



REVISED AGENDA
STANDING POLICY COMMITTEE ON FINANCE
PUBLIC MEETING

Monday, August 15, 2016, 2:00 p.m.

Council Chamber, City Hall

Committee Members:

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

	Pages
1. CALL TO ORDER	
2. <i>CONFIRMATION OF AGENDA</i>	6 - 6
<i>Recommendation</i>	
1. That the letter from Vaughn Wyant, dated August 12, 2016, requesting to speak, be added to Item 7.1.1; and	
2. That the agenda be confirmed as amended.	
3. DECLARATION OF CONFLICT OF INTEREST	
4. ADOPTION OF MINUTES	
<i>Recommendation</i>	
That the minutes of the Regular Meeting of the Standing Policy Committee on Finance held on July 18, 2016, be adopted.	
5. UNFINISHED BUSINESS	
6. COMMUNICATIONS (requiring the direction of the Committee)	
6.1 Delegated Authority Matters	
6.1.1 Saskatoon Shines! - Meewasin Legacy (File CK. 180-6)	7 - 7
<i>Recommendation</i>	
That the information be received and forwarded to the Meewasin Valley Authority for its information.	
6.1.2 Statement of Work - Review of Operating and Life Cycle Costs in	8 - 13

**Asset Management Plans and Annual Capital Budget Cycle -
PricewaterhouseCoopers LLP (File CK. 1600-12)**

Recommendation

1. That the enclosed Statement of Work for the Review of Operating and Life Cycle Costs in the Asset Management Plan and Capital Budget Cycle, be approved; and
2. That the 45 unallocated hours in the audit plan (currently designated as unallocated in 2019) be used to cover 45 of the 470 hours in this Statement of Work, with the total hours in each year of the Internal Audit Contract remaining at 1,400.

6.1.3 Statement of Work - Multi-Year Business Planning and Budgeting Review - Consulting Project - PricewaterhouseCoopers LLP (File CK. 1600-1)

14 - 19

Recommendation

1. That the enclosed Statement of Work for a Multi-Year Business Planning and Budgeting Review Consulting Project be approved, with Option Two which contemplates 2 Pilot Areas; and
2. That the Committee allocate funds for this additional internal audit project from the 2016 approved operating budget for internal audit services in accordance with Council Policy No. C02-032, Internal Audit Charter.

6.1.4 Audit Matter (File CK. 1600-24)

It is anticipated that a report will be circulated at the meeting.

6.2 Matters Requiring Direction

6.3 Requests to Speak (new matters)

7. REPORTS FROM ADMINISTRATION

7.1 Delegated Authority Matters

7.1.1 Request to Sell City-Owned Property - 811 Melville Street (Files CK. 4215-1, AF. 4214-1 and LA. 4221-016-002)

20 - 26

The request to speak from Vaughn Wyant, dated August 12, 2016, is provided. Phillip Wyant, CFO and Michael Wyant, COO will speak on behalf of The Wyant Group.

Recommendation

1. That the Director of Saskatoon Land be authorized to sell Parcel I, Plan No. 102069424, located at 811 Melville Street in the CN Industrial area through an open market (standard terms) approach in compliance with the terms and conditions outlined in the August 15, 2016 report of the CFO/General Manager, Asset and Financial Management Department;
2. That if no offers are received for Parcel I over a 30-day offer acceptance period, the parcel remain for sale over-the-counter until an acceptable market price offer is received;
3. That proceeds from the sale be used to partially fund the construction and land costs associated with building the relocated fire hall on Clarence Avenue South; and
4. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

7.2 Matters Requiring Direction

7.2.1 Acquisition of Land for Future Development - Northeast Growth Area (Files CK. 4020-1, AF. 4020-1 and LA. 4020-014-004)

27 - 31

Recommendation

That the Standing Policy Committee on Finance recommend to the August 18, 2016, meeting of City Council:

1. That the Administration be authorized to purchase NE 30-37-04 W3 Ext 52, SE 30-37-04 W3 Ext 0 and SW 30-37-04 W3 Ext 0 comprising of approximately 473.41 acres from Franklin Argue, personal representative for the estate of Bertrand Cathcart, at a purchase price of \$7.9M;
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 the Property Realized Reserve (PRR) be used as the funding source for this purchase, including legal and administrative costs and disbursements.

7.2.2 Residential Lot Sales - 2016 Single-Family Lot Marketing Options (Files CK. 4110-36 and AF. 4001-0 x 4131-1)

32 - 59

A PowerPoint Presentation will be provided.

Recommendation

That the Standing Policy Committee on Finance recommend to the August 18, 2016, meeting of City Council:

1. That a temporary adjustment to lot payment terms in Council Policy No. C09-006, Residential Lot Sales – General Policy, as outlined in the August 15, 2016 report of the CFO/General Manager, Asset and Financial Management Department, be approved; and
2. That a landscaping and front driveway surfacing rebate program be implemented to encourage sales of single-family lots in inventory and on lots sold by lot draw, both for the period January 1, 2016 to December 31, 2016.

7.2.3 Incentive Application - Axiom Industries Ltd. (Files CK. 3500-13 and AF. 3500-1)

60 - 62

Recommendation

That the Standing Policy Committee on Finance recommend to the August 18, 2016 meeting of City Council:

1. That the application from Axiom Industries Ltd. for a five-year tax abatement on the incremental portion of taxes at 3603 Burrton Avenue, as a result of its expansion in 2016, be approved as follows:
 - 100% in Year 1;
 - 80% in Year 2;
 - 70% in Year 3;
 - 60% in Year 4;
 - 50% in Year 5; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

7.2.4 2016 Corporate Business Plan and Budget - Shaping Our Financial Future - Mid-Year Update (Files CK. 430-72 and CP. 0115-3)

63 - 88

A PowerPoint presentation will be provided by the Administration.

Recommendation

That the report of the Acting General Manager, Asset and Financial Management Department and General Manager, Corporate Performance Department, dated August 15, 2016, be

forwarded to the August 18, 2016 meeting of City Council for information.

8. URGENT BUSINESS
9. MOTIONS (notice previously given)
10. GIVING NOTICE
11. IN CAMERA AGENDA ITEMS

Recommendation

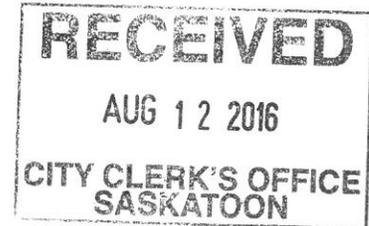
That the Committee move *In Camera* to consider Items 11.1 to 11.7.

- 11.1 Internal Audit Status Report (File CK. 1600-3)
[In Camera - Third Party Information]
- 11.2 Internal Audit Report (File CK. 1600-3)
[In Camera - Third Party Information]
- 11.3 Snow and Ice Management Program (File CK. 1600-33)
[In Camera - Third Party Information]
- 11.4 Land Sales (Files CK. 4215-1, AF. 4131-1 and LA. 4131-4-3)
[In Camera - Economic/Financial - Land]
- 11.5 Land Matter (Files CK. 4020-1, AF. 4020-1 and LA. 4020-016-001)
[In Camera - Economic/Financial - Land]
- 11.6 Audit Matter (Files CK. 1610-9 and AF. 1610-1)
[In Camera - Economic/Financial and Other Interests]
- 11.7 Internal Audit Update (Files CK. 1600-3 and AF. 1600-1)
[In Camera - Audits and Tests]

12. ADJOURNMENT

4215-1

From: City Council
Sent: August 12, 2016 9:35 AM
To: City Council
Subject: Form submission from: Write a Letter to Council



Submitted on Friday, August 12, 2016 - 09:34
Submitted by anonymous user: 67.225.49.246
Submitted values are:

Date: Friday, August 12, 2016
To: His Worship the Mayor and Members of City Council
First Name: Vaughn
Last Name: Wyant
Address: 678 Saskatchewan Cres
City: Saskatoon
Province: Saskatchewan
Postal Code: S7N0L1
Email: vaughn@wyantgroup.com

Comments: Regarding 811 Melville Street (Firehall Land) and the City of Saskatoon's plan to sell this property. We respectfully request the opportunity to address the committee on August 15th, to discuss the proposed sale arrangement. We will be represented by Phillip Wyant (CFO The Wyant Group) and Michael Wyant (COO The Wyant Group)

The results of this submission may be viewed at:
<https://www.saskatoon.ca/node/398/submission/112669>

180-6

City of Saskatoon
Saskatoon

July 23rd 2016

To Mayor Atchison and Council



Saskatoon Shines! - Meewasin Legacy

As a relative newcomer to Saskatoon I have been impressed with the work of the Authority and the magnificent projects completed over the years when I have visited the City. The challenge presented by Gordon Barnhart in the recent Saskatoon Express edition is to be commended and deserves full support of the community at large. As recent as this past week, it has been wonderful to see all the uses that are made of the many facilities along the riverfront, including; children playing at the water-park, Mom's strolling or jogging with their babies in prams and of course the cyclists, visitors, walkers, joggers and those enjoying water activities, or just taking a break from near-by offices. - I doubt if any resident would allow for the deterioration of the Meewasin programs. It is unique in Canada!

It is Canada's 150th Anniversary in 2017 and with the opening of the Remai Modern Arts Center Saskatoon will be recognized nationally and internationally for it's progressive facilities including the many recreation and conservation projects along the river.

Talk of cutbacks by the Provincial Government and closure of the Interpretive Center, should be viewed as minor irritants to the vision and long term benefits to the people of Saskatoon and its long term prosperity.

More importantly I doubt if the City will continue to be known for it's high crime rate, as more and more people hear of, and enjoy the wonderful amenities and agreeable lifestyle enjoyed by our residents.

Encourage every resident to become a Meewasin booster/contributor/volunteer. Modify the current operating Authority and incorporate an annual nominal membership; thus encouraging a direct partnership by everyone from the community at large.

Saskatoon Shines! - A City where it's residents live in harmony with recreation & nature!

Yours truly,

H. Duncan Myers
219- 32nd St. W
Saskatoon. SK.

S7L 0S3

duncanmyers42@gmail.com

Cell 639-317-9635

(I retired from B.C. to be with my daughter following 50 years in the tourism Industry and a fundraiser in Salmon Arm B.C. On a smaller scale we copied many of the Meewasin initiatives in the development of our own lakefront lands and bird sanctuary. In addition as a Rotarian we undertook many fund-raising activities for boardwalks, trails and land acquisition.)



August 9, 2016

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

Statement of Work – Review of Operating and Life Cycle Costs in Asset Management Plans and Annual Capital Budget Cycle

Recommendation:

- | |
|---|
| <ol style="list-style-type: none">1) That the enclosed Statement of Work for the Review of Operating and Life Cycle Costs in the Asset Management Plan and Capital Budget Cycle be approved.2) That the 45 unallocated hours in the audit plan (currently designated as unallocated in 2019) be used to cover 45 of the 470 hours in this Statement of Work. The total hours in each year of the Internal Audit Contract will remain at 1,400. |
|---|

Please find enclosed the Statement of Work for the above referenced project. Note that we have increased the scope from 425 hours as approved in the 2016 internal audit plan to 470 hours in order to allow for some components of the project that were not initially anticipated at the time the internal audit plan was developed. In order to cover these additional 45 hours, we propose that the 45 hours unallocated in the five-year audit plan be designated to this project. As a result, there will be no increase in the total hours contracted and we will continue to deliver 1,400 hours per year under the core contract.

Yours truly,
PricewaterhouseCoopers LLP

A handwritten signature in black ink, appearing to read "Jesse Radu", is written over a light blue horizontal line.

Jesse Radu, CPA, CA
Partner

Statement of Work

Review of Operating and Life Cycle Costs in Asset Management Plans and Annual Capital Budget Cycle

Submitted on August 9, 2016 for SPCF Public on August 15, 2016



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1. *Scope and approach*

The overall scope of the engagement is to review the current capital budgeting process and existing asset management plans to identify improvements, particularly with respect to how best to incorporate the impact of future operating costs and asset life cycle costs into new asset investment decisions.

The City is currently developing asset management plans for key categories of assets, which impacts existing asset maintenance decisions. There are many commonalities between the processes of a) estimating life cycle costs for asset management plans for existing assets and b) estimating operating cost impact and life cycle costs for new capital budget items. Key to both processes is having the right people involved and the proper access to information in order to estimate a) what it will cost to operate and maintain an asset over the course of its life and b) what type of ongoing investment will be needed to maintain the condition of the asset.

Through the course of this project, we will connect with a) key budgeting personnel in areas where asset management plans have been prepared and assess the extent to which they do (or do not) have the ability to properly incorporate life cycle costing principles into budget decisions and b) key budgeting personnel in capital intensive areas to assess the extent to which they do (or do not) have the ability to properly incorporate both ongoing operating costs and life cycle costs at the capital budgeting stage and directly link those costs to the annual operating budget.

The following areas will be in-scope for this project:

- Asset and Financial Management (overall responsibility for asset management plans, capital budget and operating budget)
- Transportation and Utilities – more specifically, Waste, Wastewater & Storm Water / Roads & Sidewalks; and
- Community Services – more specifically, Parks.

The assessment will delve into how the City of Saskatoon is able to capture a) ongoing operating costs and complete asset life cycle costs required for new capital projects in the annual capital budgets and b) complete asset life cycle costs for existing assets in asset management plans. The assessment will include a current state assessment of departmental processes (including current end-to-end information flow) and a review of recent annual capital budgets to determine the extent of operating costs captured directly therein and, if not captured directly therein, whether proper and transparent linkage exists between the capital budgets and the related operating budget costs.

PwC will also conduct a best-practices assessment (utilizing standards from industry and other comparable municipalities). We will provide a summary of best practices across comparable cities and similar departments. PwC will compare and contrast the current state assessment to the best-practices assessment in order to identify opportunities for improvement. To support consistency of information, PwC will provide standardized templates (or capture information that should be provided by all departments when proposing a capital project or developing an asset management plan).

2. *Timeline and deliverables*

Dates are estimates and may change, based on availability of information and both City of Saskatoon and PwC resources.

Deliverable	Details	Projected Delivery Date
Preliminary Observations and Recommendations to Review	Positive themes, key observations, risks and recommendations from the review will be discussed with the key contacts from the in-scope departments: Jason Turnbull, Teresa Quon, and Shelley Korte.	September
Draft Report to Management	Draft report provided for management review and feedback. To be provided to Clae Hack, Kari Smith, Nicole Garman and Kerry Tarasoff.	October
Final Report to SPCF	Final report to SPCF in-camera during a 10-15 minute presentation followed by question period.	November

We will communicate our progress regularly to key personnel and will arrange additional status update meetings as necessary to discuss any issues which may arise.

3. *Key contacts*

The key contacts for this project are:

- Jason Turnbull, Business Administration, Asset and Financial Management and Corporate Performance
- Teresa Quon, Business Administration, Community Services
- Shelley Korte, Business Administration, Transportation & Utilities
- Clae Hack, Director of Finance, Asset and Financial Management
- Kari Smith, Manager of Financial Planning, Asset and Financial Management
- Nicole Garman, Director of Corporate Risk
- Kerry Tarasoff, Chief Financial Officer

4. Budget

Our fees are based on actual hours incurred by PwC staff, at the below agreed upon hourly billing rate in the Internal Audit Services Agreement dated January 1, 2015. We estimate that our fees for the completion of our services under this Statement of Work will be \$77,500 plus out of pocket expenses and applicable taxes, which will be charged on an actual basis.

Role	Expected Hours
Engagement Partner	30
Quality Assurance Partner	15
Engagement Manager	155
Senior Auditor	135
Auditor	135
Total	470

Statement of Work

For the City of Saskatoon

**Multi-Year Business Planning
and Budgeting Review –
Consulting Project**

**Submitted on August 9, 2016 for
SPCF Public on August 15**



Contents

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1.1 Background	3
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Recommendation:

- | |
|---|
| <ol style="list-style-type: none">1) That the enclosed Statement of Work for a Multi-Year Business Planning and Budgeting Review Consulting Project be approved, with Option Two which contemplates 2 Pilot Areas.2) That the Committee allocate funds for this additional internal audit project from the 2016 approved operating budget for internal audit services in accordance with Council Policy No. C02-032, Internal Audit Charter. |
|---|

1. Background and Scope

1.1 Background

The City of Saskatoon is currently completing the business planning and budgeting process annually to support its strategic goals and objectives. The current process requires the City Finance and Strategic & Business Planning teams to work with all departments and functions to analyse year-over-year spend and understand the changes required for the following year while keeping in mind strategic objectives and key initiatives. Focusing on a yearly plan presents some challenges including:

- Difficulty in achieving complete alignment between the annual business plan to the council's strategic vision for the city,
- Inability to focus on service based outcomes for each department and function,
- Inability to make long term commitments for investments within the capital plan,
- Misalignment of the overall strategic goals and allocation of financial resources over the longer term,
- Significant effort and churn to plan and budget each year.

The City of Saskatoon plans to move to a multi-year business planning and budgeting cycle that will allow the organisation to create long term alignment of strategic goals & capital initiatives to financial planning while keeping in mind service based outcomes. The goal of this new approach would be to have all City functions focus on key outcomes, service levels and their alignment to the overall strategy of the organization.

