400**



## Citizen Advisory Panel | *Property Tax Notice Results – July 2017*

Thank you to everyone that participated in the City's recent *Property Tax Questionnaire!* Below you will find a summary of what we asked and what you told us.

### Survey Findings

#### *What we asked...*

From June 26 – July 7, we worked with you to better understand your concerns and any issues with the City's current Property Tax Notice format. We asked for your preferences on how we should present property tax information in the future. Thank you for shaping the design and delivery of future City services!

#### *Participation Statistics*

- 296 responses

#### *What we heard...*

- **Stay with the current one-page Property Tax Notice format**  
77% of respondents indicated their preference to stay with the current one-page format vs. a multiple page notice.
- **Keep it short, simple and direct**  
The majority of respondents indicated that the format is clear, easy to read and understand, and that keeping it short, simple and direct is best. Many respondents suggested that additional detail was not necessary, and that they wouldn't read a lengthy notice.
- **Why the new format?**  
The majority of respondents strongly questioned why the City was considering a lengthier format.
- **Environmental impact**  
There were a number of comments made regarding the unnecessary waste and inefficient use of adding extra paper, leading to associated higher costs.
- **How the City could do better...**  
You gave us lots of great comments on the type of information you would like to see in future formats, such as: definitions for general tax 'terms', how properties are assessed, and the phase-in process. You also told us you would like to access more detailed property tax information online, including historical property tax and assessment data specific to your property or neighbourhood.  
(Please note that this information is currently available at [Saskatoon.ca/taxtool/](http://Saskatoon.ca/taxtool/).)

#### *What happens next?*

As a City committed to continuous improvement, we will share all of your feedback with City Council and Administration. The information you provide will be reviewed and considered by the City, prior to the preparation of next year's Property Tax Notice.

The City of Saskatoon thanks its Citizen Advisory Panel members for helping us design and deliver future City services! Stay tuned for more opportunities to help shape our city.

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## **Inquiry – Councillor Z. Jeffries (January 25, 2016) GPS in Civic Vehicles and “How’s My Driving?” Decals**

### **Recommendation**

That the report of the CFO/General Manager, Asset and Financial Management Department, dated October 30, 2017, be forwarded to City Council for information.

### **Topic and Purpose**

The purpose of this report is to provide City Council with information regarding how the City of Saskatoon (City) currently uses GPS (Global Positioning Systems) and future plans, as well as the options available for implementing “How’s My Driving?” decals.

### **Report Highlights**

1. There are currently three different vehicle GPS systems in operation: Transit, Roadways and Solid Waste.
2. The business case supports the implementation of a corporate-wide GPS system for the entire civic fleet and includes safety, financial and environmental benefits.
3. Capital Project 1948, AF – Fleet Global Positioning Systems, has been submitted for approval in the 2018 Preliminary Capital Budget for this initiative.
4. “How’s my driving?” decals on civic vehicles are being recommended to support safety and civic accountability.

### **Strategic Goals**

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

This report also supports the four-year strategy of implementing energy-efficient practices under the Strategic Goal of Environmental Leadership, and the opportunities to reduce spending on fuel supports the Strategic Goal of Asset and Financial Management.

### **Background**

At the January 25, 2016, meeting of City Council, the following inquiry was made by Councillor Z. Jeffries:

“Could Administration please report on the feasibility of installing and/or activating GPS in Civic vehicles and the options available for implementing “How’s my Driving”-style public feedback decals on Civic vehicles.”

### **Report**

Due to changes in management within the Facilities and Fleet Division over the past 18 months as well as the establishment and operation of a pilot project regarding the benefits of a GPS program, reporting back on this inquiry was delayed. The Administration apologizes for this delay.

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Current Status of GPS

Over time, the evolution of GPS at the City has resulted in three separate GPS systems for distinct operational needs for groupings of vehicles. The largest is the Transit fleet of about 150 buses using a system that ties into the Transit operational system, Trapeze. The other two are in the areas of Solid Waste and Roadways.

The GPS systems in the garbage trucks for the Solid Waste program are linked to its verification program to optimize routes and to provide enhanced customer service. Roadways also use its GPS system to assist in operational effectiveness and efficiency as well as for customer service reasons.

In addition, the Saskatoon Fire Department and Saskatoon Police Service use GPS systems incorporated within the radio infrastructure to support operations, however, GPS is not linked directly to the vehicle.

The following summarizes the City’s current vehicle GPS systems:

<b>Division</b>	<b>System</b>	<b>Year</b>	<b>Units</b>	<b>Operational Need</b>
Solid Waste	AMCS	2014	24	Route Optimization/Accountability
Roadways	Rexroth	2016	23	Route Optimization/Accountability
Transit	Novus ITS - Trapeze	2010	150	Route Optimization/Accountability

Benefits of GPS Systems to Civic Vehicles

Different GPS systems have been established by civic operations to meet individual requirements of each operational group. Benefits include:

- route optimization and improved level of service (street cleaning, snow removal, waste pick-up, sanding, pot hole response); and
- support litigation confirming provision of service at associated locations.

Additional benefits of GPS systems include:

- location of all civic fleet assets to support emergency response activities;
- location of employees for safety protocols (working alone, emergencies);
- improve operational efficiencies (driver behaviour, reduced idling, maintenance control, asset management);
- recovery of stolen assets and accident analysis; and
- fuel savings and reduced greenhouse gas emissions by reduced idling.

Plans for Future Deployment

Fleet Services has considered the business case for adding GPS in all of the City’s fleet of vehicles and heavy equipment and is convinced that by doing so will be able to achieve the benefits identified above.

