



**PUBLIC AGENDA
STANDING POLICY COMMITTEE ON FINANCE**

Monday, January 30, 2017, 2:00 p.m.

Council Chamber, City Hall

Committee Members:

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

Pages

1. CALL TO ORDER

2. CONFIRMATION OF AGENDA

Recommendation

That the agenda be confirmed as presented.

3. DECLARATION OF CONFLICT OF INTEREST

4. ADOPTION OF MINUTES

Recommendation

That the minutes of Regular Meeting of the Standing Policy Committee on Finance held on January 9, 2017 be adopted.

5. UNFINISHED BUSINESS

6. COMMUNICATIONS (requiring the direction of the Committee)

6.1 Delegated Authority Matters

**6.1.1 Ken Cheveldayoff, Minister of Parks, Culture and Sport -
Meewasin Valley Authority Funding [File No. CK. 180-6]**

5 - 5

A copy of the letter from Ken Cheveldayoff regarding provincial funding for Meewasin Valley Authority is provided.

6.2 Matters Requiring Direction

6.3 Requests to Speak (new matters)

7. REPORTS FROM ADMINISTRATION

7.1 Delegated Authority Matters

- 7.1.1 **Contract Award Report – September 1 to December 31, 2016 Contracts between \$50,000 and \$75,000 [File No. CK. 1000-1 and AF 1000-1]** 6 - 9

Recommendation

That the information be received.

- 7.1.2 **Quarterly Report – 2016 Year-End Builder and Developer Lot Supply [File No. CK. 4110-1, AF 4131-1, 4125-1, and LA 4110-1]** 10 - 16

Recommendation

That the information be received.

7.2 Matters Requiring Direction

- 7.2.1 **Property Tax Liens 2016 [File No. CK. 1920-3 and AF 1920-3]** 17 - 32

Recommendation

That the Standing Policy Committee on Finance recommend to City Council that the City Solicitor be instructed to take the necessary action under provisions of The Tax Enforcement Act with respect to properties with 2016 tax liens.

- 7.2.2 **Internal Audit Budget Information Update – Year End 2016 [File No. CK 1600-3, x CK 1815-1 and AF 1600-1]** 33 - 39

Recommendation

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

1. That Council Policy No. C03-003, Reserves for Future Expenditures, be amended to establish an Internal Audit Program Reserve; and
2. That the City Clerk be requested to amend Council Policy No. C03-003 as outlined in the January 30, 2017 report of the CFO/General Manager, Asset and Financial Management Department.

- 7.2.3 **Overview of the 2017 Assessment Roll [File No. CK. 1616-1 and AF 1615-8]** 40 - 58

A PowerPoint presentation will be provided.

Recommendation

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

- 7.2.4 2017 Budget Approval – Business Improvement Districts [File No. CK 1905-5, AF 1680-2, 1680-3, 1680-4 and 1680-5] 59 - 71**

Recommendation

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

1. That the 2017 budget submissions from the Downtown Business Improvement District, Broadway Business Improvement District, Riversdale Business Improvement District, Sutherland Business Improvement District, and 33rd Street Business Improvement District be approved; and
2. That the City Solicitor be requested to prepare the 2017 Business Improvement District Levy Bylaws for submission to City Council for consideration at the same meeting that the Mill Rate Bylaws are presented.

- 7.2.5 Purchase Requirement Amendments to Council Policy No. C09-001, Residential Lot Sales – Contractor Allocations [File No. CK. 4110-36, AF. 4110-1 and LA. 0215-015] 72 - 86**

Recommendation

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

1. That the revisions to Council Policy No. C09-001, Residential Lot Sales – Contractor Allocations, as outlined in the January 30, 2017 report of the CFO/General Manager, Asset and Financial Management Department, be adopted; and
2. That the City Clerk be requested to update the policies as reflected in the above report.

- 7.2.6 S&P Global's Canadian Ratings – City of Saskatoon [File No. CK. 1500-4 and AF 1500-4] 87 - 99**

Recommendation

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

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

Recommendation

That the following items be considered *In Camera*.

11.1 Audit Update [File No. CK. 1610-9]

[In Camera - Economic, Financial and Other Interests - Section 17 and Third Party Information - Section 18]

11.2 Audit Update [File No. CK. 1600-37]

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

11.3 Negotiations Status Report [File No. CK. 2500-2]

[In Camera - Economic/Financial and Other Interests - Section 17 LAFOIPP]

12. ADJOURNMENT

180-6



Government
of
Saskatchewan

Minister of
Parks, Culture and Sport
Legislative Building
Regina, SK Canada S4S 0B3



January 11, 2017

2016-354

James K. Wood
President
SOS Elms Coalition
1618 9th Avenue North
SASKATOON SK S7K 3A1

Dear Mr. Wood:

Thank you for your letter expressing concern over the future of Meewasin Valley Authority.

The Government of Saskatchewan recognizes that urban parks contribute to a high quality of life; provincial funding for Meewasin Valley Authority was maintained in 2016-17, for a total of \$909,000 from the Ministry of Parks, Culture and Sport in statutory and supplementary funding.

Since 2008, Meewasin has received \$8,210,362 in funding, including \$100,000 in capital funding for trail construction. Meewasin Valley Authority has also received additional funding in recent years for projects such as: \$1.7 million for trail construction through the Building Communities Program since 2012 and \$79,485 for various projects through the Community Initiatives Fund since 2010-11.

To ensure the sustainability of high-quality public services delivered in the most effective and efficient way possible, a review of Meewasin Valley Authority is being conducted and will help inform future decisions.

Thank you for taking the time to express your views regarding the importance of Meewasin to the City of Saskatoon.

Sincerely,

Ken Cheveldayoff
Minister of Parks, Culture and Sport

cc: Dr. Toddi Steelman, Meewasin Valley Authority
Dr. Peter Stoicheff, University of Saskatchewan
Lloyd Isaak, Meewasin Valley Authority
✓ Mayor Charlie Clark and City Council, City of Saskatoon

Contract Award Report – September 1 to December 31, 2016 Contracts between \$50,000 and \$75,000

Recommendation

That the information be received.

Topic and Purpose

The purpose of this report is to provide the Standing Policy Committee on Finance with information regarding competitive and sole source contracts between \$50,000 and \$75,000 from September 1 to December 31, 2016.