The City of Saskatoon has requested PwC to conduct an advisory engagement to help design an overall framework for performing multi-year business planning and budgeting process, identify key benefits of multi-year business planning and budgeting and provide feedback with respect to level of effort required to implement it. The goal of this project would be to help the City identify key steps required to move from annual business planning and budgeting process to a multi-year process.

The PwC team will work collaboratively and leverage existing work being performed around capital budgeting and identifying additional sources of revenue.

1.2 Project Purpose and Approach

The purpose of this project will be to conduct an advisory engagement to review readiness and identify steps for transition from an annual business planning and budgeting process to a multi-year process. The project will be broken down into three (3) distinct phases:

- Phase 1: Initial Planning
- Phase 2: Creating a multi-year business planning and budgeting framework
- Phase 3: Piloting the new framework within one or two function(s)

Phase 1 of the project will focus on collecting documents, engaging stakeholders on key expectations and creating a base-line of what is currently being done within the Finance and Strategic & Business Planning Divisions. This will focus on the following:

- Understanding the current budgeting process and its linkage to business planning and functional level performance measurement
- Identifying level of effort spent on business planning, budgeting and forecasting by the organization today

-
- Inventorying key policies, roles and responsibilities etc that would be impacted in the future
 - Understand the key expectations from stakeholders

We will largely work with the Finance and Strategic & Business Planning Divisions, sample key stakeholders from other departments and representatives from the council during this phase of the work.

In Phase 2 of the project we will develop an overall framework that is fit-for-purpose for the City of Saskatoon keeping in mind leading practices around multi-year planning and budgeting. The framework will focus on the following:

- Overall process framework for a multi-year business planning and budgeting process
- High level changes expected for the organization – people, policies, process and technology
- Change management strategy and recommendations
- Expected cost and timeline for the implementation of a multi-year business planning and budgeting process
- Alignment with other initiatives within the organization
- Overall management report for discussion

We will validate the output of the above framework with senior management to get feedback and buy-in prior to proceeding to Phase 3 of the project.

In Phase 3 of this project we will spend time with one or two function(s) within the organization to test the framework designed within Phase 2 of the project and identify how it could be practically implemented. Considering the strategic importance of this project, this phase will help the City in a better understanding of the complexity and challenges they face. It will also help us collect additional data points to analyse the implementation effort.

Our effort will focus on helping the one or two function (s) do the following at a high level:

- Design workshops and feasibility assessments from a process and change management perspective
- Identify whether the right data elements are available to migrate to a service based business planning and budgeting philosophy and if not, what would it take
- Assess the level of effort required to practically implement the multi-year business planning and budgeting framework created within Phase 2
- Iteration to management report based on findings
- Report to council on progress and suggested plan going forward

We will work with management to identify the right functional area(s) to perform our pilot project(s). The work of the pilot project(s) will inform the overall framework so the final report includes practical recommendations based on working with a specific function.

The intent of this project will be to provide a detailed enough report that will highlight a road-map, key changes needed, timeline, cost and effort needed for the full implementation of a multi-year business planning and budgeting process for the City. This is intended to be strategic in nature to set a path for the future.

2. Timeline and Deliverables

Dates are estimates and may change, based on availability of information and both City of Saskatoon and PwC resources. **This delivery timeline assumes a project start date of July 20th, 2016.**

Phases/List of Activities	Output	Effort	Completion By
Phase I - Initial Planning			
Review current process for business planning & budgeting	Process Documentation	40 hrs	Aug. 5 th , 2016
Review inputs and outputs from business planning and budgeting process	Activity Analysis including organizational effort each year		
Review key documents and process guides	Policy Inventory		
Understand key expectations from stakeholders	Stakeholder Expectation & Feedback Notes		
Document KPI's and Leading Practices to be embedded	KPI's and Leading Practices		
Obtain buy-in on the conceptual model for future state vision	Agreement on key changes		
Phase II - Design Framework			
Design a future state framework and report that includes:		169 hrs	Sept. 10 th , 2016
- New business planning and budgeting process	New Process vs Old Process		
- Changes needed to policies	Policy Inventory with specific changes		
- Nature and type of change management needed	Change Management Effort and Recommendations		
- Technology changes and alignment with ERP	Technology Suggestions based on stakeholder alignment		
- Timeline for implementation	Project Timeline at a high level		
- Governance process, roles and responsibilities etc	Governance Recommendations		
Write initial report for Management Discussion			
Perform Pilot (s) Option to choose 1 or 2 areas			
Pilot this within one or two function - design workshops, feasibility, change impact and KPIs	Work closely to see how to implement and full impact of changes	110 hrs or 170 hrs	Sept. 30 th , 2016 or Oct. 15 th , 2016
Update initial report & debrief with the management			
Report to Council			

While there will be different outputs from the project throughout different phases, the key deliverable for the project will be one report that will consolidate our analysis, findings, recommendations and key information collected by us.

3. Key Contacts

The key contacts for this project are:

- Kerry Tarasoff, Chief Financial Officer
- Clae Hack, Director of Finance
- Mike Jordan, Director of Government Relations
- Nicole Garman, Director of Corporate Risk
- Kim Matheson, Director of Strategic & Business Planning

4. Budget

Our fees are based on actual hours incurred by PwC staff, at the below agreed upon hourly billing rate in the Agreement dated January 1, 2015. These rates are specific to additional consulting services.

Option 1 – Pilot of One Area

Role	Rate	Expected Hours	Total
Engagement Partner	\$408.00/hr	31	\$12,648
Engagement Manager	\$204.00/hr	144	\$29,376
Senior Associate	\$127.50/hr	144	\$18,360
Total		319	\$60,384

Option 2 – Pilot within 2 Areas (recommended)

Role	Rate	Expected Hours	Total
Engagement Partner	\$408.00/hr	35	\$14,280
Engagement Manager	\$204.00/hr	164	\$33,456
Senior Associate	\$127.50/hr	180	\$22,950
Total		379	\$70,686

Any expenses incurred for travel will be charged on an actual basis. Considering the specialized nature of the work involved, we will utilize two people from our Calgary office and one person from Saskatoon for this project. We will make every effort to minimize the expenses.

We recommend Option 2 as pilots in two areas will provide a more representative insight into the City’s expected challenges around implementing a multi-year business planning and budgeting framework. This is a multi-year long term initiative and it is imperative to plan and set this up the right way.

Request to Sell City-Owned Property – 811 Melville Street

Recommendation

1. That the Director of Saskatoon Land be authorized to sell Parcel I, Plan No. 102069424, located at 811 Melville Street in the CN Industrial area through an open market (standard terms) approach in compliance with the terms and conditions outlined in this report;
2. That if no offers are received for Parcel I over a 30-day offer acceptance period, the parcel remain for sale over-the-counter until an acceptable market price offer is received;
3. That proceeds from the sale be used to partially fund the construction and land costs associated with building the relocated fire hall on Clarence Avenue South; and
4. That the City Solicitor be requested to prepare the appropriate agreement and that his Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

Topic and Purpose

The purpose of this report is to obtain approval to sell an industrial parcel (Parcel I, Plan No. 102069424) located at 811 Melville Street in the CN Industrial area through an open market (standard terms) sales approach to proponents with the highest priced offer in compliance with the terms and conditions outlined in this report.

Report Highlights

1. 811 Melville Street is proposed to be sold through an open market (standard terms) approach whereby non-binding offers are received from interested proponents and used to determine with which party further negotiations will take place.
2. The Administration is recommending a price of \$1.2 million for this parcel, based on comparable land sales within the CN Industrial area.
3. The Administration is recommending standard terms and conditions requiring interested proponents to build uses consistent with surrounding automotive dealers.

Strategic Goals

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

This report also supports the long-term priority of increasing revenue sources and reducing reliance on residential property taxes under the Strategic Goal of Asset and Financial Sustainability.

Background

City Council, at its meeting on June 27, 2016, approved the purchase of Lots 6 and 7, Block 300, Plan G291 from St. Martin's Church to relocate the current Fire Station No. 3 (1906 York Avenue) to the vacant north lot of St. Martin's United Church. This will address aging infrastructure concerns and improve overall response protection in the southeast portion of the city.

As a result of the land acquisition for the relocation of Fire Station No. 3, the lot located on 811 Melville Street which was previously designated for Fire Station No. 11 is no longer needed for a fire station and has become surplus to the City of Saskatoon (City).

Report

Open Market (Standard Terms) Sales Approach

The Administration is recommending that the industrial parcel located at 811 Melville Street in the CN Industrial area (Attachment 1) be sold through an open market (standard terms) sales approach. This involves the establishment of an asking price by Saskatoon Land and the solicitation of non-binding offers from interested parties. Interested parties will have a 30-day period to submit an offer on the subject parcel.

811 Melville Street is zoned IL1 District (Light Industrial), which has a high degree of flexibility in terms of permissible land uses and development provisions.

Pricing

The Administration proposes a sale price establishment based on a value of \$994,200 per acre. The parcel located at 811 Melville Street is 1.207 acres; therefore, the price of \$1.2 million is recommended. The establishment of pricing for this site is based on a review of comparable land sales for similar zoned sites in the CN Industrial area that are located along Melville Avenue.

Offers received during the application period will be reviewed by the Administration to determine compliance with standard terms and to identify which proponent will be contacted for negotiation of a sale agreement for the respective parcel. It is generally accepted that the highest offer received will determine the preferred proponent, assuming the standard terms and conditions are met. If no offers are received, the parcel will remain available over the counter until an acceptable offer is received. Any offer will be conditional upon approval of the CFO/General Manager, Asset and Financial Management Department.

Notable Terms of Sale

Standard terms and conditions for the sale of 811 Melville Street are identified in Attachment 2. Because all adjacent lands have been purchased for the development of luxury automobile dealerships, the Administration recommends marketing the parcel with a condition of sale that requires automobile sales and/or related automotive uses on the site. This approach will increase the likelihood that continued synergy and locational advantages of the South Saskatoon Auto Mall are achieved with the sale of the land.

The Administration is also recommending that the land be sold with a commitment to make improvements to the land within three years.

Enforcement of these requirements will be done through the acceptance of a letter of credit in the amount of 5% of the purchase price and a clause in the Sale Agreement that provides an option for the City to repurchase the land at the agreed price if improvements are not made within three years. The letter of credit will be released by the City when the successful proponent installs a building foundation or other improvements consistent with the above-noted land use condition.

Options to the Recommendation

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

Option 2: The Standing Policy Committee on Finance could chose to sell Parcel I, Plan No. 102069424, to the highest bidder through a public tender process with a reserve bid price.

Communication Plan

Notice of the offer period for Parcel I will be advertised in The StarPhoenix a minimum of two Saturdays during the offer period and will be sold pursuant to City Council Policy No. C09-033, Sale of Serviced City-Owned Lands. The offer period and property sale information will be posted on Saskatoon Land's website.

Policy Implications

Normally the proceeds from the sale of surplus land would be deposited into the Property Realized Reserve (PRR). However, due to the revised strategy for fire hall relocation, the Saskatoon Fire Department enabled the property values to increase more that its original purchase price of \$600,000 in 2011. This appreciation in value will help offset the land and construction costs of the new fire hall on Clarence Avenue South.

Financial Implications

Proceeds from the sale of this land, less the land administration fee, will be deposited into Capital Project No. 2373 – Replacement of Fire Hall 3.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

Information on the outcome of this land offering, including accepted price and successful proponent, will be made available in a further report presented 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

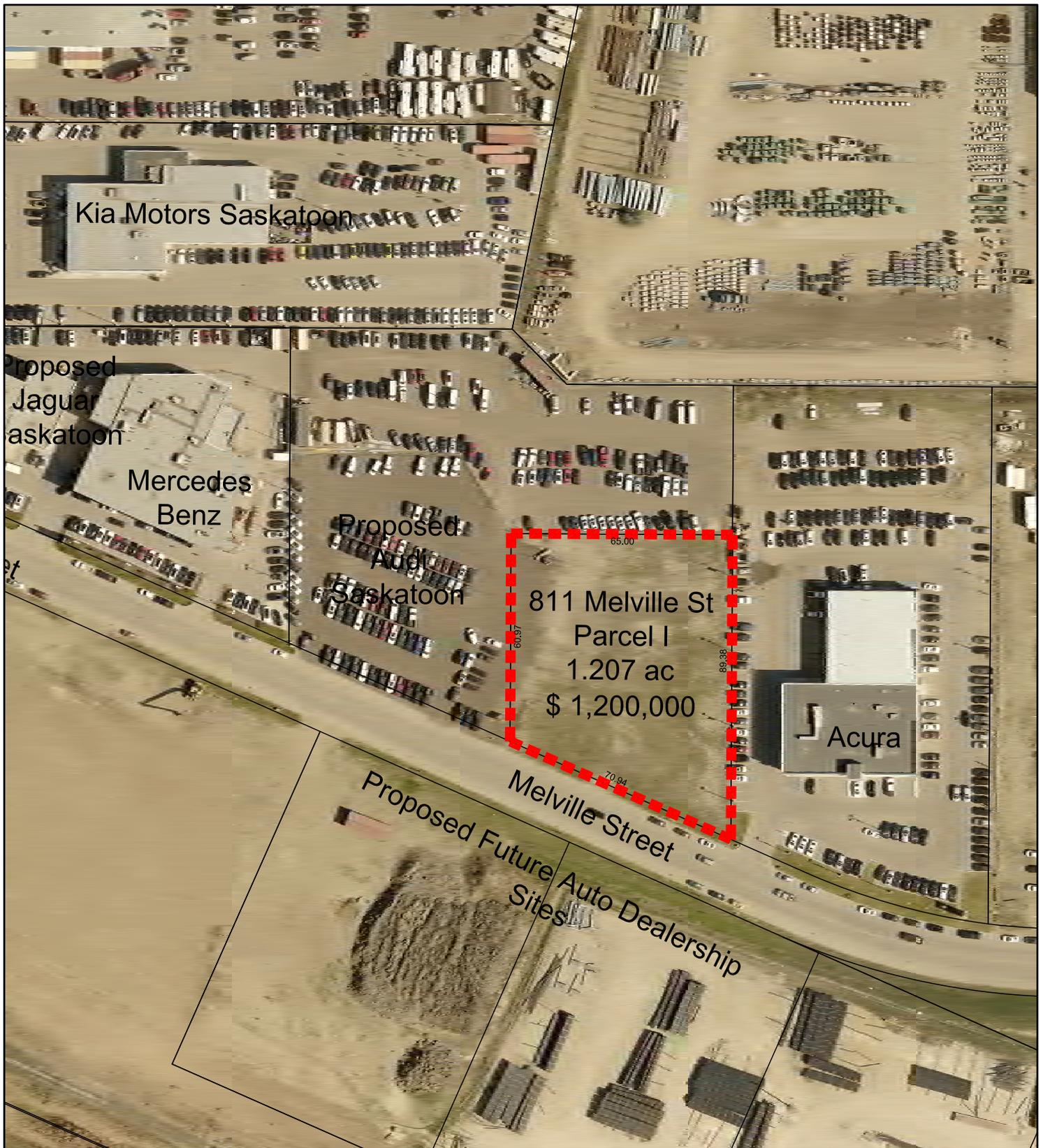
1. Location Map – 811 Melville Street
2. Open Market Sales Approach – Terms and Conditions

Report Approval

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

Request to Sell City Property – 811 Melville St (Aug 2016)

Location Map - 811 Melville Street



Legend:



Subject Site

38.10

Lot Dimensions



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



Standard Terms & Conditions (applicable to the sale of 811 Melville Street)

1. Deposit/Closing Date/Possession/Adjustment Date:

- (i) 10% deposit due within 10 days of offer acceptance.
- (ii) Sixty (60) days following acceptance of the Saskatoon Land proposal letter or as agreed to between the vendor and purchaser.

2. Conditions Precedent:

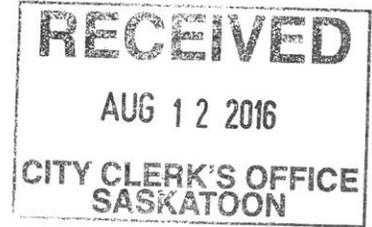
- (i) Approval of the sale by the General Manager of Asset and Financial Management.

3. Special Terms and Conditions:

- (i) A build commitment will be imposed for the commencement of construction to be satisfied within thirty six (36) months from the closing date.
- (ii) The purchaser to grant the vendor an option to repurchase as security for the fulfillment of the build commitment which will be registered on title on the closing date.
- (iii) The property is sold “as is” and the purchaser shall assume all responsibility and liability including any environmental matters existing as of the closing date.
- (iv) Real Estate Commissions, if applicable, to be paid based on the following:
 - 5% for the first \$1 million.
 - 3% for any amounts above \$1 million to a maximum payment of \$150,000.
- (v) The purchaser further agrees to grant the City of Saskatoon, Saskatchewan Telecommunications, Saskatchewan Power Corporation, SaskEnergy Incorporated, and any utility agency any easements, which may be required by any or all of the said agencies at no cost.
- (vi) Uses on this site must include automobile dealerships and/or related automotive service uses at the discretion of Saskatoon Land and in conformance with the IL1 District provisions in City of Saskatoon Bylaw No. 8770 (Zoning Bylaw).
- (vii) The successful purchaser will be required to submit a Letter of Credit representing 5% of the full purchase price. The Letter of Credit will be returned to the successful purchaser upon erection of the foundation for the principal building, or improvements, consistent with the uses described in 3(vi) above. The Letter of Credit will be forfeited if the successful purchaser does not build in accordance with all terms and conditions.