Safety of employees and the protection of assets are two major benefits of implementing and corporate-wide GPS program. However, there are also financial and

**Inquiry – Councillor Z. Jeffries (January 25, 2016)**  
**GPS in Civic Vehicles and “How’s My Driving?” Decals**

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environmental benefits by monitoring and control of vehicle idling and reducing fuel consumption. Data from a pilot project conducted by Fleet Services, with assistance from Environmental and Corporate Initiatives, concluded that annual CO2 emissions can potentially be reduced by 138 tonnes from idling alone. In addition, an estimate of total fuel savings through reduced idling and optimization of routes on an annual basis for the entire fleet could likely result in savings of about \$500,000.

On the cost side, it is estimated that the installation of GPS on the City’s fleet of 807 units, about \$325,000 in one-time capital costs would be needed. Annual airtime costs per unit are about \$300 (based on data usage), resulting in an average annual operating impact of \$242,000.

Based on the business case and results of the pilot, Fleet Services is recommending the implementation of a corporate-wide GPS system that could realize the extensive operational benefits. Capital Project P1948, AF - Fleet Global Positioning Systems, has been included in the 2018 Preliminary Capital Budget for the implementation of this initiative. It is expected than any operational impact due to airtime costs would be more than offset by fuel savings.

In anticipation of the pending approval of the capital project for 2018, a working group of internal stakeholders has been established for possible deployment. The estimated project schedule is:

- Needs Assessment/Stakeholder Reviews      2-3 months
- Tender and Award of GPS Vendor              1-2 months
- Installation of Equipment                        2-3 months

It is expected that, pending approval, the tender would be awarded in early 2018 with an expected installation date of mid-year 2018.

“How’s my driving?” Decals

Safe driving programs allow organizations to mitigate accident risk by leveraging comments from concerned motorists to identify risky driving behaviors and have shown to significantly reduce accidents (as per Automotive Fleet’s online article *“Do How’s My Driving Programs Really Work?”*).

Adding decals to vehicles that provide the ability for other users of the road to report on both positive and risky behaviour is a way that many organizations with fleets can increase the safety of their employees as well as other motorists. This is a proactive program focused on forward thinking behavior and encouraging drivers to make more conscious efforts to drive safely and courteously. Proven benefits include:

- accident reduction;
- citizen appreciation and empowerment to report concerns;
- employees make conscious effort to improve driving behaviours; and
- reduced aggressive driving lessens wear on vehicles, maintenance and fuel costs.

This program will complement existing safe driving initiatives, such as motor vehicle record checks, recognition programs, safety classes, and driver training.

The decals could be produced at the City’s Sign Shop, displaying the City’s logo, and telephone number for the public to call. All calls will be coordinated between Service Saskatoon and Fleet Services, and directed to the appropriate civic division for follow-up in accordance with corporate standards for operator expectations.

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

Implementing GPS would need to be a corporate initiative to encompass the needs of all user departments. A GPS working committee has been established to discuss an implementation strategy.

Collaborative communication efforts will involve all affected civic operations, unions and the Employee Experience and Performance Division prior to implementation.

### **Communication Plan**

Should the Administration proceed with this initiative, a supporting communication plan will be developed to assist internal and external stakeholders, including the public, in being made aware of the City’s GPS initiative and the “How’s My Driving?” decal program.

A staged communication approach will introduce and provide awareness and maintenance of the program. Future communications could include reporting on performance measurement of the fleet, and regular feedback to citizens regarding the results of the GPS initiative through the annual Service, Savings, and Sustainability Report.

A detailed strategy will be developed in consultation with all civic user departments and associated unions so that all user needs are considered, GPS systems are assessed and all benefits and uses are clearly explained to union partners. Preliminary discussions with civic unions are underway, and future communication will be coordinated by the GPS working committee as part of the stakeholder review and implementation plan.

### **Financial Implications**

The estimated cost to install GPS systems and associated communication plans on all civic vehicles is approximately \$325,000, which will be funded from Capital Project 1948 in 2018. Annual airtime costs per unit are \$300 (based on data usage) resulting in an average annual operating cost of \$242,000.

If the entire civic fleet was equipped with GPS, based on the information from the pilot project, potential annual savings of \$500,000 in fuel could be achieved through route optimization, setting fuel saving goals for vehicle operators and providing monthly idle time reports.



**Inquiry – Councillor Z. Jeffries (January 25, 2016)  
GPS in Civic Vehicles and “How’s My Driving?” Decals**

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Decals can be added to the City’s fleet vehicles during regular maintenance cycles. The cost of the decals for the civic fleet is estimated at \$3,200 which will be funded through existing operating budgets.

**Environmental Implications**

This GPS initiative has the potential to decrease greenhouse gas (GHG) emissions through reduced idle time, overall fuel consumption and vehicle emissions, as well as route optimization.

Data from the pilot project showed that the CO2 produced from extended idling on a group of five vans averaged 380kg per day. Given that there are 292 units in this vehicle category, 138 tonnes of CO2 would be produced annually from excessive idling. If GPS systems were to be installed in this vehicle category, potential annual reduced idle time would be equivalent to removing almost five vehicles off the road.

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

Once implementation is complete, the Administration will provide an update through the 2019 Business Plan and Budget process regarding the success of this initiative and any additional net savings.

**Public Notice**

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

**Report Approval**

Written by: Jason Kennon, Manager, Fleet Services  
Reviewed by: Troy LaFreniere, Director of Facilities & Fleet Management  
Approved by: Clae Hack, Acting General Manager, Asset & Financial  
Management Department

Inquiry\_Jeffries (Jan 25 2016) Driving.docx