Report Highlights

1. Competitive contracts totaled just over \$1.4 million, and sole source contracts totaled just over \$379,000.

Strategic Goal

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

Report

In accordance with Council Policy No. C02-030, Purchase of Goods, Services and Work, the Administration is required to report three times a year on the award of contracts and requests for proposals between \$50,000 and \$75,000. Attachment 1 is a detailed list of the competitive contract awards, and Attachment 2 is a detailed list of the sole source contract awards, both for the period September 1, 2016 to December 31, 2016.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

The next contract award report will be tabled on May 29, 2017, outlining the award of contracts and requests for proposals for the period January 1, 2017 to April 30, 2017.

Public Notice

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

Attachments

1. Competitive Contracts – September 1, 2016 to December 31, 2016
2. Sole Source Contracts – September 1, 2016 to December 31, 2016

Contract Award Report – September 1 to December 31, 2016
Contracts between \$50,000 and \$75,000

Report Approval

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

Contract Award Report Sept to Dec 2016.docx

**Competitive Contracts Between \$50,000 - \$75,000
September 1, 2016 to December 31, 2016**

Date	Project Title	Department	Contractor/Supplier	Contract Amt
16/11/04	General Plumbing Supplies Blanket Order	Transportation & Utilities	Apex Distribution Inc.	\$ 50,000.00
16/09/06	Handi-Ring Screw-Type Sealing Ring for Meters	Transportation & Utilities	Jesstec Industries Inc.	\$ 52,250.00
16/12/13	IT Hardware	Corporate Performance	Softchoice Corporation	\$ 52,253.07
16/09/29	Consulting Services for an accoustical engineering consultant to complete two environmental noise studies in Montgomery Place neighbourhood	Community Services	ACI Acoustical Consultants Inc.	\$ 52,522.35
16/09/12	Janitorial Supplies	Asset & Financial Mgmt.	Unisource Canada Inc.	\$ 53,000.00
16/10/12	2016 - 2017 Winter Trucking Assistance	Transportation & Utilities	McKnight Enterprises	\$ 53,692.96
16/09/16	Custodial Services at Outside Washrooms	Asset & Financial Mgmt.	Erical Cleaning Services	\$ 55,000.00
16/09/13	Tree Grate Cutting & Cleaning	Community Services	B & B Tree Service Inc.	\$ 55,114.50
16/12/28	Elevator Service & Maintenance	Asset & Financial Mgmt.	Otis Canada Inc.	\$ 60,000.00
16/12/22	School Zone Snow Removal	Transportation & Utilities	Load 'Em Up Hauling	\$ 60,375.00
16/09/27	Landfill Groundwater Well Reconfiguration	Transportation & Utilities	MacEwen Constructors Inc.	\$ 60,675.30
16/11/29	TCU Place West Canopy Roof Replacement	Asset & Financial Mgmt.	Con-Tech General Contractors	\$ 61,110.00
16/09/23	Portable Sign Racks	Transportation & Utilities	Shear Fabrication Ltd.	\$ 61,270.00
16/09/14	55' Distribution Steel Poles	Transportation & Utilities	HJT Steel Tower (North America) Co. Ltd.	\$ 63,360.00
16/12/16	Saskatoon Transit Facility-Detailed Phase II Environmental Site Assessment	Community Services	SNC Lavalin	\$ 63,538.75
16/10/25	Front of House Furniture - Remai Art Gallery of Saskatchewan	Transportation & Utilities	Allspace Office Solutions Inc.	\$ 64,497.40
16/09/19	Parkridge Extension Playground	Community Services	Playgrounds-R-Us a Division of M3 Contracting Ltd.	\$ 65,270.40
16/10/11	Overhead & Padmount Transformers	Transportation & Utilities	Boundary Electric (1985) Ltd.	\$ 65,847.10
16/09/19	25th Streetscape Extension - Planting	Community Services	Prestige Landscaping Group	\$ 66,984.54
16/11/01	Kensington Entrance Sign	Asset & Financial Mgmt.	Con-Tech General Contractors	\$ 67,495.52
16/09/15	2016 Turf Maintenance Services	Asset & Financial Mgmt.	Load 'Em Up Hauling	\$ 70,000.00
16/12/22	School Zone Snow Removal	Transportation & Utilities	K3 Excavating Ltd.	\$ 72,000.00
16/10/13	Avalon Off-Leash Recreation Area Park Enhancement	Community Services	Schwinghammer's Tree Service	\$ 73,922.73
Total				\$ 1,400,179.62

**Sole Source Contracts Between \$50,000 - \$75,000
September 1, 2016 to December 31, 2016**

Date	Project Title	Department	Contractor/Supplier	Contract Amt
16/10/13	Fine Grit Classifier	Transportation & Utilities	RDP Technologies Inc.	\$ 55,273.00
Policy Section 4.3(a) Proprietary rights; 4.3(b) Standardization/compatibility. An additional fine grit classifier was added to the existing system. RDP Technologies Inc. manufactured the current slaking system which was awarded via a competitive process. RDP Technologies was chosen as the additional fine grit classifier needed to tie into the original manufacturer's system.				
16/12/19	CYME Software	Transportation & Utilities	CYME International T&D	\$ 56,925.00
Policy Section 4.3(a) Proprietary rights; 4.3(b) Standardization/compatibility. Main competitors in the industry were compared and CYME software had two critical capabilities that Saskatoon Light & Power required; one being the ArcGIS system being used by Saskatoon Light & Power has built in CYME functionality and the other being this was the only analysis package which has the critical capability of network protector relay modelling allowing the user to develop appropriate protection settings for the network distribution system.				
16/10/17	Water Treatment Plant Security System Maintenance & Expansion	Transportation & Utilities	Brigadier Security Systems (2000) Ltd.	\$ 60,000.00
Policy Section 4.3(a) Proprietary rights; 4.3(b) Standardization/compatibility. Maintenance and expansion of the existing security system was required. Brigadier provided the existing equipment which was awarded via a competitive process. The expansion was required to tie into the existing proximity card system supplied by Brigadier.				
16/11/09	Meter Socket Adapters	Asset & Financial Mgmt.	Jesstec Industries Ltd.	\$ 61,459.40
Policy Section 4.3(a) Proprietary rights (sole authorized distributor); 4.3(b) Standardization/compatibility. Saskatoon Light & Power has standardized meter socket adapters manufactured by Brooks Utility Products. Jesstec Industries Ltd. is the only Canadian distributor of Brooks Utility Products.				
16/09/27	Flygt Lift Station Pump	Transportation & Utilities	Xylem Water Solutions	\$ 72,094.00
Policy Section 4.3(a) Proprietary rights (sole authorized distributor); 4.3(b) Standardization/compatibility. Wastewater Treatment Plant has standardized to Flygt pumps at the lift stations. Xylem Water Solutions is the exclusive distributor of Flygt equipment.				
16/10/14	Fareboxes, Parts and Display Blanket Order	Transportation & Utilities	BEA Transit Solutions	\$ 74,000.00
Policy Section 4.3(a) Proprietary Rights; 4.3(b) Standardization/compatibility. This blanket order is for BEA equipment and parts that must tie into existing equipment supplied by BEA Transit Solutions.				
Total				\$ 379,751.40

Quarterly Report – 2016 Year-End Builder and Developer Lot Supply

Recommendation

That the information be received.