4215-1

From: City Council
Sent: August 12, 2016 9:35 AM
To: City Council
Subject: Form submission from: Write a Letter to Council



Submitted on Friday, August 12, 2016 - 09:34
Submitted by anonymous user: 67.225.49.246
Submitted values are:

Date: Friday, August 12, 2016
To: His Worship the Mayor and Members of City Council
First Name: Vaughn
Last Name: Wyant
Address: 678 Saskatchewan Cres
City: Saskatoon
Province: Saskatchewan
Postal Code: S7N0L1
Email: vaughn@wyantgroup.com

Comments: Regarding 811 Melville Street (Firehall Land) and the City of Saskatoon's plan to sell this property. We respectfully request the opportunity to address the committee on August 15th, to discuss the proposed sale arrangement. We will be represented by Phillip Wyant (CFO The Wyant Group) and Michael Wyant (COO The Wyant Group)

The results of this submission may be viewed at:
<https://www.saskatoon.ca/node/398/submission/112669>

Acquisition of Land for Future Development - Northeast Growth Area

Recommendation

That the Standing Policy Committee on Finance recommend to the August 18, 2016, meeting of City Council:

1. That the Administration be authorized to purchase NE 30-37-04 W3 Ext 52, SE 30-37-04 W3 Ext 0 and SW 30-37-04 W3 Ext 0 comprising of approximately 473.41 acres from Franklin Argue, personal representative for the estate of Bertrand Cathcart, at a purchase price of \$7.9M;
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 the Property Realized Reserve (PRR) be used as the funding source for this purchase, including legal and administrative costs and disbursements.

Topic and Purpose

The purpose of this report is to receive City Council approval for the purchase of 473.41 acres of land for future development in the northeast growth area.

Report Highlights

1. The land is immediately adjacent to other land owned by the City of Saskatoon (City) and will help satisfy land requirements for future growth.
2. Notable terms of the agreement include a sale price of \$7.9M paid over two years.

Strategic Goal

This 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.

Background

The 473.41 acre site is located in the Rural Municipality of Corman Park within the Saskatoon Planning District (Attachment 1). In recent years, Saskatoon Land has acquired several parcels of land in the northeast section of the Saskatoon area, both inside and outside of the proposed future Perimeter Highway and city limits. The subject property is located just outside the proposed Perimeter Highway, situated immediately adjacent to lands previously acquired by Saskatoon Land.

Report

Additional Land for Future Development

As Saskatoon grows, additional land holdings are required to support and sustain the following goals and objectives of the Land Development program:

- providing an adequate supply of residential, institutional and industrial land at competitive market values;
- providing financial returns at competitive rates of return on investment to the City;
- assisting in the attainment of orderly urban growth; and
- providing innovation and leadership in design for new growth.

Furthermore, as the Saskatoon region has experienced significant growth in recent years, development and speculation on lands surrounding Saskatoon has become more common. Acquiring the subject property will help to ensure the City has sufficient inventory to accommodate future growth and realize continued benefits from land development investments in the future.

The Draft Regional Land Use Map (Attachment 2) that has been created as part of the Saskatoon North Partnership for Growth (P4G) initiative identifies the proposed future use of the majority of these lands as being “Urban Residential Neighbourhood” with a small portion being shown as “Conservation & Drainage”.

The Phase I Environmental Site Assessment that was completed in 2007 indicates that the environmental hazard potential for these lands is considered low and that no further investigation is required. Since 2007, the lands have been used for agricultural purposes.

Terms of the Agreement

Real Estate Services has negotiated a purchase agreement with the property owner. Noteworthy details of the agreement are as follows:

- Purchase price of \$7.9M - \$4.15M paid by September 30, 2016, and \$3.75M plus interest of 1.5% paid by September 30, 2017
- Conditional upon City Council approval by September 20, 2016
- Environmental, geotechnical and drainage review to the City’s sole satisfaction by August 31, 2016
- Possession date of September 30, 2016

Options to the Recommendation

City Council could choose to not approve this purchase. The Administration does not recommend this option as the 473.41 acres will help to further establish the City’s presence in the northeast, and would increase land holdings for future development.

Public and/or Stakeholder Involvement

The Administration has advised the RM of Corman Park Administration of the pending land acquisition.

Real Estate Services has confirmed with Saskatoon Water that these lands can be serviced for development in the future.

Financial Implications

The purchase price of \$7.9M represents a land value of \$16,700 per acre, which is comparable to sales of similarly located sites with consistent development timelines.

Sufficient funds for the purchase of this land exist in the Property Realized Reserve.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

This proposed acquisition would close on September 30, 2016, and the required documentation to finalize the sale would be completed by the City Solicitor's Office.

Public Notice

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

Attachments

1. Drawing Indicating Proposed Land Acquisition
2. Draft Regional Land Use Map

Report Approvals

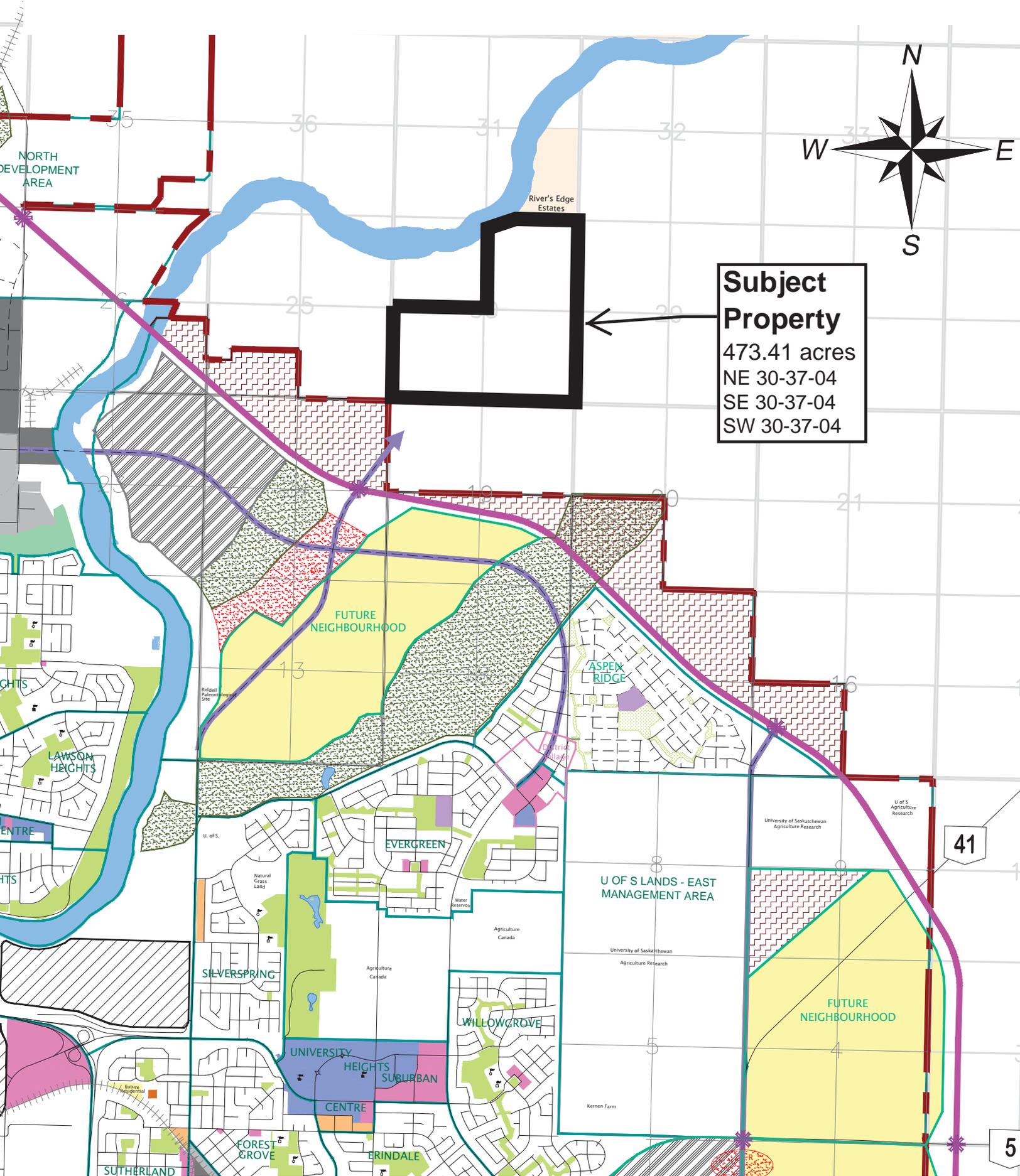
Written by: Scott McCaig, Real Estate Services

Reviewed by: Keith Pfeil, Manager, Real Estate Services
Frank Long, Director of Saskatoon Land
Kerry Tarasoff, CFO/General Manager, Asset & Financial Management
Department

Approved by: Murray Totland, City Manager

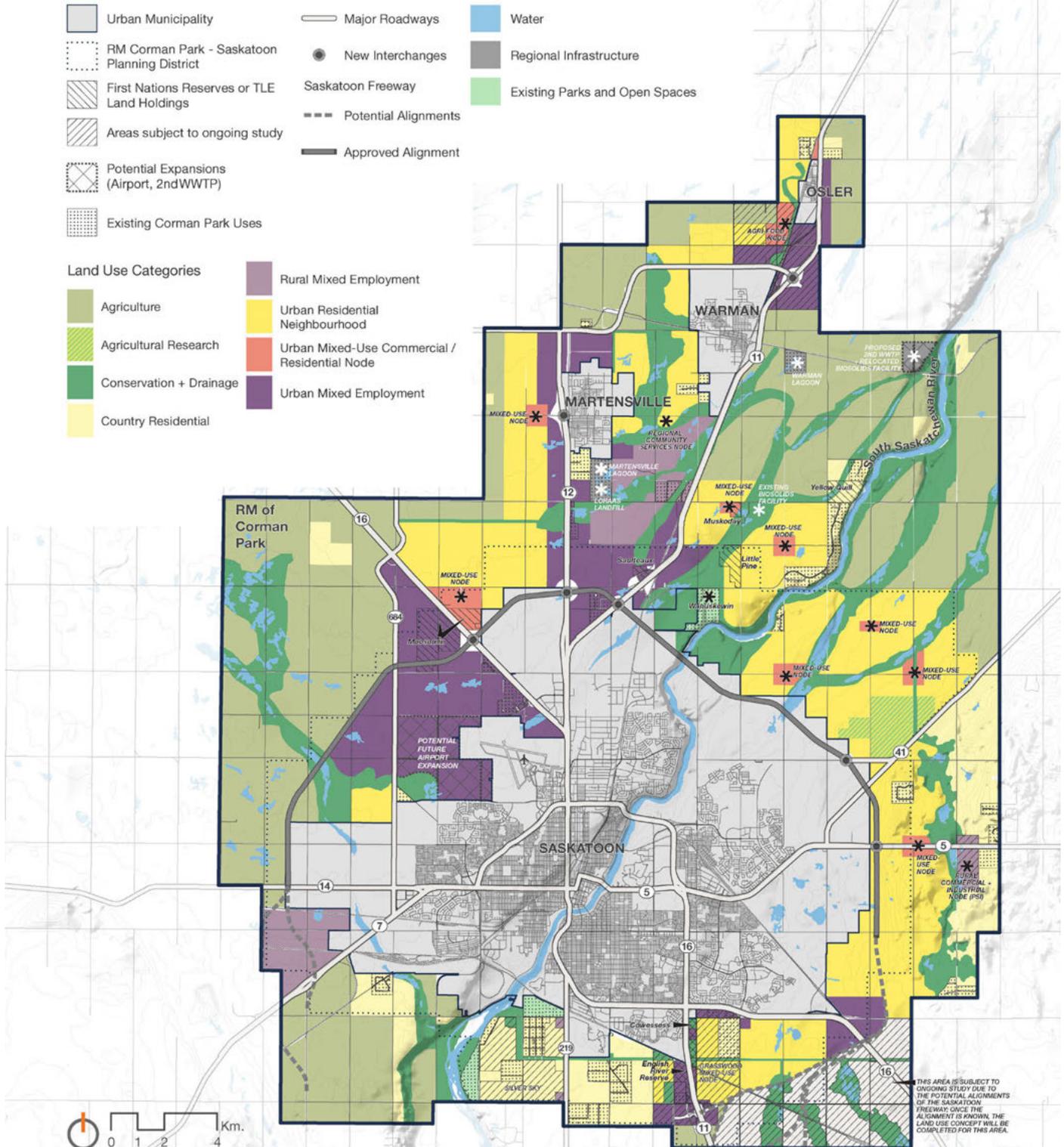
Acquisition_Cathcart (Aug 2016).docx

Drawing Indicating Proposed Land Acquisition



Subject Property
473.41 acres
NE 30-37-04
SE 30-37-04
SW 30-37-04

Draft Regional Land Use Map



Residential Lot Sales – 2016 Single-Family Lot Marketing Options

Recommendation

That the Standing Policy Committee on Finance recommend to the August 18, 2016, meeting of City Council:

1. That a temporary adjustment to lot payment terms in Council Policy No. C09-006, Residential Lot Sales – General Policy, as outlined in this report, be approved; and
2. That a landscaping and front driveway surfacing rebate program be implemented to encourage sales of single-family lots in inventory and on lots sold by lot draw, both for the period January 1, 2016 to December 31, 2016.

Topic and Purpose

The purpose of this report is to obtain City Council approval on marketing options to promote single-family lot sales, including a temporary adjustment to payment terms for the payout of single-family lots sold in 2016, and the offering of incentive rebates.

Report Highlights

1. The Administration will be directing additional marketing resources to increase awareness and exposure of current single-family inventory.
2. Saskatoon Land is proposing to implement a front yard landscaping and front driveway surfacing rebate incentive program for all single-family lots sold from inventory and through lot draws throughout 2016.
3. Saskatoon Land is proposing temporary changes to payment terms for all single-family lots sold from inventory or by lot draw in 2016. The revised payment terms will reduce the interest rate payable during the time that the lot is under an Agreement for Sale.

Strategic Goal

The recommendation and incentives outlined in this report are predominantly aimed at encouraging lot sales, which support the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes, as well as the four-year priority of developing funding strategies for expenses related to new capital expenditures including core services under the Strategic Goal of Asset and Financial Sustainability.

Background

In 2011, Saskatoon Land began the detailed tracking of serviced land inventories held by local builders and developers in the city. Since 2011 to present date, single-family lot inventories held by builders and developers have fluctuated between 750 to 2,000 lots. At present, combined inventories are within this range; however, there has been a shift in levels with developer inventories increasing and builder inventories decreasing.

This trend is primarily due to slower lot sales for developers that has likely been the result of uncertain economic conditions.

Saskatoon Land currently has approximately 480 single-family lots available for sale, and many of these lots have been held in inventory for over a year.

Report

Current market conditions have resulted in slower lot sales and rising inventory levels, as shown in Attachment 1. Subsequent response by private developers has been to encourage lot/home sales in their development areas through the provision of monetary rebate incentives for property improvements, and provision of favourable payment terms on lot payouts, including charging no interest over various time periods.

In response to current market conditions and to encourage lot sales and ensure that Saskatoon Land operates competitively with other developers in the city, the Administration proposes the following marketing options:

Marketing

To increase awareness and exposure of current single-family inventory, the Administration will be focusing marketing resources to areas with higher inventories. Continued marketing of Saskatoon Land communities in the form of radio, digital, Facebook, billboard and print advertising is planned to actively support builders trying to move existing inventory and increase awareness of single-family and multi-family new home opportunities in Saskatoon Land's development areas.

Incentives

The recommended approach to encourage single-family lot sales throughout 2016, from inventory and through lot draw, is to offer rebate incentives for front yard landscaping and front driveway completion. These proposed rebate incentives are preferred by the Administration as:

- several ancillary benefits are expected, in addition to providing a stimulus for lot sales in 2016, which include:
 - improved streetscapes that are more aesthetically pleasing earlier in the neighbourhood buildout;
 - reduced amount of debris on streets that may result in savings for street sweeping maintenance for the Saskatoon Land and Public Works Divisions;
 - less soil erosion from lots and reduced probability of sediments entering the storm water catch basins; and
- other developers in the city have offered similar incentives to their builder groups to encourage home construction and stimulate lot sales/absorption in their development areas.

Details for the provision and administration of front driveway and front yard landscaping rebates are outlined in Attachment 2, and include the following noteworthy details:

- maximum rebate of \$6,000 for front driveway surfacing completed within one year of building permit issuance;
- maximum rebate of \$2,000 for front yard landscaping completed within one year of building permit issuance;
- only Eligible Contractor and individual lot purchasers are eligible for rebate incentives; and
- under no circumstance would the rebate provided exceed actual invoiced cost.

The front driveway and front yard landscaping rebates will only apply to lots purchased in 2016.

Single-family Lot Payment Terms

Lot payment terms are outlined in Council Policy No. C09-006. Interest is based on the prime rate of interest as set by the City Treasurer for 8 months from the date of purchase (currently 2.7%). If the outstanding balance is not paid in full at that time, interest increases by another 5% and is applied to the unpaid balance. After 12 months, a further payment of 5% is required to extend the full balance deadline for an additional 4 months. Payment is applied first to the accrued interest and the remainder to principal. After 16 months, the remaining balance is due in full.

To encourage sales of current inventory lots in 2016 and ensure Saskatoon Land is offering lots with competitive payment terms, Saskatoon Land is proposing a temporary adjustment to the lot payment terms in Council Policy No. C09-006 as follows:

- charge no interest for the first 8 months of the parcel being under an Agreement for Sale;
- after 8 months, no additional deposit would be required, but the interest rate would go to 5%; and
- after 12 months, a further payment of 5% of the purchase price would be required to extend for an additional 4 months. Full payment of the lot would still be due in 16 months.

This incentive will apply to lots purchased in 2016. Any lots purchased in 2016 and paid out will have interest charges refunded.

The Administration recommends that the revised payment terms be used on inventory lot sales and any lot draws sales throughout the 2016 calendar year. If the change is proven to be beneficial in stimulating lot sales, the Administration would bring forward a subsequent report to City Council recommending whether or not the adjusted payment terms should continue throughout 2017. The report would also consider whether the determination of payment terms should be delegated to the Administration.

Options to the Recommendation

The Standing Policy Committee on Finance could consider not implementing any rebate incentives or payment term changes in 2016. This option is not recommended as it may result in continued slow sales throughout the 2016 calendar year. Under the recommended option, Saskatoon Land will have an opportunity to maximize land sales, and its customers will be building homes on a more level playing field with other developers/builders in the city.

Public and/or Stakeholder Involvement

As part of Saskatoon Land’s annual builder survey, Saskatoon Land solicited information from its Eligible Contractors regarding landscaping and driveway completion. Approximately 6% of the Eligible Contractors surveyed indicated that they complete front yard landscaping as a standard practice. Approximately 15% of the builders surveyed indicated that they complete front driveway surfacing as a standard practice.

Through the survey, some builders did identify concerns with the early completion of driveway surfacing due to perceived ground settlement issues. Through discussions with driveway contractors, Saskatoon Land is of the view that these concerns are mitigated through proper backfilling and the fact that water and sewer service locations are now offset from the garage and driveway lot side.

Information on the proposed temporary payment terms, front yard landscaping and driveway surfacing incentives has been provided to the Saskatoon and Region Homebuilders’ Association.

Communication Plan

If the proposed payment term adjustment is approved, Saskatoon Land will distribute promotional information to its Eligible Contractors on the incentives and temporary changes to the payment term programs. The information will also be available to the public on Saskatoon Land’s webpage.

Financial Implications

Marketing Cost

Estimated cost of planned fall 2016 marketing is \$160,000. Funding for radio, digital, Facebook, billboard and print advertising is available in approved 2016 Saskatoon Land operating budget. These costs are reimbursed by the Neighbourhood Land Development Fund.

Incentive Rebate Cost

Estimated costs of implementing incentive rebates for front yard landscaping and driveway surfacing on the targeted sale of 214 lots until the end of 2016 are as follows:

Incentive Rebate Costs	Amounts
Landscaping Costs 100% Uptake	\$ 428,000.00
Driveway Costs 100% Uptake	\$ 1,284,000.00
Amended Payment Terms	\$ 1,233,168.07
Total Incentive Cost	\$ 2,945,168.07

Estimated revenues generated under this option are \$35.75M.

Payment Term Changes

Determining the expected financial implications of payment term changes is difficult, as interest received is dependent on when purchasers make final payouts for lots.

Estimated costs shown on page 4 are based on the assumption that purchasers will take the full 16 months to pay the lot out in full. The costs shown in the table are the difference between the interest received under normal payment terms versus the adjusted payment terms.

Other Financial Considerations

If the proposed incentives are successful in generating increased sales, Saskatoon Land expects that reduced carrying costs for maintenance and taxes in lieu of \$150,400 could be achieved if the sales target of 214 lots is met.

Activities associated with the administration of the program, including plan review, inspection of completed landscaping and rebate processing would be conducted within Saskatoon Land's existing staffing levels. Funding for landscaping and driveway incentive rebates is available in the Neighbourhood Land Development Fund.

Policy Implications

The revised lot payment terms will require an amendment to Council Policy No. C09-006 to be approved by City Council.

Other Considerations/Implications

There are no privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

Prospective offering of the incentives for future neighbourhood phasing will be evaluated on a continual basis as market demand evolves. If there is evidence of demonstrated and sustained movement toward higher lot absorption levels, buoyed by healthier economic conditions, incentives may cease at the end of 2016.

In addition, a future report will be presented to the Standing Policy Committee on Finance to provide an update on the outcome of the incentives and potentially request a continuation of the payment term changes if current market conditions persist throughout 2017.

Public Notice

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

Attachments

1. Saskatoon Land 2016 Single-Family Lot Marketing Options PowerPoint Presentation
2. Landscaping and Driveway Incentive Program

Report Approval

Written by: Matt Grazier, Senior Planner
Jeremy Meinema, Finance and Sales Manager

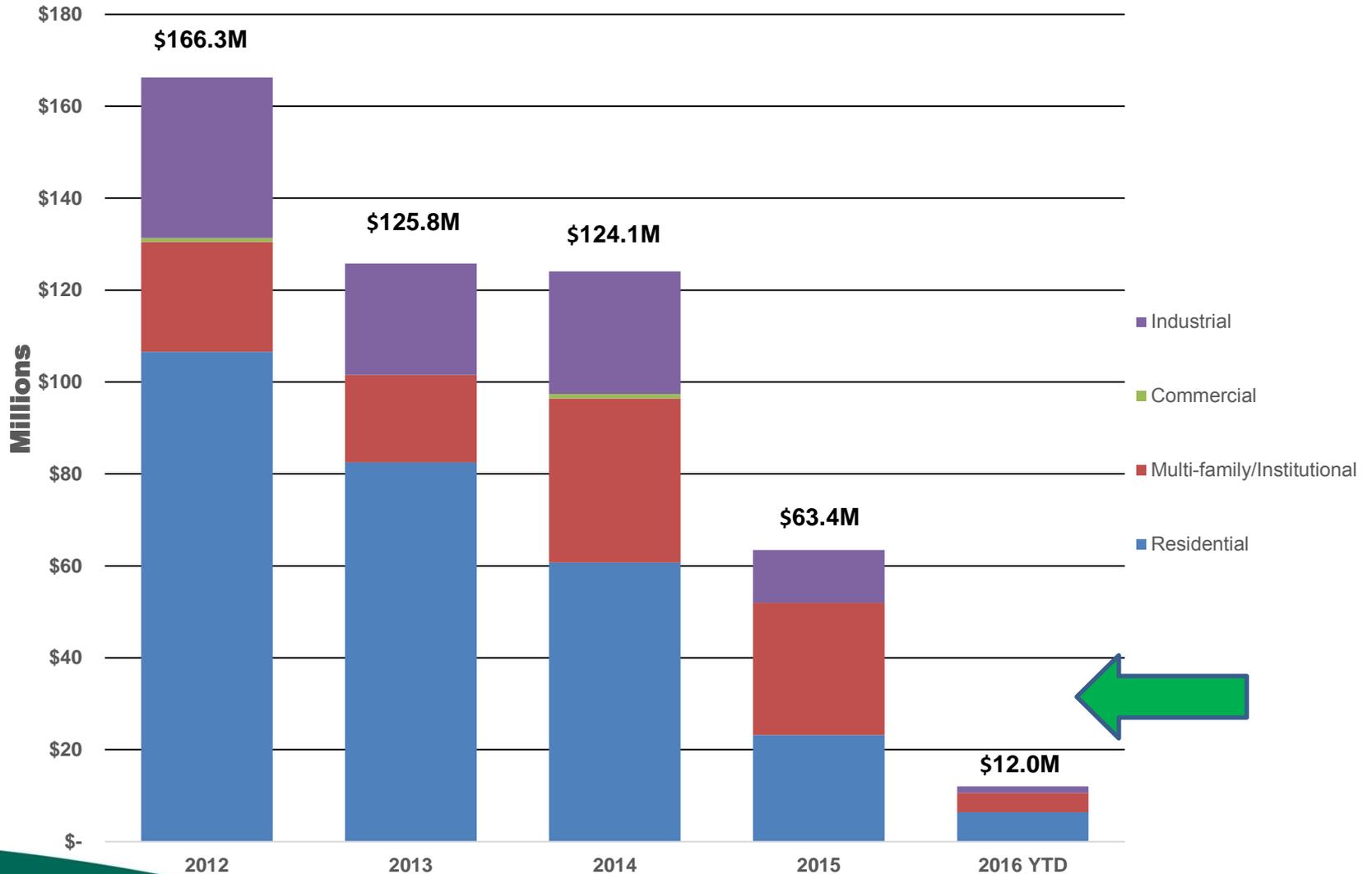
Reviewed by: Frank Long, Director of Saskatoon Land
Kerry Tarasoff, CFO/General Manager, Asset & Financial
Management Department

Approved by: Murray Totland, City Manager

2016 Single-Family Lot Marketing Options (Aug 2016).docx

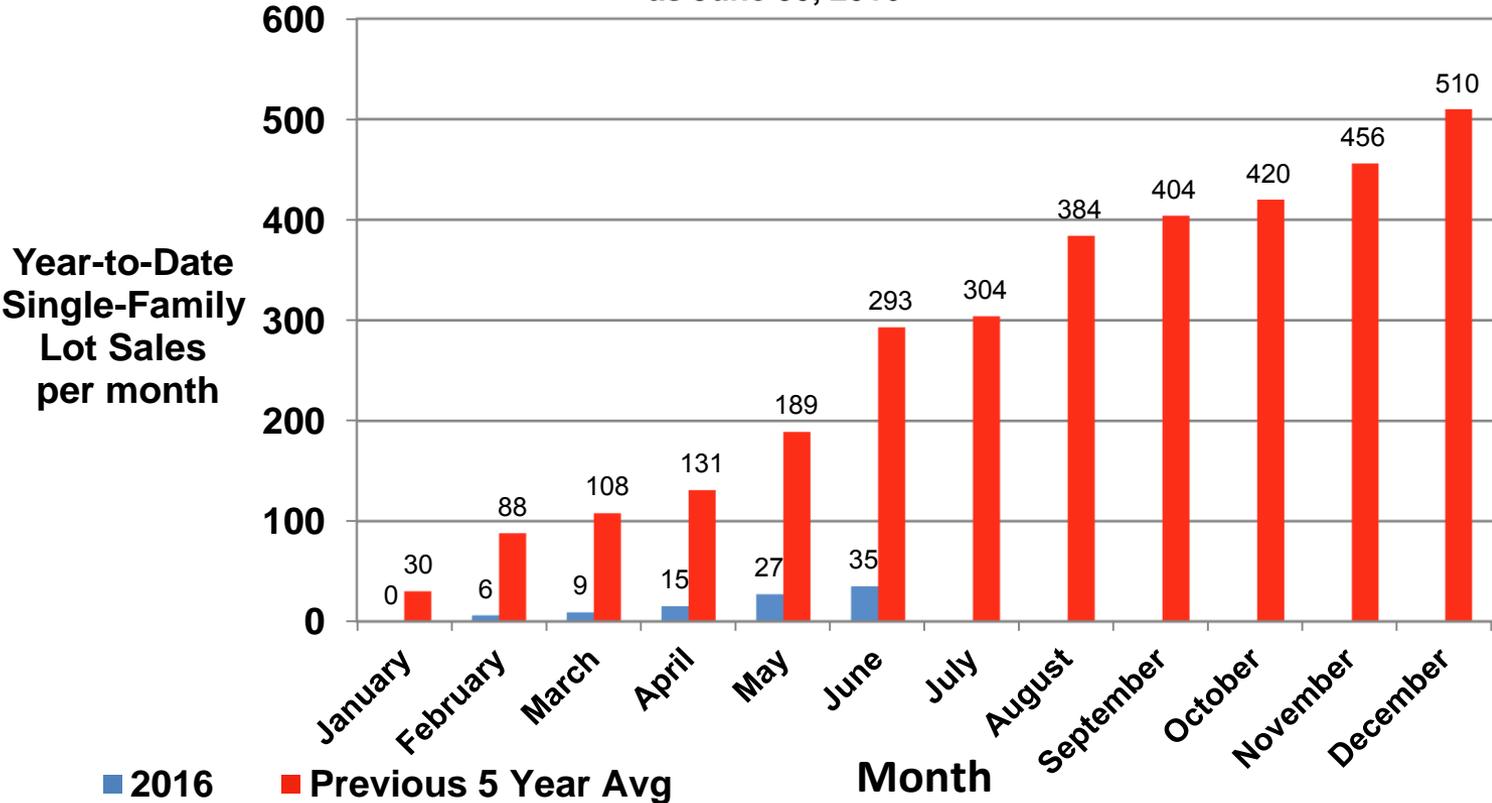
Saskatoon Land 2016 Single-Family Lot Marketing Options

Land Sales 2012 - 2016 YTD



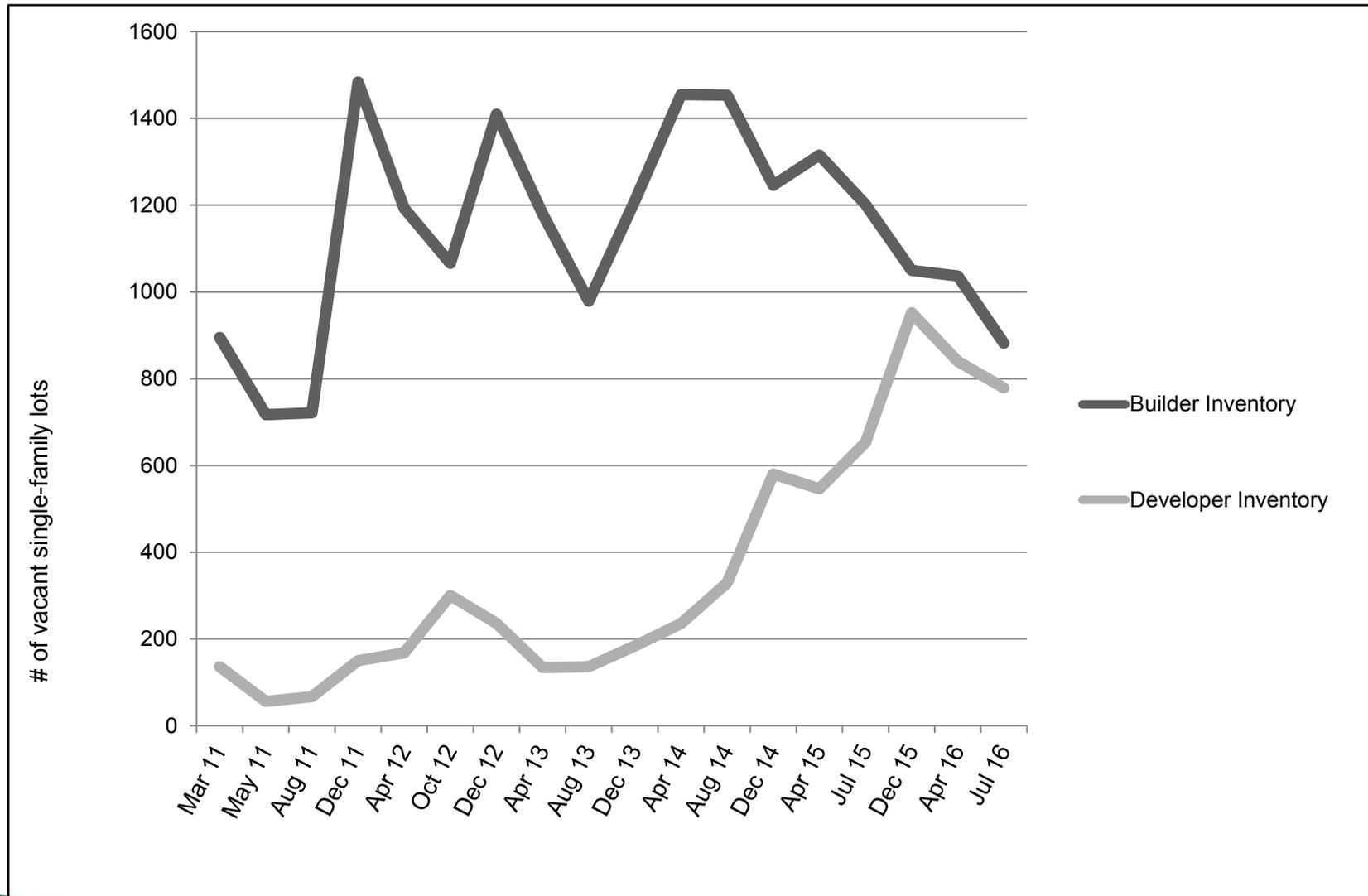
Single-Family Lot Sales Information

2016 YTD SF Sales vs 5 Year YTD Average Comparison
as June 30, 2016



Current 2016 single-family sales forecast of 110 lots based on the continued offering of standard payment terms and no incentives.