Topic and Purpose

The purpose of this report is to provide information on builder and developer inventory levels for residential and industrial land in Saskatoon.

Report Highlights

1. Land developers in Saskatoon have 1,350 residential lots in inventory, and there is a builder inventory of 791 residential lots.
2. Land developers in Saskatoon are projected to service and release 634 single-family lots in 2017, dependent on inventory levels and absorption rates.
3. Land developers and builders have approximately 130 acres of multi-family land in inventory, which can potentially accommodate approximately 3,009 dwelling units.
4. There is a healthy supply of vacant industrial land held by recent industrial land purchasers and Saskatoon Land.

Strategic Goal

Measuring serviced land supply on an ongoing basis ensures sufficient inventory is available to accommodate new employment and housing growth in Saskatoon's economy. This 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 Land Bank Committee, at its meeting held on March 18, 2011, resolved, in part:

“that the Administration be requested to provide a quarterly update on the Builder and Developer Inventory Report.”

Report

Residential Lot Inventory

This report identifies single-family and multi-family inventory held by homebuilders and land developers, as well as projected single-family lot availability by neighbourhood for 2017 from major land developers in Saskatoon. In addition, this report also identifies industrial inventory held by Saskatoon Land and recent purchasers of industrial land in the city's industrial growth areas.

Figure 1 (Attachment 1) identifies historic new single-family, two-family and multi-family dwelling units per year from 2001 to December 31, 2016.

Single-Family Inventory

Table 1 identifies single-family lot inventory held by homebuilders and land developers as of January 1, 2017. All lots held by developers are ready for home construction and are available for immediate purchase.

Table 1: Single-Family Inventory, January 1, 2017

Neighbourhood	Builder Inventory	Developer Inventory		Unreleased Developer Inventory		Totals
		City	Private	City	Private	
Arbor Creek	3	0	0	0	0	3
Aspen Ridge	36	27	0	237	0	300
Briarwood	6	0	0	0	0	6
Brighton	249	0	1	0	100	350
Evergreen	112	37	0	0	0	149
Hampton Village	8	2	0	0	0	10
Kensington	280	166	53	262	0	761
Parkridge	8	151	0	0	0	159
Rosewood	40	9	33	0	270	352
Stonebridge	39	0	0	0	0	39
Westview	0	2	0	0	0	2
Willowgrove	5	0	0	0	0	5
The Willows	5	0	0	0	0	5
Totals	791	394	87	499	370	2,141

As Table 1 indicates, as of January 1, 2017, a total of 791 single-family lots were held by builders and 481 single-family lots were held by developers, for a total of 1,272 single-family lots. The developer inventory consisted of 394 single-family lots produced by Saskatoon Land, and 87 single-family lots produced by private developers. In addition to the 481 single-family lots held by developers, it should be noted that developers have approximately 869 additional single-family lots, which have been completely serviced. These additional 869 single-family lots were recently completed in 2016 or in prior years but have yet to be released to the market by land developers. This results in an approximate total of 2,141 lots being available for new home construction throughout 2017, which is approximately the same number of lots that were available at the start of the 2016 calendar year.

A large majority of developer inventory is located within the suburban neighbourhoods of Kensington and the Parkridge extension. Due to the inventory on the west side of the city, developers have adjusted servicing plans accordingly and do not plan to service any new lots in the next few years until a portion of existing inventories are absorbed.

Table 2 identifies new single-family lot availability projected for 2017.

Table 2: Projected New Residential Lot Availability, 2017

Neighbourhood	City		Dream		Other Developers		Totals		
	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	
Aspen Ridge	122	0	0	0	0	0	122	0	
Brighton	0	0	0	157	0	0	0	157	
Kensington	85	0	0	0	0	0	85	0	
Rosewood	0	0	0	0	174	96	174	96	
Totals	207	0	0	157	174	96	381	253	
Total - 2017								634	

Saskatoon Land anticipates holding a lot draw in early 2017 for 122 lots in the second phase of the Aspen Ridge neighbourhood, and a tender for groupings of single-family lots, consisting of a total of 85 single-family lots in Kensington. In addition, Saskatoon Land has the capability of releasing additional lots in both the Aspen Ridge and Kensington neighbourhoods, should market demand warrant it. Further lot releases in both Aspen Ridge and Kensington will be dependent on absorption over the next six months, and a decrease in current inventory levels.

Similar to Saskatoon Land, private developers have indicated that further lot releases in 2017 will be dependent on their current inventory levels, and absorption rates in each of their respective market areas.

The Monthly Building Permit Report indicates that as of 2016 year-end, building permits were issued for 797 single-family dwelling units and 44 two-family dwelling units. By comparison, in 2015, building permits were issued for 679 single-family dwelling units and 50 two-family dwelling units. Year over year, this is an increase of approximately 17% in new single-family dwelling units and a decrease of approximately 12% in two-family dwelling units.

Figure 2 (Attachment 1) shows historical single-family inventory levels held by builders and developers since 2011. There has been a gradual shift between builders and developers regarding single-family inventory levels. Beginning in 2015, developers held more single-family inventory, while builders have been holding less inventory. This result is due largely to the moderation from the robust housing market experienced in Saskatoon over the past few years, coupled with an increase in inventory levels, and a higher number of residential MLS listings on the market.

Multi-Family Inventory

Table 3 identifies the multi-family inventory held by home builders and land developers as of January 1, 2017.