Builder/Developer Inventory 2011- 2016



Proposed Options

1. Targeted marketing
 - new communities
 - inventory lots
2. Incentive rebates
 - front yard landscaping
 - front driveway completion
3. Adjustment to lot payment terms

Targeted Marketing

- Increase awareness
 - available inventory of Saskatoon Land development areas
 - community amenities to help builders customers move completed homes
- Radio, digital, Facebook, billboard and print advertising
- Possible Evergreen Square event
- No additional funding required
 - redirecting previously budgeted funds

Landscaping & Driveway Rebate Incentive Program

- Lot purchases made in 2016
- Rebates within 1 year of building permit issuance:
 - \$2,000 - front yard landscaping
 - \$6,000 - front driveway surfacing
- Expires December 31, 2016

Adjustment Lot Payment Terms

- **Current Policy:**
 - 2.7% for 8 months from date of purchase
 - Additional 5% interest increase on unpaid balance after 8 months
 - After 12 months, a further payment of 5% of the purchase price is required to extend for 4 additional months
 - Full payment due in 16 months
- **Temporary Adjustment to Policy:**
 - **0% for 8 months** from date of purchase
 - No changes to current interest increases noted above
 - Full payment still due in 16 months
 - Expires December 31, 2016

Intent of Rebates & Adjusted Payment Terms

- Encourage 2016 sales to meet sales target of 214 lots
- Operate competitively with private developers offering similar incentives
- Help our builders compete competitively with others that have offered payment term incentives in other development areas
- Enhanced aesthetic appeal, reduced debris on streets, less soil erosion, etc.

Cost Summary Estimates

Payment Term and Incentive Cost Summary

Item	Cost
Landscaping costs 100% uptake	\$ 428,000
Driveway costs 100% uptake	\$ 1,284,000
Amended payment terms	\$ 1,233,168
Total incentive cost	\$ 2,945,168

1. Estimated costs of landscaping and driveway incentives are based on the targeted sale of 214 lots until the end of 2016.
2. Estimated payment term costs are based on an assumption that purchasers will take the full 16 months to pay the lot in full. The identified cost is the difference between the interest normally received under the current payment terms versus the proposed adjustment.
3. Estimated revenues generated for the 214 lots are \$35.75 million.

Questions?

Saskatoon Land

Landscaping and Driveway
Incentive Program



Contact Information:

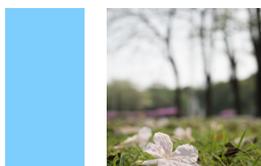
[Saskatoon Land](#)

201 3rd Avenue North
Saskatoon, SK S7K 2H7
P 306 975 3278 E land@saskatoon.ca



City of
Saskatoon
Saskatoon Land

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5	LANDSCAPING INCENTIVE REBATE Terms and conditions
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7	ACCEPTABLE DRIVEWAY MATERIALS Eligible material types
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10	REBATE APPLICATION FORM

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1	FRONT YARD LANDSCAPING REBATE AMOUNTS
2	FRONT DRIVEWAY REBATE AMOUNTS

Introduction



Saskatoon Land Landscaping and Driveway Incentive Program

Builders and homeowners within Saskatoon Land’s ownership areas may be eligible for a rebate of up to \$8,000 for the early establishment of landscaping in their front yard and the completion of a hard surfaced driveway.

“Plants improve air quality and help filter pollutants out of rainwater. Landscaping plants, including shrubs and sod, remove smoke, dust and other pollutants from the air.”

Landscapeontario.com

“Landscaping can add as much as 14% to the resale value of a property and speed its sale by as much as six weeks.”

Economic Benefits of Landscape, Associated

Saskatoon Land takes great pride in the appearance of its neighbourhoods and strives to facilitate a more aesthetically pleasing community that fosters local pride and a heightened sense of ownership and community belonging. The Landscaping and Driveway Incentive Program was created to encourage the early establishment of front yard landscaping and driveways. The completion of these items will help establish a strong street presence on your block and improve curb appeal of newly built homes.

Landscaping Rebate

For both attached garage and detached garage lots, a maximum rebate of \$2,000 is available for the early establishment of front yard landscaping on lots offered for sale by Saskatoon Land in 2016 in the Aspen Ridge, Evergreen, Hampton Village, Kensington, Parkridge and Rosewood neighbourhoods. Builders and individuals who previously purchased a lot in 2016 in the aforementioned neighbourhoods are also eligible for the rebate.

Eligibility for this rebate is subject to the completion of front yard landscaping by a licensed professional contractor and is subject to the terms as outlined on page 5 of this document.

Driveway Rebate

For attached garage lots, a maximum of \$6,000 is available for the early completion of a hard surfaced front driveway on lots offered for sale by Saskatoon Land in 2016 in the Aspen Ridge, Evergreen, Hampton Village, Kensington, Parkridge and Rosewood neighbourhoods. Builders and individuals who previously purchased a lot in 2016 in the aforementioned neighbourhoods are also eligible for the rebate.

Eligibility for this rebate is subject to driveway completion by a licensed professional contractor subject to the terms as outlined on page 8 of this document.

Landscaping Incentive Rebate

Front Yard Landscaping Rebate Schedule

To be eligible for this rebate, builder and individual lot purchasers have a two-year timeframe to complete their front yard landscaping starting from the date of building permit issuance for construction of the principal building on site. Landscaping rebate eligibility amounts are based on scaled timelines and are outlined in Table 1.

Table 1: Front Yard Landscaping Rebate (\$)

Maximum Rebate Amounts(\$)	Year 1	Year 2
	\$2,000	\$1,000

Landscaping Rebate Amounts (\$)

- A maximum rebate of \$2,000 is available for builders or individual lot purchasers for the completion of front yard landscaping within one calendar year of the building permit issuance date.
- A maximum rebate of \$1,000 is available for builders or individual lot purchasers for the completion of front yard landscaping within two calendar years of the building permit issuance date.
- No rebate is available for front yard landscaping completed beyond two years of the building permit issuance date.

Landscaping Rebate Material Scope & Minimum Standards

- The rebate material scope includes materials and services rendered for the installation of sod, artificial turf, topsoil, trees, shrubs, plant materials, hardscaped elements, irrigation components, and edging.
- To be eligible for this rebate, the following minimum standards apply:
 - a) Topsoil installed to a minimum depth of 4”;
 - b) Sod (seeded lawns are not acceptable);
 - c) A minimum of one tree of a species suitable for Saskatoon’s climate and soil types must be planted in the front yard of the following minimum size:
 - i. Deciduous trees must have a minimum 1 3/4” caliper measured 6” above ground; and
 - ii. Coniferous trees must be a minimum of 6’ in height.

Rebates for xeriscaped front yards will be reviewed on a case-by-case basis at the discretion of Saskatoon Land.

Community Tree Planting Program

Lot purchasers can request their preference of available tree species for the City-owned portion of their front and/or side yard. The yard must be up-to-grade before a tree request can be processed and the tree planting site must meet minimum spacing requirements and be cleared of all above and below ground utilities to be approved as a plant site. The homeowner is responsible for watering the new tree unless otherwise noted. Refer to the City of Saskatoon’s website at saskatoon.ca (services for residents/yard and garden/trees) for more information.

Landscaping Incentive Rebate Term and Conditions

Saskatoon Land's Front Yard Landscaping Rebate is subject to the terms and conditions outlined on this page.

Application approval, landscaping acceptance and judgments rendered on all of the terms and conditions are at the sole discretion of Saskatoon Land.

Saskatoon Land reserves the right to discontinue the landscaping rebate at its sole discretion.



Licensed Landscaping Contractor

The landscaping rebate is applicable to materials provided or services rendered by contractors holding a valid City of Saskatoon Business License, Contractor License or Non-resident Contractor License.

Applicant Eligibility

Landscaping rebate eligibility is open to builders or individuals who purchased the lot directly from Saskatoon Land.

Corner Lots

On corner lots, the landscaping rebate also applies to the side-yard which abuts the flanking street.

City Boulevards - Combined Walk & Curb

To obtain the landscaping rebate for areas with combined walk and curb, the builders/homeowners are required to landscape up to the inside sidewalk edge.

Maximum Amounts (\$)

Notwithstanding the rebate schedule shown in Table 1, in no case shall the rebate exceed the invoiced cost of the front yard landscaping work.

Front Yard Defined

With the exception of corner lots, the landscaping rebate is eligible to front yard landscaping work only. The front yard is defined as the area between the front building wall and inside sidewalk edge.

City Boulevards - Separate Walk & Curb

To obtain the landscaping rebate for areas with separate walk and curb, proponents are required to landscape the space between the outer sidewalk edge and the curb-face, adjacent to the road top (boulevard).

“ A driveway is a great way to welcome guests and direct people’s focus to your home, putting it on display. ”

landscapingnetwork.com



Front Driveway Incentive Rebate

To be eligible for this rebate, builder and individual lot purchasers have a two-year timeframe to complete the surfacing of their front driveway from the date of building permit issuance for construction of the principal building on site. Front driveway rebate eligibility amounts are based on a scaled approach as outlined in Table 2 below.

Table 2: Front Driveway Rebate (\$)

Maximum Rebate Amounts(\$)	Year 1	Year 2
	\$6,000	\$3,000

Driveway Rebate Amounts (\$)

- A maximum rebate of \$6,000 is available for builder or individual lot purchasers for the completion of front driveway surfacing within one calendar year of the building permit issuance date.
- A maximum rebate of \$3,000 is available for builder or individual lot purchasers for the completion of front driveway surfacing within two calendar years of the building permit issuance date.

Acceptable Driveway Types

- Rebate eligibility is generally limited to the following concrete driveway types: broom-finished, stamped and coloured, exposed aggregate and pavers.
- Rebate eligibility for driveway types not listed above will be at the discretion of Saskatoon Land.

To help mitigate driveway cracks, please consider the following:

- Ensure a tight excavation around house foundation to minimize disturbed areas of soil to reduce the possibility of settlement;
- Avoid pouring driveway over your water and sewer lines;
- The use of control joints at appropriate spacing; and
- Proper backfilling and compaction of backfill material in appropriately sized lifts.

See Saskatoon Land’s [Landscaping and Driveway Rebate Application Form](#) on the last page of this document.

Acceptable Driveway Materials

1

**Concrete Driveway
Standard Broom Finish**



2

**Stamped & Coloured
Concrete Driveway**

3

**Exposed Aggregate
Concrete Driveway**



4

**Coloured Concrete
Paver Driveway**

Front Driveway Rebate Term and Conditions

Saskatoon Land's Front Driveway Rebate is subject to the terms and conditions outlined on this page.

Application approval, driveway acceptance and judgments rendered on all terms and conditions are at the sole discretion of Saskatoon Land.

Saskatoon Land reserves the right to discontinue the driveway rebate at its sole discretion.

Rebate Scope

The front driveway rebate is eligible for the cost of the front driveway only. This rebate will not cover the cost for any portion of a retaining wall or walkway entrance.

Front Driveway Defined

The front driveway is defined as the area between the front attached garage and the inside edge of the sidewalk.

Applicant Eligibility

Front driveway rebate eligibility is open to builders or individuals who purchased the lot directly from Saskatoon Land.

Lot Type Applicability

The front driveway rebate shall only apply to lots which require an attached garage. No rebate will be granted for the cost of constructing a garage pad for a detached garage.

Licensed Contractor

The front driveway rebate is applicable to materials provided or services rendered by contractors holding a valid City of Saskatoon Business License, Contractor License or Non-resident Contractor License.

Corner Lots

Where an attached garage faces the side street and vertical curbing exists, the Transportation and Utilities Department (306-975-2460) must be contacted to determine the appropriate crossing allowances.

Maximum Amounts (\$)

Notwithstanding the rebate schedule shown in Table 2, in no case shall the rebate exceed the invoiced cost of the front driveway work.

Application and Inspection

No rebate shall be granted until approval of the attached application and inspection of the work is completed.

Landscaping and Driveway Rebate Application Process

- Step** ■■■■■ Determine rebate eligibility by contacting Saskatoon Land (306-975-3278).
- Step** ■■■■■ Complete landscaping and/or driveway work.
- Step** ■■■■■ Complete “Landscaping and Driveway Application Form” and submit with the contractor receipts to Saskatoon Land.
- Step** ■■■■■ Saskatoon Land will review the application and receipt(s) and inspect the property within seven (7) days of submission. Provided that work has been completed and is consistent with all terms and conditions outlined in this document, Saskatoon Land will issue payment directly to the builder or individual purchaser within 30 business days.

Do you have any questions? We’ve got answers!

Prior to starting a project, for any questions on the program, please contact Saskatoon Land at 306-975-3278 or by email at land@saskatoon.ca.



Saskatoon Land Landscaping & Driveway Rebate Application

Contact Information			
Applicant Name			
Civic Address			
Legal Land Description			
Phone #		Email	
Landscaping Project Information			
Landscaping Contractor			
Total Landscaping Cost (\$)		Front Yard Landscaping Cost (\$)	
Front Yard Landscaping Project Description (i.e. sod, trees, shrubs, etc.)			
Driveway Project Information			
Driveway Contractor			
Driveway Cost (\$)			
Driveway Surface Material (i.e. stamped concrete)			

Please ensure that copies of all contractor receipts are submitted for each rebate you are applying for. Application approval and interpretation of all rebate terms and conditions are at the sole discretion of Saskatoon Land.

For Internal Use Only - Final Approval	
Reviewer	
Inspection Date	
Final Approval Date	
Total Rebate Amount (\$)	
Signature	





ASPEN
RIDGE



EVERGREEN

HAMPTON
VILLAGE



Kensington

PARKRIDGE



ROSEWOOD

Contact Information:

Saskatoon Land

201 3rd Avenue North
Saskatoon, SK S7K 2H7
P 306 975 3278 E land@saskatoon.ca



City of
Saskatoon
Saskatoon Land

Incentive Application – Axiom Industries Ltd.

Recommendation

That the Standing Policy Committee on Finance recommend to the August 18, 2016 meeting of City Council:

1. That the application from Axiom Industries Ltd. for a five-year tax abatement on the incremental portion of taxes at 3603 Burron Avenue, as a result of its expansion in 2016, be approved as follows:
 - 100% in Year 1;
 - 80% in Year 2;
 - 70% in Year 3;
 - 60% in Year 4;
 - 50% in Year 5; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

Topic and Purpose

The purpose of this report is to obtain City Council approval for a five-year tax abatement on the incremental portion of taxes at Axiom Industries Ltd.'s (Axiom) expansion at 3603 Burron Avenue.

Report Highlights

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

Strategic Goal

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

Background

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

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

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

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

Report

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

Options to the Recommendation

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

Financial Implications

The tax abatement will be offset by an equivalent amount of incremental property tax until it expires in year five. The impact in the first year is estimated at \$45,161. The total estimated value of the five-year abatement is \$162,577.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

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

Public Notice

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

Attachment

1. Report from Wanda Hunchak, Chair, SREDA Board of Directors - July 27, 2016

Report Approval

Written by: Jeff Knittig, Acting Manager, Assessment & Tax Administration
Reviewed by: Barb Phipps, Acting Director of Corporate Revenue
Approved by: Clae Hack, Acting General Manager, Asset & Financial Management Department

Incentive App_Axiom.docx



MEMO

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

FROM: Wanda Hunchak, Chair
SREDA Board of Directors

RE: Incentive Application Review

DATE: July 27, 2016

The Saskatoon Regional Economic Development Authority’s Board of Directors reviewed a tax incentive application from Axiom Industries Ltd. (“Axiom”), and has determined that it meets the eligibility requirements of the City of Saskatoon Business Development Incentives Policy, C09-014.

Axiom has purchased property at 3603 Burrton Avenue and will be constructing a new 20,650 sq. ft. manufacturing facility that is estimated to be completed by the end of September 2016.

The company current has 11 full time employees and plans to add 5 FTEs in Saskatoon due to the expansion.

The Saskatoon Regional Economic Development Authority’s Board of Directors approved the following resolution on July 27, 2016:

Recommendations

THAT the Board of Directors approves the recommendation by the Incentive Review Committee for SREDA to submit Axiom Industries Ltd.’s tax incentive application to the City of Saskatoon for approval.

The Board’s recommendations are forwarded to City Council for consideration and approval. A summary of the tax abatement application from Axiom Industries Ltd. is attached for reference, along with the Eligibility Criteria Checklist.

Wanda Hunchak
Chair, SREDA Board of Directors

2016 Corporate Business Plan and Budget – Shaping Our Financial Future – Mid-Year Update

Recommendation

That the report of the General Manager, Corporate Performance Department, dated August 15, 2016, be forwarded to City Council for information.

Topic and Purpose

In an effort to be more accountable, transparent, and efficient in the management of the City of Saskatoon's (City) key priorities and financial resources, this report presents the second quarter results for the City's 2016 Corporate Business Plan and Budget – *Shaping Our Financial Future*, as of June 30, 2016.