Table 3: Multi-Family Inventory, January 1, 2017

Neighbourhood	Builder Inventory		Developer Inventory				Totals	
	Acres	Possible Dwelling Units	City		Private		Acres	Possible Dwelling Units
			Acres	Possible Dwelling Units	Acres	Possible Dwelling Units		
Blairmore Suburban Ctr	4.05	243	4.84	97	0	0	8.89	340
Brighton	0	0	0	0	11.52	196	11.52	196
Evergreen	11.97	237	46.17	997	0	0	58.14	1,234
Hampton Village	0	0	1.13	45	0	0	1.13	45
Kensington	2.65	53	3.35	50	2.05	31	8.05	134
Lakewood	3.82	152	0	0	0	0	3.82	152
Rosewood	9.98	149	0	0	4.47	81	14.45	230
Stonebridge	21.47	597	0	0	0	0	21.47	597
Willowgrove	2.03	81	0	0	0	0	2.03	81
Totals	55.97	1,512	55.49	1,189	18.04	308	129.50	3,009

Note: The average density of development indicated in Table 3 is approximately 22 units per acre. This ranges from 15 units per acre for most group townhouse sites, to 40 units per acre for three-storey buildings, to 60 units per acre for M3 lands in the Blairmore Suburban Centre and Stonebridge.

According to the Monthly Building Permit Report, as of December 31, 2016, building permits were issued for a total of 412 residential units on multi-family sites. By comparison, in 2015, building permits for 1,223 units on multi-family sites had been issued. Year over year, this is a decrease of approximately 66% in multi-family dwelling unit permits in the city.

According to Canada Mortgage and Housing Corporation’s fall 2016 Housing Market Outlook for the Saskatoon Census Metropolitan Area, the decline in number of multi-unit dwellings starts in 2016 and is mostly due to a significant reduction in apartment starts. In the ownership market, the number of complete and unsold multi-unit dwellings is at 546 units, which is significantly above both the 5-year and 10-year averages of 230 units and 150 units, respectively. The risk is that many of the multi-unit dwellings built in 2016 and into the first half of 2017 will not be absorbed at completion, thus putting upward pressure on inventory levels.

Figure 3 (Attachment 1) shows multi-family inventory levels held by builders and developers since 2011. Inventory levels of multi-family land for both developers and builders have remained relatively stable within the last year. The increase in developer inventory since April 2016 is largely due to the recent servicing completion within the Evergreen District Village, which can accommodate a range of higher density residential or institutional land uses.

Industrial Land Inventory

Table 4 identifies industrial land inventory held by Saskatoon Land and recent purchasers in the Marquis and South West Industrial areas as of January 1, 2017.

Table 4: Industrial Inventory, January 1, 2017

Neighbourhood		Vacant Sites (Sold/Optioned)		Unsold Sites (Inventory)		Total
		IL	IH	IL	IH	
Marquis Industrial	No. of sites	32	27	4	9	72
	Area (ac)	69.60	66.38	8.51	27.06	171.55
South West Industrial	No. of sites	14	0	3	0	17
	Area (ac)	22.50	0	3.42	0	25.92
Total No. of Vacant Sites						89
Total Area (ac)						197.47

Note: IL denotes Light Industrial Zoning District, IH denotes Heavy Industrial Zoning District.

As indicated in Table 4, there are 197.47 acres of industrial land held by developers or recent purchasers.

Saskatoon Land recently completed the servicing for approximately 47 acres of industrial land in the Marquis Industrial area in 2016, and anticipates the completion of approximately 25 acres of light industrial land within the Southwest Industrial area in 2017.

The release of additional industrial lands to the market in 2017 located within both the Southwest Industrial area and the Marquis Industrial area will be determined based on an ongoing review of industrial land market demand. The absorption rate within industrial areas remains steady. Since the Builder Developer Quarterly Report – August 1, 2016, permits have been issued for four parcels, totalling approximately 8.65 acres within the Marquis Industrial area.

Due Date for Follow-up and/or Project Completion

This report is produced by Saskatoon Land on a quarterly basis. A quarterly report will be tabled at the May 1, 2017, Standing Policy Committee on Finance meeting.

Public Notice

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

Attachment

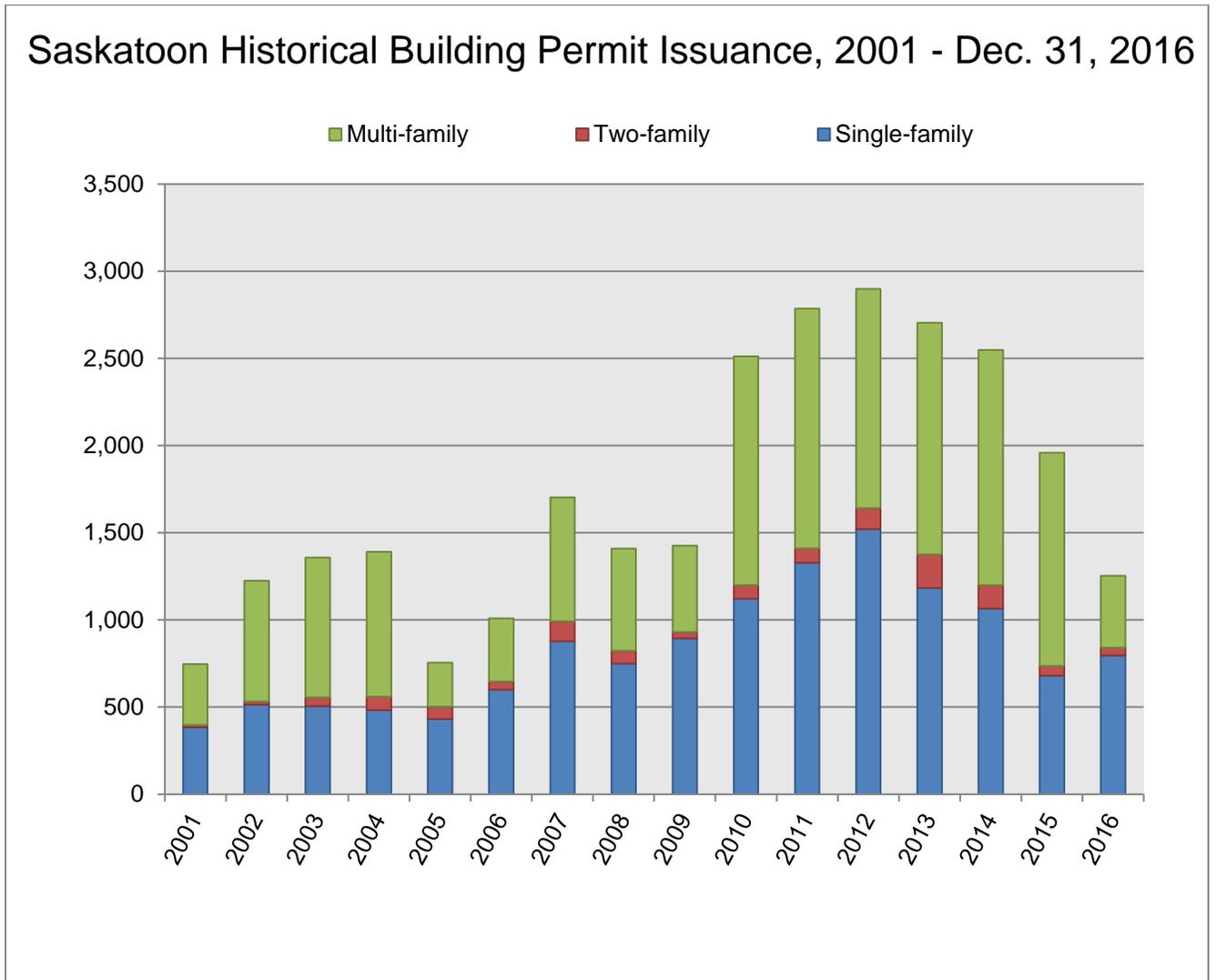
1. Report Figures

Report Approval

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

REPORT FIGURES

Figure 1: New Dwelling Units by Building Classification in Saskatoon, 2001 to Dec. 31, 2016



Source: City of Saskatoon, Building Standards, Monthly Building Permit Report

Figure 2: Single-Family Builder and Developer Inventory Levels, 2011 to Dec. 31, 2016

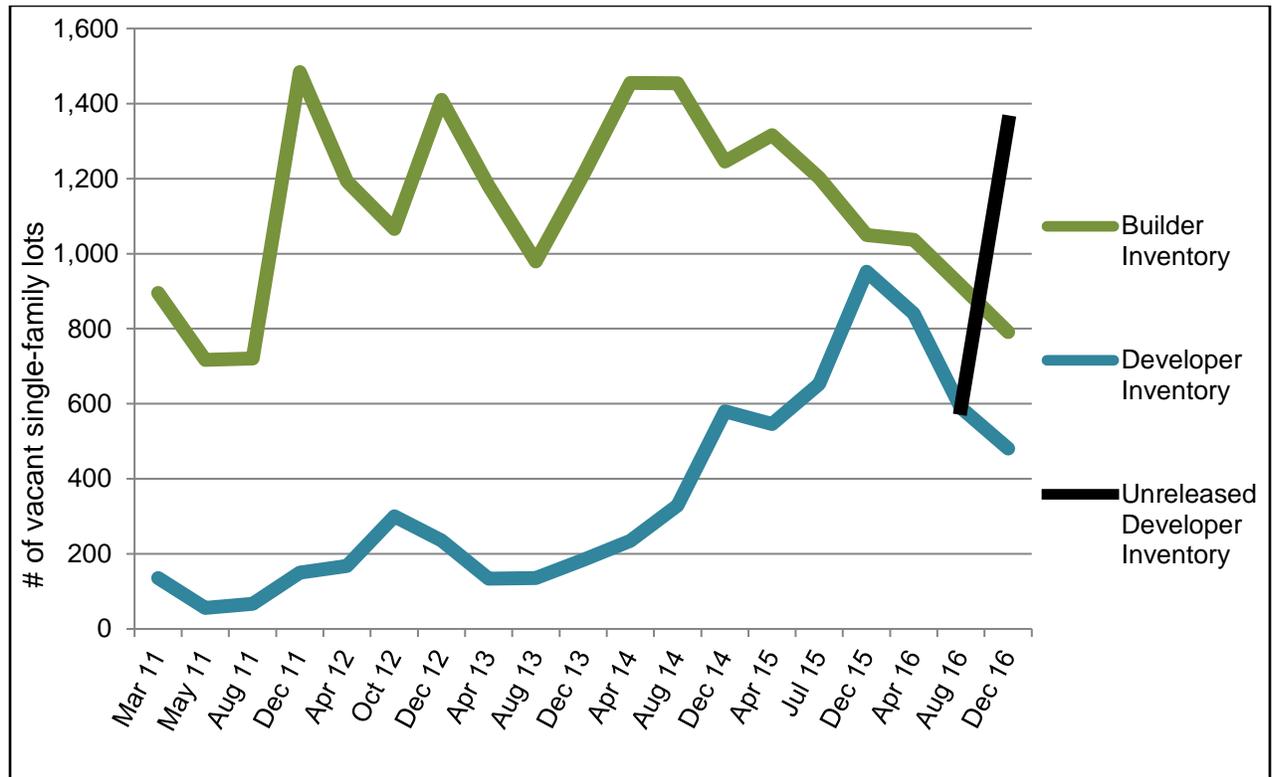
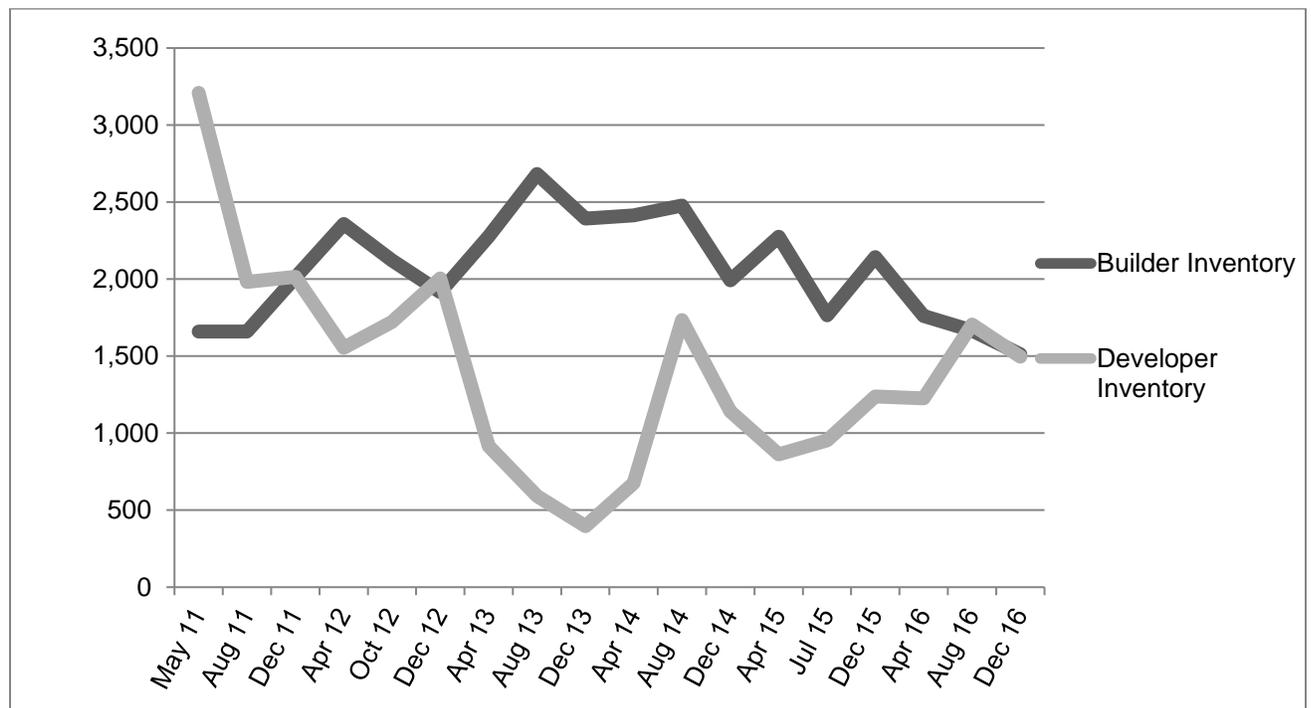