Report Highlights

1. The 2016 budget projections are indicating a balanced budget
2. The key projects outlined in the 2016 Corporate Business Plan and Budget are on track and initiatives are progressing well.

Strategic Goals

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

Report

Quarterly status updates on the City's Corporate Business Plan and Budget help to ensure that City Council and the Administration are aware of emerging business plan and budget issues and challenges in order to react accordingly. Providing these quarterly reports helps the City to mitigate any financial or corporate risks that may result from unplanned events or new challenges that may emerge throughout 2016.

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

Business Plan Highlights

Attachment 1 provides a summary of the status (as of June 30, 2016) of the key projects outlined in the 2016 Corporate Business Plan and Budget.

Attachment 2 provides a year-to-date building permit summary report to the end of June 2016.

Residential construction in Saskatoon remains active. Permits associated with one-unit dwelling housing starts are approximately 12.5% lower than 2015 for the same period.

The number of building permits issued to the end of June is approximately 12.1% lower than the number issued in 2015 for the same time period. Building permits issued so far in 2016 represent the creation of 846 residential units compared to 1,421 residential units at the end of June 2015. Value of construction associated with permits issued to the end of June 2016 is approximately 13.1% lower than June 2015.

As of the end of June, there were five permits issued that had a construction value higher than \$10.0 million. The same number of permits with a value over \$10.0 million had been issued in the first half of 2015.

Year-end Budget Projections

The 2016 budget projections to year-end are indicating a net surplus of \$403,000 (Attachment 3). This surplus includes a \$1.0 million transfer to the Snow and Ice Stabilization Reserve due to a projected surplus in the Snow and Ice Management service line from milder winter conditions from January – March, as well as, a \$279,000 transfer from the Interest Stabilization Reserve due to lower than budgeted interest revenues. It is cautioned that this projection relies on only six months of performance and subject to variance as the remainder of the year proceeds.

Some of the significant variances within this balanced budget projection include:

- \$1.524 million received from Saskatchewan Workers' Compensation Board Surplus accounts. As this revenue was received due to the City's excellent safety history; a portion could be transferred to enhance safety type initiatives. Administration will be bringing forward a report along with the yearend results with recommendations on how to allocate this funding,
- \$1.274 million negative variance in Waste Handling, mainly due to less than expected revenues in Landfill operations due to increased completion within and around Saskatoon, and,
- A \$391,000 unfavourable variance in Recreation Facilities mainly due to lower paid admissions, Leisure Card and bulk ticket sales than originally budgeted. Although the projection is less than budget, Recreation Facilities continue to see positive growth in year over year actuals as a result of the marketing campaign and new pricing structure started in 2015.

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 2016 Corporate Business Plan.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

The Third Quarter Report for 2016 will be tabled with the Standing Policy Committee on Finance in November, 2016.

Public Notice

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

Attachments

1. 2016 Corporate Business Plan – Mid-Year Update (April 1, 2016 to June 30, 2016)
2. Building Permit Statistics for YTD June 30, 2016 vs. YTD June 30, 2015
3. Year-end Projection for Period Ending June 30, 2016

Report Approval

Written by: Kim Matheson, Director of Strategic & Business Planning
Clae Hack, Acting General Manager, Asset & Financial Management

Reviewed by: Catherine Gryba, General Manager, Corporate Performance

Approved by: Murray Totland, City Manager

2016 Corporate Business Plan and Budget – Mid-Year Update.docx



2016 Corporate Business Plan
Mid-Year Update
April 1 to June 30, 2016

Community Support

Action	Comments
Focus marketing efforts on education and awareness of the pet licensing program to help increase revenues.	The goal of the 2016 Animal Services Marketing Plan is to increase awareness and education of pet licensing. The spring campaign focused on pet licensing, responsible pet ownership, and the promotion of dog park cleanup events.
Enhance activities for youth to increase positive race relations and civic engagement among the young adult community.	Continued to work with Children's Festival organizers and also met with the Community Steering Committee from YXE Speaks Youth Summit as a representative in the development of a youth engagement strategy.
Implement the Culture Plan recommendations with a focus on a long term strategy to invest in and support the cultural sector in Saskatoon. Specific initiatives are highlighted in the Recreation and Culture business line.	A number of recommended revisions to the Culture Grant Program have been prepared for a report to be submitted to City Council for the 2017 budget. The recommendations concern improving funding equity between grant categories. Program planning for Culture Days 2016 started and will integrate arts programming with the City's anti-racism education initiatives.
Through our involvement with the Saskatoon Collaborative Funders Partnership pilot an evaluation and reporting tool among local community organizations that have a similar mandate. This reporting tool will help community organizations to better report on their collective impact in the community and streamline the reporting.	The youth agencies and consultant met in May to review the tools and identify any challenges from the initial implementation. Additional data is being collected and will continue to be collected over the next six months.
Enhance and develop new partnerships and programs for the Urban Aboriginal Leadership Program. These programs will assist in enhancing economic, employment, and training opportunities.	The pilot for the Aboriginal Fitness Leaders preparatory program was completed and had seven graduates who will now go on to take the Saskatoon Parks and Recreation Association (SPRA) Fitness Leadership Modules to qualify as instructors. This pilot was a partnership with the University of Saskatchewan and 2J2 Consulting.
Undertake initiatives to strengthen relations and partnerships with Aboriginal organizations and focus the provision of programs and services on identified gaps.	A calendar of events was confirmed for community reconciliation activities for the months of May and June and the communication strategy is currently being implemented. A draft framework and funding proposal was developed for the Saskatoon Aboriginal Community Action Plan.

Corporate Asset Management

Action	Comments
Construction of the new Saskatoon Transit Operations Facility and the City's first Snow Management Facility as part of the new Civic Operations Centre.	Construction of the Transit Operations and Snow Management Facility is progressing as expected, and will be completed by December 30, 2016.
Continue defining the immediate and long-term space requirements and opportunities for co-located efficiencies and the new Call Centre in our civic accommodation plans.	A number of space relief opportunities are being reviewed for City Hall, Civic Square East, and area. The long-term plan continues to be worked on and will ensure the Corporations' strategic objectives are being accounted for.

Corporate Governance and Finance

Action	Comments
<p>Develop an enhanced corporate policy on philanthropy and formalize a program for sponsorship, donations and advertising opportunities.</p>	<p>In addition to finalizing the inventory of current and potential opportunities, an internal committee has been reviewing various polices for any necessary revisions, exploring new donation models, and researching best practices of other cities. An interim report is going to the Standing Policy Committee on Finance in the fall.</p>
<p>Develop a strategy for a new engagement process and reimagine what an engaged community can look like by implementing a wide range of tools and opportunities that will enable everyone to participate more fully in City decisions.</p>	<p>The Citizen Advisory Panel was introduced in April 2016 and the first two surveys were sent out to the over 1,400 citizens who signed up. The first survey asked for citizen preferences on the next services to be added to the Service Saskatoon Customer Relationship Management System (CRM) and over 700 individuals participated. The second survey was sent on May 22, 2016 encouraging panel members to complete the Citizen Online Budget with an anticipated 100 individuals participating over the May long weekend.</p>
<p>Create and encourage a workplace culture of continuous improvement that encourages innovation and forward thinking. Identify targeted opportunities to implement specific continuous improvement tools within each division.</p>	<p>Work to create a user-friendly page with continuous improvement (CI) tools and videos on mycity.saskatoon.ca has begun. Additionally, the "Continuous Process Improvement" course provided through the Learning & Development Opportunities Course Calendar was attended by 26 employees and received positive reviews regarding content and building internal CI capacity.</p>
<p>Develop an Employee Rewards and Recognition Program in consultation with employees.</p>	<p>A project charter is in the process of being finalized to determine the scope for 2016 initiative.</p>
<p>Develop a recruitment and retention strategy to attract and retain the best available talent.</p>	<p>A draft Recruitment and Retention Strategy has been completed. Initial meeting with Communications has been undertaken to begin to identify the City's current branding within and outside the City.</p>
<p>Articulate the vision of the role of IT for the City of Saskatoon. Leverage technology and emerging trends to reach the City's goals, serve citizens and connect meaningfully with stakeholders.</p>	<p>Nine major program initiatives were identified that focus on building a strategy for the corporation that encompasses the application layer, infrastructure, data management, and delivery of meaningful information to the corporation for decision making. The development and sustainment efforts for our website are now conducted by internal resources. The new internal intranet replacement, Mycity.Saskatoon.ca, has been established and launched.</p>

Environmental Health

Action	Comments
<p>Expand tools and training to help civic employees with environmental reporting and improving sustainability outcomes such as increased recycling, paper reduction, energy and water conservation, and fewer releases of pollutants into the environment.</p>	<p>The Environmental Protection Plan has been distributed for review to stakeholders. The Environmental Implications Tool is in draft form. Meetings with Environmental & Corporate Initiatives, Parks, Transportation, and Construction & Design were held to identify initiatives for their 2017 Business Plans and follow up is being provided as needed.</p>
<p>Implement an effective Dutch elm disease program to prepare for the impacts of climate change and stop the spread of this disease.</p>	<p>The Dutch Elm disease awareness campaign included the following: Facebook ads, a pruning ban PSA, news tour, a utility bill insert, radio commercials, and signs at the compost depots. Additional Elm surveillance is underway with a focus on areas that are less frequently surveyed. Elm inventory data collection is on-going throughout the season.</p>
<p>Develop a Storm Water Master Plan by forming a collaborative team including the Stormwater Utility, the Meewasin Valley Authority, and the divisions of Planning & Development, Parks, and Environmental & Corporate Initiatives to mitigate for the impact of severe weather events on the City's infrastructure.</p>	<p>The Steering Committee met to review and approve (in principle) the project charters for the Natural Area Strategy, Stormwater Utility Business Plan, and Stormwater Management Plan. The research phase of the Stormwater Management Plan was initiated.</p>

Fire

Action	Comments
Relocation of Fire Station No.3	The Saskatoon Fire Department (SFD) continues with the deployment analysis study. The SFD is in the process of finalizing with Saskatoon Land the future location. Preliminary meetings with facilities on the building is underway
Develop a plan for future upgrades or replacement of the department training/mechanical maintenance shop.	The SFD with Saskatoon Land has determined possible locations for a future maintenance/mechanical shop. Discussions continue to determine the needs for the training center.
Undertake a service review focused on the fire prevention/inspection process to maximize efficiencies when performing property inspections.	The SFD is currently going through an Internal Process Review which is a committee that includes other corporate divisions to determine efficiencies in the Fire Prevention division. An update is expected in the third quarter. Technology is one of the main focuses for this process review.
Continue building partnerships with Provincial Emergency Management and Fire Safety (EMFS) in the areas of disaster response, communications, and departmental certifications.	The SFD along with Emergency Measures Operations (EMO) continue to work closely with EMFS for Emergency Services System (ESS) and Emergency Planning related to forest fires. Opportunities have been identified for the SFD and EMFS to solidify going forward.
Upgrade station headquarters to accommodate accessibility needs, communications, and the apparatus bay for larger equipment.	An upgrade to station headquarters to accommodate accessibility needs, communications, and the apparatus bay for larger equipment is being assessed with a Feasibility study being completed in partnership with Saskatoon Land. This is being discussed with possible partnerships
Develop a coordinated by-law enforcement group to address increased property maintenance concerns within the City.	The SFD continues discussions with Community Services to determine best practice for concerns around property maintenance within the City of Saskatoon.

Land Development

Action	Comments
<p>New arterial road construction includes Fedoruk Drive, Central Avenue, McOrmond Drive, and Zimmerman Road.</p>	<p>The pavement structure design is being finalized for Fedoruk Drive and McOrmond Drive. There are still outstanding issues regarding access and cross section profiles for McOrmond Drive North. The Central Avenue and Zimmerman Road projects have started construction.</p>
<p>Trunk sewer extensions in the following locations: trunk piping and storm ponds in Aspen Ridge, Brighton, and the Marquis Industrial Area.</p>	<p>The Marquis Industrial trunk sewer project has continued construction. The Aspen Ridge project has been awarded and area grading has started. Marquis Industrial and Aspen Ridge are scheduled to be completed in 2016. The Brighton trunk sewer is complete.</p>
<p>Primary water mains and fill mains situated in Aspen Ridge, Brighton, and the Marquis Industrial area.</p>	<p>Marquis Industrial primary water main projects has continued construction. The Aspen Ridge project has been awarded and area grading has started. Marquis Industrial and Aspen Ridge are scheduled to be completed in 2016. Saskatoon Water and Dream Developments continue to work on options to put the Brighton primary water main into service.</p>
<p>Development of new parks in Montgomery, Parkridge, Stonebridge, Rosewood, Evergreen, and Kensington is estimated at \$13.5 million for 2016.</p>	<p>In Rosewood, Mackay Park construction drawings and documents are 50% complete.</p> <p>There are five separate development interests around Glen Penner Park. Parks staff have been requesting design information from the various development interests since early in the first quarter but to date have only received approximately 50% of the required information. Parks has initiated construction drawings and documents for the project in anticipation of receiving the outstanding information in time to tender and construct the park this year.</p> <p>Struthers Park has not progressed since the first quarter.</p> <p>Parks initiated construction drawings and documents for MR4 in Montgomery but its function is somewhat limited by storm drainage. Parks is developing a design concept for review by Saskatoon Water that would see the grades raised in the southwest corner of the site to accommodate a play structure without compromising the required storm drainage volume.</p> <p>In Evergreen, construction drawings and documents have been initiated for the district and secondary Neighborhood Core Park. They are 50% and 25% complete, respectively.</p>
<p>The Elk Point neighbourhood concept plan will be submitted for approval in 2016.</p>	<p>Concept Plan submission is complete. Submission to Committees and City Council is likely to take place in late 2016/early 2017 based on the timeline of the Development Review section.</p>

Recreation and Culture

Action	Comments
Develop and implement a new service delivery model that includes new satellite parks maintenance buildings and equipment strategically located geographically closer to parks in new neighbourhoods.	The Project management tender has been awarded with construction scheduled to proceed in the fall.
Develop a new “Naturalized Park” classification that will reflect the unique nature of the management vision, policies, goals, and maintenance strategies associated both with existing naturalized areas and new naturalized parks that will be established in accordance with the Wetlands Policy.	A New Naturalized Park Classification has been included in the recently amended Park Development Guidelines. These guidelines were reviewed by the Standing Policy Committee on Planning Development and Community Services and are now being used to guide all involved in the planning, development and construction of future Naturalized Park space.
Complete the business case, and formalize a memorandum of understanding for a potential partnership with the YMCA and Saskatoon Tribal Council on the design and construction of a new recreation facility in one of the core neighbourhoods.	On May 11, 2016, a news conference was hosted to announce that after a number of meetings to determine the best location for one single combined facility, the decision was made collectively by the Partners to pursue two partnership opportunities moving forward. One with STC, and a new potential partner, Saskatoon Public Schools in or around White Buffalo Youth Lodge, and a second partnership with YMCA exploring a full range of partnership models into the future.
Work with the Meewasin Valley Authority (MVA) to complete the detail design for Chief Whitecap Park followed by construction of the North parking lot, installation of parking lot fencing, and off-leash dog park area, and the installation of site amenities (garbage cans, benches, and dog waste dispensers).	The revised Chief Whitecap Park (CWP) Master Plan was presented to the CPTED Committee for review and comments. The north parking lot was tendered and awarded and construction began in June and will be completed in the third quarter.
In an effort to strategically increase participation and revenues at the six indoor leisure centres, Recreation and Culture is implementing a new rate and fee structure.	Work to increase attendance volumes and revenues at the Leisure Centres continued through the second quarter and new promotional information was highlighted in the spring/summer Leisure Guide.
Recommendations for the next 5 to 15 years have been identified in the Recreation and Parks Master Plan that are intended to build upon a strong core of recreation and park services currently provided by the City. The 2016 operating and capital budgets have included a number of initiatives to begin addressing some of the recommendations from the Plan.	Recommendations that have been started or completed include the following: update and enhance the Parks and Open Space Classification system; update and enhance the Park Development Guidelines and the Landscape Development Standards; complete the feasibility study for the city centre recreation facility; and review fees and charges schedule for the leisure centres.

Transportation

Action	Comments
Continue to implement the Neighbourhood Traffic Management Process.	City Council adopted the Mount Royal, Greystone Heights, Confederation Park, Avalon, Adelaide-Churchill, and Montgomery Place Traffic Management Plans. Initial public consultation for the 2016 reviews continued.
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.	Eight proponents submitted their qualifications for the project and PCL, Graham, and Flatiron were chosen to participate in the Request for Proposals process. The Request for Proposals and project agreement documents were finalized in June and will be released to the proponents the first week of July. Award of contract expected for November 2016.
Build the North Commuter Parkway project and Traffic Bridge.	<p>Refurbishment of Pier 3 and construction of the north and south abutments of the Traffic Bridge is underway.</p> <p>Construction of Pier 1 and the east embankment of the North Commuter Parkway bridge commenced this quarter and is ongoing. Clearing and topsoil stripping for new Parkway roadways is complete and earthworks are ongoing.</p>
Continue to evaluate and define the condition of Saskatoon’s transportation network and recommend funding levels to achieve the level of service endorsed by City Council.	Growth, construction inflationary costs, condition of network, and treatment strategy for the upcoming three years are continuously monitored. An annual state of the roads report will ensure funding requirements are known to maintain the Level of Service endorsed by City Council.
Long Range Transit Plan and Rapid Transit are being recommended as a key part of Growth Plan to Half a Million. This will require carefully timed and phased investments over medium to long term to re-shape the transit system and transit culture in Saskatoon.	With recently announced Federal Transit Funding we are investigating how this will change the timetable for parts of the Growth Plan. With available funding we may be able to complete detailed planning and scoping studies earlier than was anticipated under the original Growth Plan timetable.