Figure 3: Multi-Family Dwelling-Unit Builder and Developer Inventory Levels, 2011 to Dec. 31, 2016



Property Tax Liens 2016

Recommendation

That the Standing Policy Committee on Finance recommend to City Council that the City Solicitor be instructed to take the necessary action under provisions of *The Tax Enforcement Act* with respect to properties with 2016 tax liens.

Topic and Purpose

The purpose of this report is to obtain City Council approval to proceed to the next stage under *The Tax Enforcement Act* for properties with 2016 liens.

Report Highlights

1. *The Tax Enforcement Act* is a provincial statute that guides the collection of tax arrears.
2. City Council provides approval to proceed to the next stage of the process for properties with 2016 tax liens.

Strategic Goals

This report supports the long-term strategy of ensuring that the City's approach to citizen communications is proactive and professional, under the Strategic Goal of Continuous Improvement.

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

Background

Collection of property tax arrears is guided by *The Tax Enforcement Act (The Act)*, the purpose of which is to secure payment of tax arrears under the threat of loss of title to the property. The statute is not intended to act as a means for the acquisition of property by the City. Each property owner (taxpayer) has certain fundamental rights concerning his/her land. The taxpayer must be kept fully aware of the proceedings being taken, and be given a reasonable time frame during which arrangements can be made for payment of the outstanding amount.

Report

The Tax Enforcement Act

The Act provides an effective collection process. As indicated in Attachment 1, a total of 5,040 liens were placed between 2011 and 2016. Tax arrears have been paid in full on 4,362 of these, and 678 liens remain where property owners have payment arrangements. The City has assumed title to only 4 of these properties.

The proceedings under *The Act* are scheduled as follows:

- Section 10: Allows the City to register a tax lien against a property where taxes have been due and unpaid after the 31st day of December of the year in which the taxes were originally levied.
- Section 22(1): Where the taxes remain unpaid and the lien has not been withdrawn, the City may apply to Council to commence proceedings to take title after the expiration of six months following the registration of the tax lien at Information Services Corporation of Saskatchewan (ISC) – Land Registry.
- Section 24: Final application for transfer of title to the City may commence six months after the first application. The City must, at this point in the proceedings, obtain consent of the Provincial Mediation Board to obtain the title. The Board may, subject to certain conditions being met by the taxpayer, put the proceedings on hold, even after this consent is granted.

2016 Tax Liens

With respect to the properties listed in Attachment 2, proceedings under *The Act* commenced on February 27, 2016. At that time, the City, in accordance with *The Act*, published in The StarPhoenix the legal descriptions of all properties in arrears of property taxes subject to tax liens. The assessed owners were notified of the action being taken and were advised that if the taxes remained unpaid after 60 days following the date of the advertisement, a tax lien would be registered against the property on the official title held in ISC – Land Registry.

The City has made considerable effort to contact the assessed owners of the various properties to obtain payment or to negotiate reasonable payment schedules. However, as of the date of this report, the City has not received payment and the property tax arrears are still outstanding.

The properties are now subject to first proceedings pursuant to Section 22(1) of *The Act*. This action involves notification by registered mail to each registered owner, each assessed owner, and all others with an interest set out on the title to the property, that they have six months to contest the City's claim.

Pursuant to Section 24, the next stage of *The Act*, six months following service of notices, the City will be in a position to make final application for title of any properties for which the arrears have not been cleared.

As indicated above, *The Act* requires specific waiting periods to ensure that owners and interest holders are afforded a reasonable opportunity to redeem the property. In the typical case, the Administration expects that these proceedings will be carried out within the normal periods outlined in the legislation. However, where there is a credible and

realistic plan by the owner or interest holder to make payments to redeem the property during enforcement proceedings, the prosecution of the enforcement proceeding should be suspended to allow the redemption plan to proceed. If the plan fails, enforcement proceedings should then be recommenced.

Since tax enforcement proceedings pursuant to Section 22 are initiated at City Council's direction, it is City Council that can properly suspend and recommence the proceedings, or direct the Administration to do so. Accordingly, the Administration requests that in those cases where there is a credible plan, as determined by the Administration, City Council authorize the Administration to suspend enforcement proceedings, and to restore enforcement proceedings where a redemption plan fails.

The Administration now requests authorization to proceed regarding those properties which became subject to tax liens in 2016.

Public and/or Stakeholder Involvement

The Administration has made every effort to contact the assessed owners of the properties in arrears subject to tax collection, as per *The Act*.

Communication Plan

The City follows the processes required in *The Act*. Corporate Revenue has made considerable effort to communicate with property owners of the properties in tax arrears subject to tax collection through reminder notices and direct contact.

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 property tax lien report for 2017 will be tabled in February 2018.

Public Notice

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

Attachments

1. Tax Enforcement Statistics
2. Liens Outstanding 2016

Report Approval

Written by: Carolyn Brand, Senior Collections Officer, Corporate Revenue

Reviewed by: Michael Voth, Revenue Collections Manager, Corporate Revenue
Shelley Sutherland, Director of Corporate Revenue

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

Tax Enforcement Statistics

<u>Lien Year</u>	<u>Reminder Notices</u>			<u>Number</u>	<u>Liens</u>	<u>6-month</u>	<u>Sent to Prov</u>	<u>Title</u>	<u>Liens</u>
	<u>Prev Sept</u>	<u>Prev Nov</u>	<u>February</u>	<u>Advertised</u>	<u>Placed</u>	<u>Notices</u>	<u>Mediation</u>	<u>Taken</u>	<u>Remaining</u>
2011	4,688		2,109	1,608	712	329	49	3	2
2012	4,699		2,176	1,614	601	285	52	1	8
2013	5,608	4,160	2,639	1,890	736	291	62	0	17
2014	6,038	4,323	2,922	2,062	1,044	484	83	0	57
2015	6,214	4,290	2,895	1,882	959	449	n/a	0	114
2016	6,156	4,574	2,834	1,811	988	n/a	n/a	0	480
Total	33,403	17,347	15,575	10,867	5,040	1,838	246	4	678

LIENS OUTSTANDING SUMMARY 2016

	Predominant Use	Arrears
2	Auto, Repair Garage <5,000	\$24,670.91
1	Clubhouse	\$53,121.38
2	Commercial Condo, Office	\$63,607.46
1	Industrial, Flex Bld, single sty	\$23,826.25
1	Shopping Centre, Neighbourhood	\$21,207.97
1	Store, Retail	\$3,074.29
1	Warehouse, Storage 10,000-79,999	\$148,812.62
30	Condo, Bare Land	\$173,423.12
5	Condo, Highrise	\$26,817.73
52	Condo, Lowrise	\$201,016.84
10	Condo, Townhouse	\$39,828.75
4	Land, Undeveloped Res	\$7,441.43
1	Mixed, Res <4 & Other present use large	\$4,872.74
345	Single Family, Detached	\$2,075,227.99
2	Single Family, Semi Detached	\$11,512.71
7	Townhouse, Res-2 unit (One Title)	\$55,076.96
15	Townhouse, Res-2 unit (Two Titles)	\$73,735.47
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480	Total	\$3,007,274.62

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
COMM	Auto, Repair Garage <5,000	514717950	\$11,332.49
COMM	Auto, Repair Garage <5,000	514809460	\$13,338.42
COMM	Clubhouse	504819300	\$53,121.38
COMM	Commercial Condo, Office	505200904	\$34,223.39
COMM	Commercial Condo, Office	505200908	\$29,384.07
COMM	Industrial, Flex Bld, single sty	504819020	\$23,826.25
COMM	Shopping Centre, Neighbourhood	484901870	\$21,207.97
COMM	Store, Retail	504908000	\$3,074.29
COMM	Warehouse, Storage 10,000-79,999	504833100	\$148,812.62
COND	Condo, Bare Land	445700680	\$4,826.27
COND	Condo, Bare Land	445700760	\$5,111.96
COND	Condo, Bare Land	445818105	\$5,281.46
COND	Condo, Bare Land	464508650	\$5,167.06
COND	Condo, Bare Land	464514720	\$6,962.90
COND	Condo, Bare Land	475729270	\$5,897.61
COND	Condo, Bare Land	475943950	\$3,416.73
COND	Condo, Bare Land	475947445	\$6,467.48
COND	Condo, Bare Land	475960590	\$6,424.31
COND	Condo, Bare Land	484527065	\$5,078.19
COND	Condo, Bare Land	484527100	\$5,572.23
COND	Condo, Bare Land	495750215	\$4,513.96
COND	Condo, Bare Land	495816335	\$8,347.91
COND	Condo, Bare Land	504400342	\$3,207.18
COND	Condo, Bare Land	504400745	\$2,587.73
COND	Condo, Bare Land	535736115	\$10,175.42
COND	Condo, Bare Land	535807304	\$4,673.91
COND	Condo, Bare Land	535808795	\$5,120.01
COND	Condo, Bare Land	535812551	\$4,531.66
COND	Condo, Bare Land	535859495	\$4,146.09
COND	Condo, Bare Land	535859820	\$4,778.85
COND	Condo, Bare Land	555404245	\$6,592.26
COND	Condo, Bare Land	555820520	\$3,455.94
COND	Condo, Bare Land	565053545	\$16,114.83
COND	Condo, Bare Land	565303852	\$4,037.07
COND	Condo, Bare Land	565370920	\$7,109.60
COND	Condo, Bare Land	565429505	\$5,735.43
COND	Condo, Bare Land	575303715	\$5,821.76
COND	Condo, Bare Land	575303890	\$5,821.76
COND	Condo, Bare Land	575408240	\$6,445.55
COND	Condo, Highrise	495014660	\$5,108.79
COND	Condo, Highrise	495014690	\$2,378.06
COND	Condo, Highrise	495124740	\$6,113.37
COND	Condo, Highrise	495129122	\$9,684.27
COND	Condo, Highrise	495140095	\$3,533.24
COND	Condo, Lowrise	445332805	\$1,639.68
COND	Condo, Lowrise	445333170	\$3,568.49
COND	Condo, Lowrise	445405940	\$3,853.73