Urban Planning and Development

Action	Comments
Holmwood Sector Plan amendments will be completed for adoption by City Council in 2016.	Internal review of the final report is ongoing. External review will proceed once final edits are complete. Consultations with affected landowners through public open house are expected to take place in fall of this year.
Complete the last phase (four dwellings per corner) of adoption of the New Neighbourhood Level Infill Development Standards.	Further stakeholder consultations are being done. Zoning and policy amendments will be presented to the Infill Steering Committee in September 2016. Recommendations to Committee and City Council will be brought forward in November 2016.
Develop new land use and phasing policies to enable different forms of land use and development in the Grasswood Mixed Use Node, to serve the needs of a growing regional population.	The Consultant is completing final revisions to the Grasswood Mixed Use Node Market Impact Study. Consideration of amendments to the bylaws for the Corman Park-Saskatoon Planning District will occur after the Study has been completed.
Complete the Master Plans for Idylwyld Drive and the new Civic Plaza by 2017, in accordance with the City Centre Plan	<p>The Standing Policy Committee on Planning, Development & Community Services received a report on May 30, 2016 which described the terms of reference for a Civic Precinct Master Plan.</p> <p>City Council approved the Terms of Reference for Idylwyld Drive on May 24, 2016. A Request for Proposals to hire a consultant was issued May 26, 2016 and closed on June 22, 2016.</p>
Engage First Nations and Metis about Regional Growth Planning through educational materials, events, and face to face meetings.	The Administration met with Red Pheasant First Nation, whose Reserve land is in the City as a result of last year's boundary alteration, and the Thunderchild First Nation, who is beginning the Reserve creation process. A First Nations Communication Protocol Handbook is being drafted with the assistance of a Summer Student Partnership opportunity provided by Saskatoon Tribal Council. The First Nation Community Profiles are being updated to reflect recent election outcomes. The 'Urban Reserves Frequently Asked Questions' brochure has been updated.
Complete a new Active Transportation Plan by March 2016.	The Active Transportation Plan was presented to the Standing Policy Committee on Transportation in June.

Utilities

Action	Comments
<p>Conservation education programs will continue in an effort to help ensure citizens understand how they can reduce costs and reduce their environmental footprint. The City will lead by example by improving efficiency at civic properties and communicating benefits once achieved.</p>	<p>Student Action for a Sustainable Future is now complete for this year, the results will be available in the third quarter. The Master Naturalist program launched during the “Wild about Saskatoon” festival with two modules. The Healthy Yards, water conservation, curbside swap, and compost education programs are continuing through the summer.</p>
<p>The Wastewater Utility is proceeding with the odour abatement capital project. Construction is scheduled to be complete in 2016. It is estimated that this work will reduce approximately 76% of all odor emissions during normal operation.</p>	<p>Construction is 72% complete, with full completion expected in the first quarter of 2017.</p>
<p>Transfer pumping and electrical upgrades at the Water Treatment Plant will provide dedicated efficient pumps to transfer water to the Avenue H Reservoir facility.</p>	<p>Award of engineering services is scheduled for the November 28, 2016 City Council meeting. Construction tender to be issued in the late summer of 2017 with a three-year construction period; completion in 2020. Total project costs estimated at \$26.5 million.</p>
<p>Design and construction of a liquid waste haulers station in the North Industrial area at a cost of \$6.25 million will replace the existing station at the Wastewater Treatment Plant. This will eliminate the need for waste haulers to travel through residential neighborhoods and school zones.</p>	<p>Pre-design Technical memorandum will be delivered in mid-August. Following a review of the options and costs, the design team will select the alternative that best suits the City’s needs and full stage design will commence. Tendering is scheduled for February 2017 with an 18 to 20 month construction period.</p>
<p>Preliminary design work will continue in 2016 and 2017 to identify routing options to add a second source of power from SaskPower to serve Saskatoon Light & Power.</p>	<p>Saskatoon Light & Power has entered into a Definition Phase Agreement with SaskPower. Work has now begun on the preliminary design and options. Public information meetings are planned for this fall/winter and a further report to City Council will be ready by mid-2017 with a recommendation to proceed with construction.</p>

Building Permit Statistics for YTD June 30, 2016 vs June 30, 2015

Category	Number of Permits			Construction Value (\$million)		
	YTD 2016	YTD 2015	Change %	YTD 2016	YTD 2015	Change %
Residential	1,501	1,713	-12.4%	\$136.5	\$138.5	-1.5%
Apartments & Housing Projects	100	121	-17.4%	\$34.9	\$133.8	-73.9%
Commercial	144	163	-11.7%	\$63.7	\$60.8	4.8%
Industrial	88	94	-6.4%	\$30.8	\$54.5	-43.6%
Institutional & Assembly	39	34	14.7%	\$118.5	\$44.3	167.7%
Other (includes demolition permits)	101	119	-15.1%	\$1.4	\$11.9	-88.5%
TOTAL	1973	2244	-12.1%	\$385.8	\$443.9	-13.1%

Summary of permits over \$10M approved to June 30, 2016

New Repair Shop - 500 Melville St	\$12.3M	(included in "Industrial Projects" above)
New Elementary School - Evergreen (Final Phase)	\$25.4M	(included in "Institutional & Assembly Projects" above)
New Elementary School - Rosewood (Final Phase)	\$25.4M	(included in "Institutional & Assembly Projects" above)
New Elementary School - Hampton Village (Final Phase)	\$25.7M	(included in "Institutional & Assembly Projects" above)
New Elementary School - Stonebridge (Final Phase)	\$26.8M	(included in "Institutional & Assembly Projects" above)

City of Saskatoon 2016 Mid-Year Update

SHAPING OUR FINANCIAL FUTURE
AUGUST 15, 2016

Mid-Year Report Economic Update

INTRODUCTION

As a result of a sustained reduction in commodity prices, Saskatoon's economy experienced some major challenges in 2015. According to the Conference Board of Canada, real Gross Domestic Product (GDP) declined by 0.9 percent in 2015, following five years of annual average growth of almost 6 percent. Retail sales declined by

However, population and employment continued to grow in 2015 demonstrating the economy's diversity in mitigating the negative effects from lower commodity prices. Population grew by 2.6 percent in 2015, while total employment increased by 300 jobs.

Although low commodity prices—especially for oil, potash and uranium—continue to persist in 2016, it is expected that Saskatoon's economy will experience modest growth in 2016. The Conference Board of Canada is predicting that Saskatoon's economy will grow by 1 percent in 2016. Population is anticipated to grown by 2 percent, largely from international migration, but employment is expected to decrease by 1 percent in 2016, primarily due to declines in the resources, construction, and manufacturing sectors.

SASKATOON'S ECONOMY AT SECOND QUARTER OF 2016

The continued reduction in commodity prices are still having an effect on several economic indicators in the second quarter of 2016. The number of housing starts and investment in new residential construction are down relative to the same time in previous years. Similarly, total employment is also down relative to previous years.

Table 1:

Saskatoon CMA Key Economic Indicators

Saskatoon CMA	2016 Q2	2015 Q2	Change
*Population (000) July 1	310.3	304.4	5.9
*Real GDP (\$ 2007 Millions)	17,288.6	17,120.3	148.3
*Retail Sales (Millions \$)	7069.9	7003.9	63
Employment (000)	166.3	168.4	-2.1
Unemployment Rate (%)	6.6	5.5	1.1
Building Permits (\$Millions)	67.6	81.9	-17.5
Housing Starts (Units '000)	546	585	-41
Consumer Price Index (2002=100)	133.6	131.7	1.9

Sources: Statistics Canada, Conference Board of Canada, CMHC
*Estimates

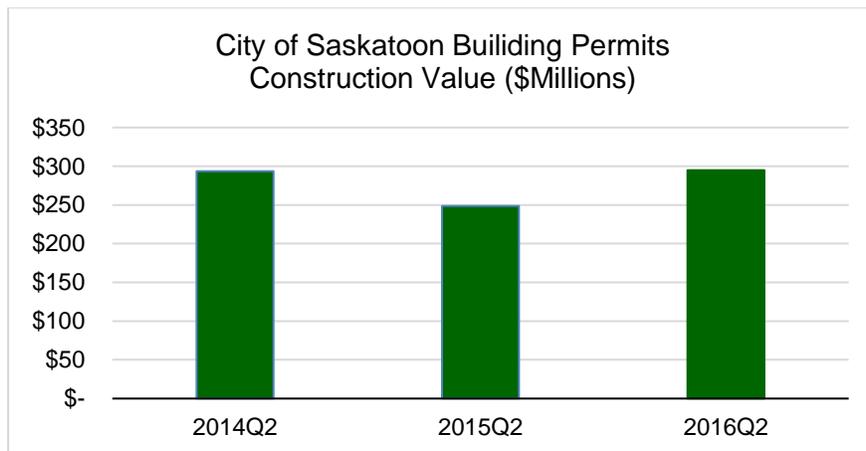
Investment

Investment in residential and non-residential structures are showing mixed results. On the one hand, residential and industrial investment are showing declines in 2016. On the other hand, commercial and institutional investment are seeing increases relative to the same period one year ago. As of June 30, 2016, the year to date construction value of all permits have declined by 13.1% when compared to 2015.

**Table 2:
Building Permit Statistics for YTD June 30, 2016 vs June 30, 2015**

Category	Construction Value (\$million)		
	YTD 2016	YTD 2015	Change %
Residential	\$136.5	\$138.5	-1.5%
Apartments & Housing Projects	\$34.9	\$133.8	-73.9%
Commercial	\$63.7	\$60.8	4.8%
Industrial	\$30.8	\$54.5	-43.6%
Institutional & Assembly	\$118.5	\$44.3	167.7%
Other (includes demolition permits)	\$1.4	\$11.9	-88.5%
TOTAL	\$385.8	\$443.9	-13.1%

On a quarterly basis, however, investment is up in the second quarter of 2016 relative to the second quarter of 2015. This is primarily due to a substantial increases in institutional/assembly projects, such as the four new joint use schools that are under construction in Saskatoon.



Source: City of Saskatoon

The declines in residential investment has had an impact on employment in Saskatoon.

Employment

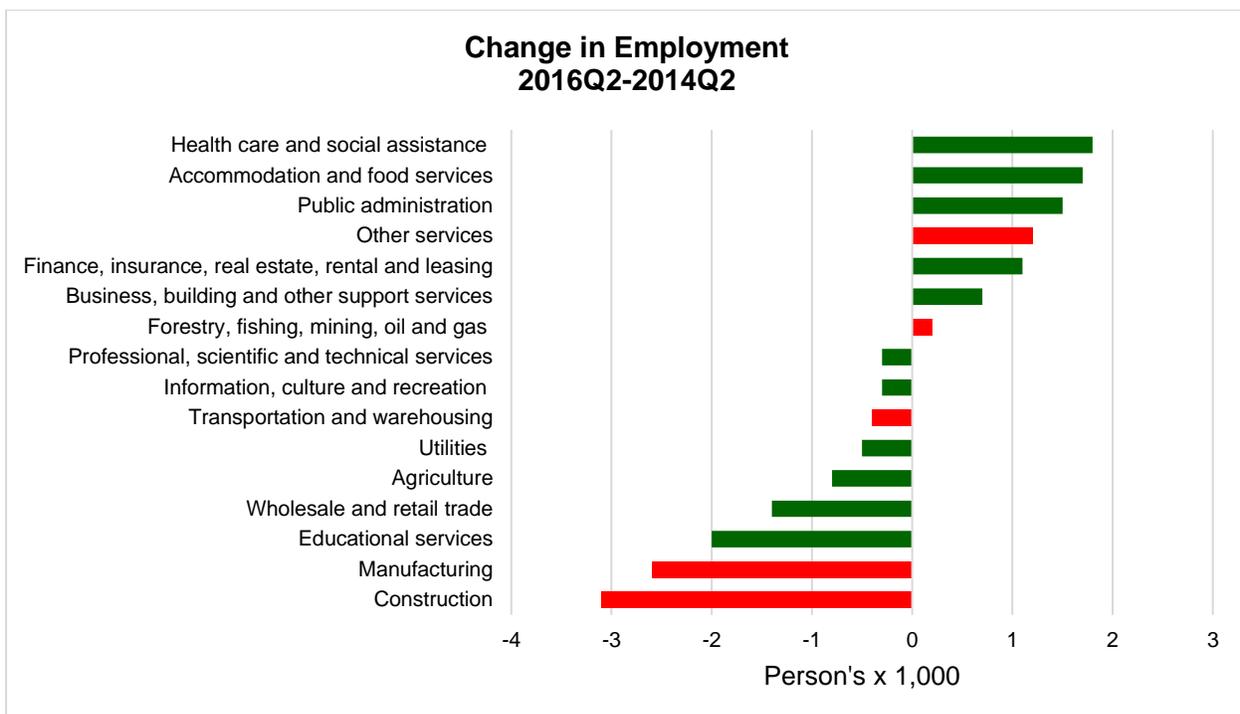
At the second quarter of 2016, total employment in Saskatoon has declined by 2,100 compared to the same period in 2015, seasonally adjusted. This has resulted in a higher unemployment rate, which sits at 6.6 percent in the second quarter of 2016.

**Table 3:
Saskatoon Employment Statistics Seasonally Adjusted**

	2016 Q2	2015 Q2	2014 Q2	Change from 2014
<i>Labour Force (000)</i>	178	178.3	175.3	2.7
<i>Total Employment (000)</i>	166.3	168.4	168.7	-2.4
<i>Unemployed Persons (000)</i>	11.7	9.8	6.6	5.1
<i>Unemployment Rate (%)</i>	6.6	5.5	3.8	2.8

Source: Statistics Canada CANSIM 282-0135

The employment declines in Saskatoon are largely concentrated in the goods producing sectors of the economy (e.g., construction and manufacturing). In fact, since the second quarter of 2014, the goods sector saw employment declines of 6,700 when compared to the second quarter of 2016 (unadjusted). However, this has been offset by increases of 3,700 jobs in the services sector (unadjusted).



Source: Statistics Canada: CANSIM 282-0130

Despite the declines in total employment at the second quarter, Saskatoon is still experiencing solid population growth, albeit at a slower pace.

Population

Although we do not have the most recent population estimates for Saskatoon for the second quarter of 2016, we do have estimates relative as at July 1, 2015 (or the second quarter of 2015). As of July 1, 2015, Saskatoon's (city) population stood at 258,068, an increase of almost 4,700 persons over the previous year. This resulted in a growth rate of 1.9 percent. It is anticipated that the City will experience a similar growth rate for 2016.

As of July 1, 2015, the population for the Saskatoon CMA stood at 304,975, an increase of 6,043 persons over the previous year. This result in a growth rate of 2 percent. It is anticipated that the CMA population will grow at a similar rate in 2016.

Saskatoon's population growth is being driven by two components: natural increases (meaning births over deaths) and net international immigration (meaning new people coming from other countries). However, over the last couple of years, the City has been experiencing declines in net interprovincial migration, meaning that more people are moving to communities in other provinces, than those moving to Saskatoon. This is largely correlated to the employment declines in the resource and construction sectors. In fact, on a net basis, Saskatoon saw 1,194 people move to other provinces.

Table 4
Components of Population Growth

Components of Population Change	Year over Year Change				
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
<i>Net Births</i>	1785	1795	1881	1950	2011
<i>Net Residents from Other Countries</i>	3199	5085	4270	4781	4390
<i>Net Residents from Other Provinces</i>	499	930	-46	-805	-1194
<i>Net Residents from Saskatchewan</i>	2074	2258	2114	1941	1941

Source: Statistics Canada, CANSIM 051-0056; 051-0063

Forecast at a Glance

According to the Conference Board of Canada's Metropolitan Outlook, 2016, Saskatoon's Economy is expected to see positive growth across many indicators in the latter half of 2016 through to 2018. However, this will depend upon on how the economy can adapt to sustained period of lower commodity prices. Given Saskatoon's diverse economy, this challenge can be overcome.

Economic Indicators	2015 Actual	2016f	2017f	2018f
<i>Real GDP (2007 \$ millions)</i>	17,258	17,452	17,955	18,371
<i>percentage change</i>	-0.9	1.1	2.9	2.3
<i>Total Employment (000)*</i>	170	169	170	173
<i>percentage change</i>	0.3	-0.7	0.7	2.1
<i>Unemployment Rate (%)*</i>	5.8	5.8	5.6	5.4
<i>Population (000)</i>	308	315	322	329
<i>percentage change</i>	2.6	2.2	2.3	2.2
<i>Housing Starts (units)</i>	2,293	1,800	1,688	1,811
<i>Retail Sales (\$ millions)</i>	7,258	7,336	7,498	7,746
<i>percentage change</i>	-1.1	1.1	2.2	3.3
<i>CPI (2002= 100)</i>	131	133.4	136.2	139.1
<i>percentage change</i>	1.9	1.8	2.1	2.1

Financial Performance Update

Overview

As of mid-year, a net surplus of \$403,000 is currently projected after transfers of a projected Snow and Ice Surplus of \$1.0 million to reserve and transfers from the Interest Stabilization reserve of \$279,000 due to lower than budget interest earnings are completed. This is a \$1.549 million improvement from the first quarter update.

City of Saskatoon 2016 Operating Projection (in 000's)

	Budget	First Quarter Forecast	Mid-Year Projection	Mid-Year Change From	
				Budget	First Quarter
Mill Rate Programs					
Community Support	13,678	13,768	13,696	18	(72)
Corporate Asset Management	8,136	7,659	7,240	(896)	(419)
Corporate Gov. & Finance	51,384	51,310	50,411	(973)	(899)
Environmental Health	12,659	13,895	13,899	1,240	4
Fire Services	46,617	46,617	46,697	80	80
Arts, Culture & Events Venues	7,207	7,207	7,207	-	-
Policing	84,324	84,484	84,484	160	-
Recreation & Culture	27,075	27,483	27,649	574	166
Taxation & General Revenues	(358,968)	(358,968)	(359,025)	(57)	(57)
Transportation	102,225	101,075	100,955	(1,270)	(120)
Urban Planning & Development	5,663	5,616	5,663	-	47
Mill Rate Deficit/(Surplus)	-	146	(1,124)	(1,124)	(1,270)
Utility Programs					
Light & Power	-	810	(356)	(356)	(1,166)
Storm Water	-	17	(100)	(100)	(117)
Waste Services	-	-	-	-	-
Wastewater Utility	-	(1,145)	(1,032)	(1,032)	113
Water Utility	-	446	354	354	(92)
Transfer to Utility Stabilization	-	(128)	1,134	1,134	1,262
Utility Deficit/(Surplus)	-	-	-	-	-
Transfer to Snow & Ice Reserve	-	1,000	1,000	1,000	-
Transfer from Interest Stabilization	-	-	(279)	(279)	(279)
Total Projected Municipal (Surplus)/Deficit		1,146	(403)	(403)	(1,549)

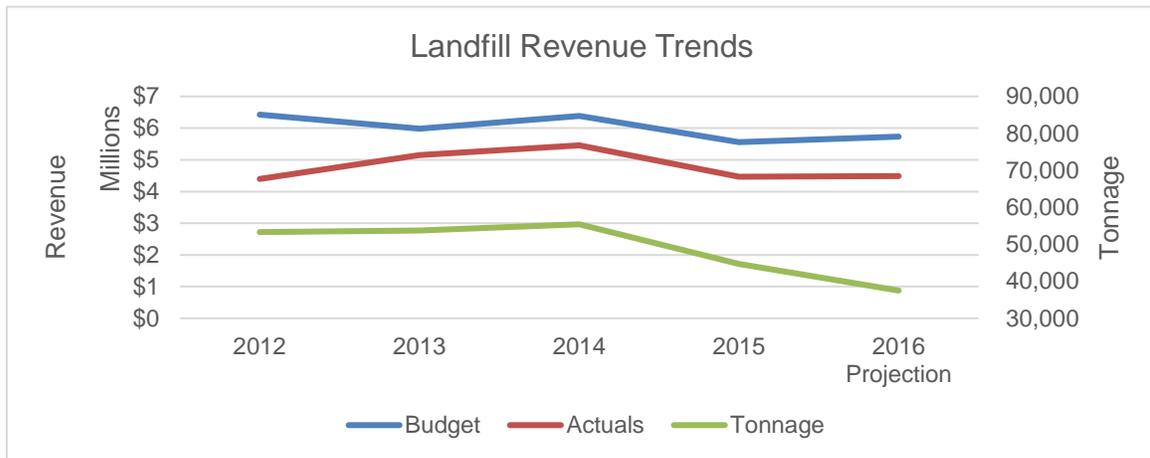
Relative to first quarter forecasts:

- The Corporate Governance and Finance business line has improved its forecast by \$899,000 to a projected surplus of \$973,000. This increase is largely due to a \$1.524 million surplus refund received from WCB due to the City's excellent safety history.
- A \$419,000 improvement to the Corporate Asset Management Business Line in order to reflect anticipated Energy and Fuel savings from lower commodity prices

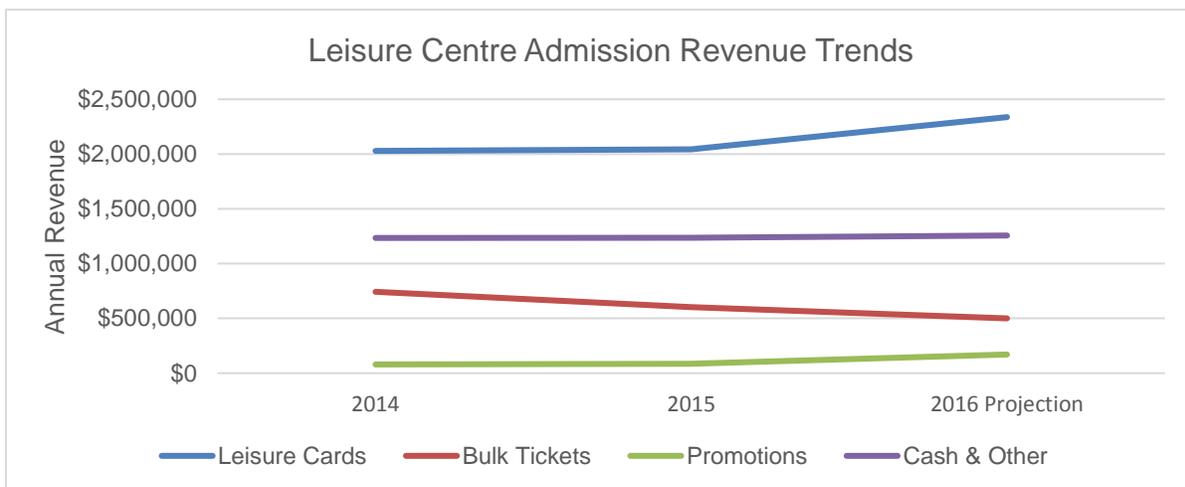
and a mild first part of winter from January - March

In total, changes from the approved budget include:

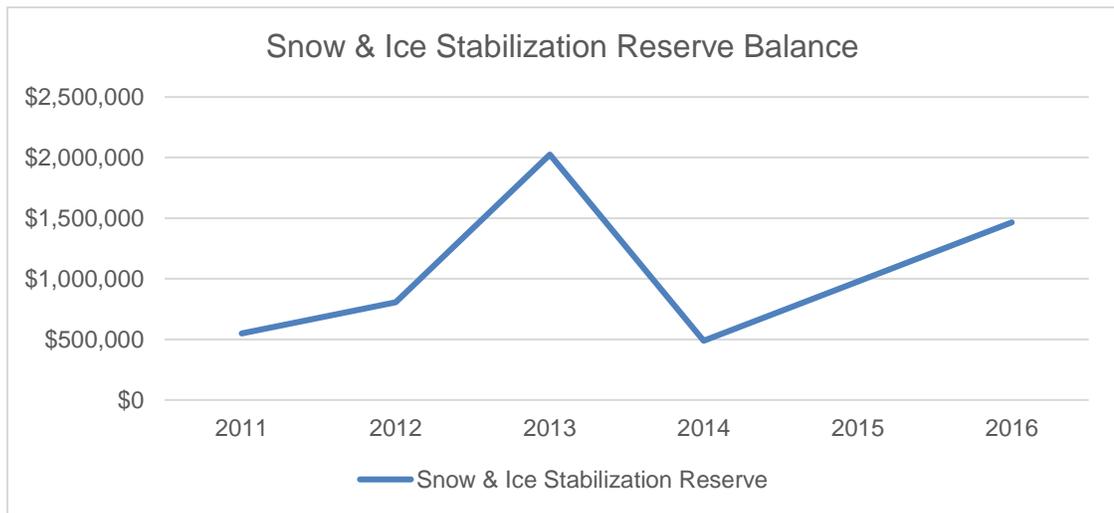
- Environmental Health is projecting a \$1.240 million deficit largely due to increased competition in the landfill sector which has resulted in several lost commercial haulers and associated tonnages.



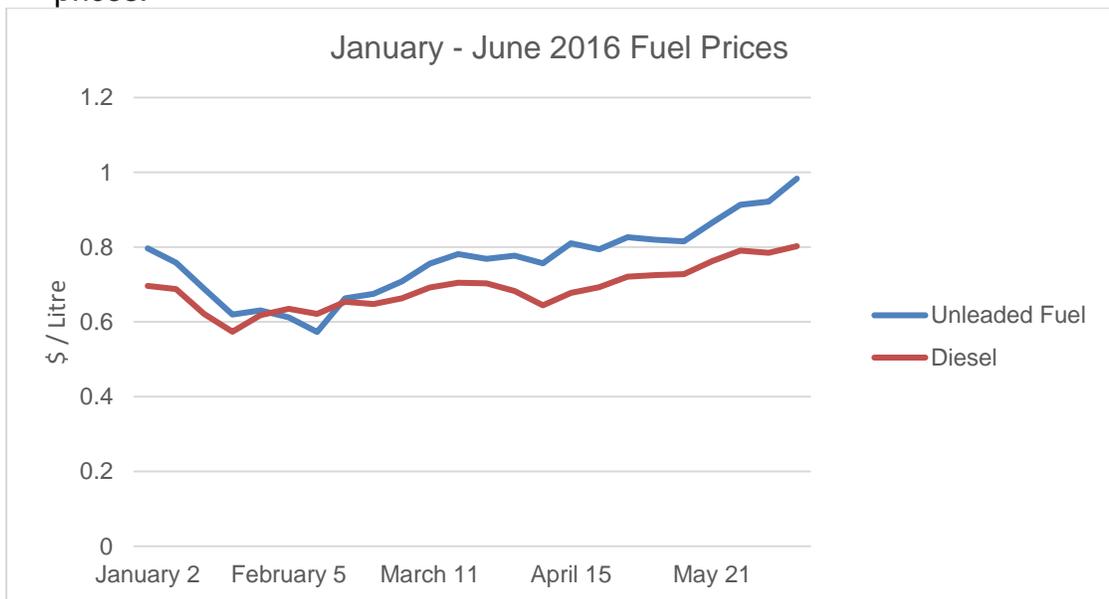
- A \$574,000 deficit in Recreation & Culture, largely due to a \$391,000 unfavourable variance in Recreation Facilities from lower paid admissions, Leisure Card and bulk ticket sales than originally budgeted. Although the projection is less than budget, recreation facilities continue to see positive growth in year over year actuals as a result of the marketing campaign and new pricing structure started in 2015. 2014 and 2015 total admissions were \$4.085 million and \$3.969 million respectively, while 2016 is projecting \$4.264 million in paid admissions.



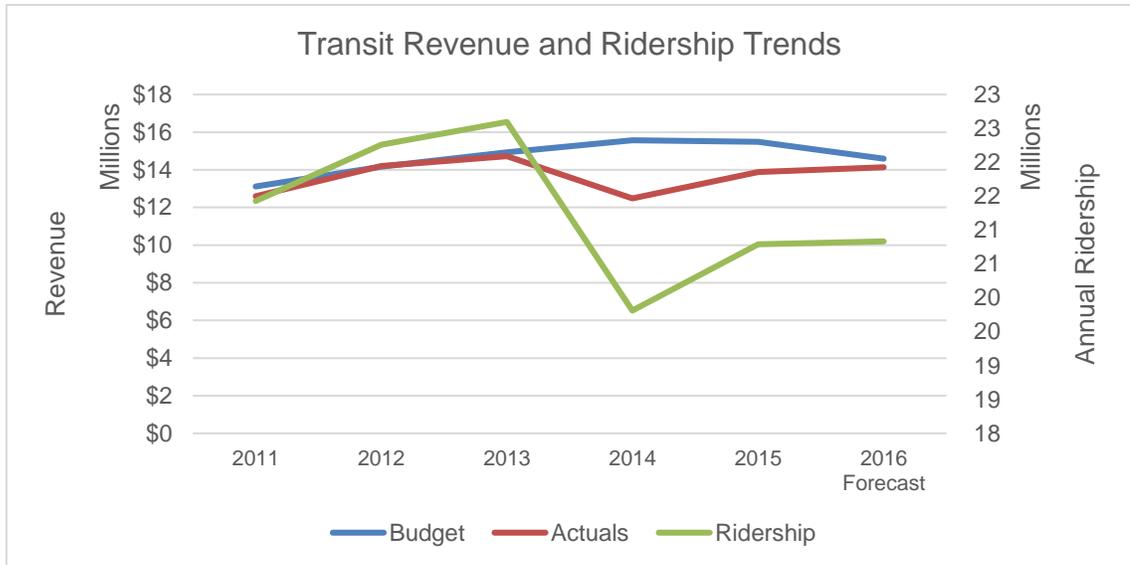
- The Transportation business line is currently projecting a \$1.270 million surplus, mainly due to the following:
 - A \$1.0 million surplus in Snow & Ice Management due to the mild winter and snowfall which was experienced from January to March. Pending a normal snowfall and winter conditions from October to December, this surplus will be realized. This surplus is currently forecasted to be allocated to the Snow & Ice Stabilization Reserve; however, the Reserve currently has a \$1.465 million balance. Pending actual results, an alternative allocation of this surplus may be recommended at year end.



- A \$605,000 positive variance in Transit Operations, which is largely due to anticipated fuel savings of \$1.611 million from historically low oil and gas prices.



Overall, transit ridership continues to see modest increases in 2016 over 2015; however, these increases still result in an anticipated \$455,000 in revenues below budget.



Debt Overview

As reported in the 2015 Annual Report, total accumulated debt as at December 31, 2015 was \$261.27 million.

City of Saskatoon 2016 Debt Projection (in 000's)

	Dec 31, 2015 Balance	Mid-Year Projection	Projected Change
Tax Supported Debt			
Hybrid Buses	451	338	(113)
Circle Drive South	12,981	11,254	(1,727)
River Landing	1,976	1,688	(288)
Soccer Centre	4,951	4,043	(908)
Shaw Centre	4,862	3,305	(1,557)
TCU Place Expansion	5,276	4,619	(657)
New Police Headquarters	90,252	87,099	(3,153)
Truck Radio System	2,235	1,938	(297)
Remai Modern Art Gallery of Saskatchewan	14,328	12,960	(1,368)
Civic Operations Centre P3 Debt	35,000	112,023	77,023
North Commuter Parkway & Traffic Bridge	-	50,000	50,000
Total Tax Supported Debt	172,312	289,267	116,955
Gas Tax Supported Debt			
Circle Drive South	23,776	19,324	(4,452)
Circle Drive Bridge Widening	5,513	3,747	(1,766)
Total Gas Tax Supported Debt	29,289	23,071	(6,218)
Utility Supported Debt			
Sludge Recovery	216	188	(28)
New Water Intake	15,266	11,812	(3,454)
UV Disinfection System	4,616	4,001	(615)
Grit & Screen Handling	2,885	2,501	(384)
Sludge Reclamation	921	691	(230)
42 nd Street Reservoir Roof	171	116	(55)
Standby Generator	1,270	1,112	(158)
Reservoir Capacity Projects	27,514	34,377	6,863
Wastewater Digester	2,270	2,009	(261)
Wastewater Facility Upgrades	4,539	4,073	(466)
42 nd Street Pump House	-	1,800	1,800
Acadia Reservoir Pump Replacement	-	2,000	2,000
Wastewater Odour Abatement	-	5,600	5,600
Wastewater Energy Recovery	-	350	350
Total Utility Supported Debt	59,668	70,630	10,962
Total Municipal Debt	261,269	382,968	121,699

Aside from regular debt repayments, an anticipated \$146.57 million in new debt is anticipated to be added by the end of 2016. This new debt is largely related to the Civic Operations Centre (\$77.02 million) and North Commuter Parkway & Traffic Bridge (\$50.00 million). As the debt for these two projects relate to a PPP agreement, the debt will be issued and held by the selected proponent, however, will still be reflected in the City’s financial statements and debt limit. The remaining anticipated new debt issuances relate to the following capital projects:

Capital Project	New Debt (millions)
2198 – Reservoir Capacity Expansion	\$9.80
713 – Reservoir Pump House Capacity -	\$1.80
2557 – Acadia Reservoir Pump House Replacement	\$2.00
1234 – Wastewater Odour Abatement System	\$5.60
1247 – Wastewater Energy Recovery	\$0.35

All anticipated borrowings have been approved through the Capital Budget process and subsequent public notice.

As reported in the 2015 annual report, the City of Saskatoon’s current debt holdings is approximately 32% of annual operating revenues. This rate is expected to climb to 45% in 2016, largely as a result of the two PPP projects currently underway, however, with this increase Saskatoon’s debt continues to project as one of the most favourable ratios in western Canada.