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
COND	Condo, Lowrise	445845450	\$2,643.97
COND	Condo, Lowrise	445845535	\$3,748.78
COND	Condo, Lowrise	445845640	\$3,954.50
COND	Condo, Lowrise	455215250	\$3,599.70
COND	Condo, Lowrise	464512680	\$3,121.99
COND	Condo, Lowrise	464523219	\$4,703.07
COND	Condo, Lowrise	464523283	\$5,076.77
COND	Condo, Lowrise	464523284	\$5,429.47
COND	Condo, Lowrise	464523286	\$3,478.14
COND	Condo, Lowrise	464601474	\$2,503.34
COND	Condo, Lowrise	464670415	\$3,404.97
COND	Condo, Lowrise	475945430	\$4,597.49
COND	Condo, Lowrise	475946595	\$3,872.03
COND	Condo, Lowrise	485524464	\$2,581.54
COND	Condo, Lowrise	485631890	\$2,954.34
COND	Condo, Lowrise	486033486	\$5,213.52
COND	Condo, Lowrise	486033501	\$5,825.48
COND	Condo, Lowrise	486033569	\$5,219.65
COND	Condo, Lowrise	486033585	\$5,133.06
COND	Condo, Lowrise	486033587	\$4,369.21
COND	Condo, Lowrise	495105520	\$4,248.93
COND	Condo, Lowrise	495105978	\$3,107.57
COND	Condo, Lowrise	495105986	\$3,191.04
COND	Condo, Lowrise	504204955	\$2,368.52
COND	Condo, Lowrise	504205530	\$3,674.15
COND	Condo, Lowrise	505619995	\$3,170.64
COND	Condo, Lowrise	505620004	\$3,378.73
COND	Condo, Lowrise	515002245	\$3,141.46
COND	Condo, Lowrise	515131500	\$2,208.22
COND	Condo, Lowrise	515320855	\$3,902.23
COND	Condo, Lowrise	515424732	\$6,410.47
COND	Condo, Lowrise	515427786	\$4,422.03
COND	Condo, Lowrise	515629110	\$3,293.38
COND	Condo, Lowrise	515730075	\$1,996.98
COND	Condo, Lowrise	525701150	\$3,968.79
COND	Condo, Lowrise	525704178	\$2,888.94
COND	Condo, Lowrise	525707400	\$3,619.88
COND	Condo, Lowrise	525725110	\$3,957.40
COND	Condo, Lowrise	525725360	\$1,715.41
COND	Condo, Lowrise	534917197	\$2,066.59
COND	Condo, Lowrise	535521710	\$5,956.50
COND	Condo, Lowrise	535630855	\$3,787.50
COND	Condo, Lowrise	535808185	\$5,598.99
COND	Condo, Lowrise	545415290	\$4,558.28
COND	Condo, Lowrise	545715320	\$4,049.95
COND	Condo, Lowrise	545825040	\$5,052.24
COND	Condo, Lowrise	545825080	\$5,198.02

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
COND	Condo, Lowrise	545825110	\$5,036.06
COND	Condo, Lowrise	565385132	\$4,555.02
COND	Condo, Townhouse	435302225	\$2,918.31
COND	Condo, Townhouse	455840105	\$3,215.54
COND	Condo, Townhouse	455844905	\$2,895.23
COND	Condo, Townhouse	464714355	\$3,746.84
COND	Condo, Townhouse	486029650	\$4,789.66
COND	Condo, Townhouse	494219050	\$4,594.57
COND	Condo, Townhouse	505612560	\$3,939.97
COND	Condo, Townhouse	525601575	\$3,079.66
COND	Condo, Townhouse	525601730	\$5,072.65
COND	Condo, Townhouse	575502045	\$5,576.32
RES	Land, Undeveloped Res	435802650	\$2,666.97
RES	Land, Undeveloped Res	445824650	\$1,751.95
RES	Land, Undeveloped Res	484823980	\$2,218.73
RES	Land, Undeveloped Res	504712850	\$803.78
RES	Mixed, Res <4 & Other present use large	514839200	\$4,872.74
RES	Single Family, Detached	415333050	\$5,230.95
RES	Single Family, Detached	425236650	\$8,793.77
RES	Single Family, Detached	425405550	\$9,267.68
RES	Single Family, Detached	425430000	\$3,273.53
RES	Single Family, Detached	435308200	\$6,992.94
RES	Single Family, Detached	435324990	\$6,983.60
RES	Single Family, Detached	435801100	\$4,190.29
RES	Single Family, Detached	435804450	\$9,691.88
RES	Single Family, Detached	445201850	\$8,100.67
RES	Single Family, Detached	445342250	\$6,328.98
RES	Single Family, Detached	445616700	\$11,083.54
RES	Single Family, Detached	445618350	\$5,133.44
RES	Single Family, Detached	445709500	\$13,634.62
RES	Single Family, Detached	445715450	\$13,648.30
RES	Single Family, Detached	445815200	\$6,535.15
RES	Single Family, Detached	445820200	\$9,929.16
RES	Single Family, Detached	445823750	\$5,941.07
RES	Single Family, Detached	445830500	\$6,760.13
RES	Single Family, Detached	445850450	\$6,674.14
RES	Single Family, Detached	445912150	\$6,202.89
RES	Single Family, Detached	455205200	\$5,699.93
RES	Single Family, Detached	455231090	\$8,699.59
RES	Single Family, Detached	455231740	\$7,116.61
RES	Single Family, Detached	455301350	\$6,242.10
RES	Single Family, Detached	455301450	\$5,006.92
RES	Single Family, Detached	455709750	\$8,982.57
RES	Single Family, Detached	455710900	\$8,365.39
RES	Single Family, Detached	455814150	\$9,316.29
RES	Single Family, Detached	455830500	\$9,946.35
RES	Single Family, Detached	455903150	\$8,663.20

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
RES	Single Family, Detached	455904850	\$5,982.85
RES	Single Family, Detached	464507250	\$4,797.41
RES	Single Family, Detached	464510300	\$7,196.33
RES	Single Family, Detached	464522050	\$6,832.61
RES	Single Family, Detached	464543200	\$8,193.70
RES	Single Family, Detached	464544600	\$6,016.80
RES	Single Family, Detached	464601150	\$4,054.00
RES	Single Family, Detached	464613300	\$4,108.90
RES	Single Family, Detached	464618850	\$3,945.44
RES	Single Family, Detached	464640150	\$3,862.09
RES	Single Family, Detached	464641050	\$5,179.67
RES	Single Family, Detached	464646950	\$5,102.93
RES	Single Family, Detached	464661750	\$6,795.55
RES	Single Family, Detached	464702750	\$7,364.80
RES	Single Family, Detached	464708250	\$5,258.19
RES	Single Family, Detached	465200890	\$4,928.15
RES	Single Family, Detached	465201480	\$7,482.40
RES	Single Family, Detached	465210340	\$5,122.73
RES	Single Family, Detached	465213640	\$4,855.70
RES	Single Family, Detached	465227050	\$10,555.86
RES	Single Family, Detached	465617950	\$7,606.43
RES	Single Family, Detached	465627860	\$5,988.89
RES	Single Family, Detached	465908250	\$16,130.68
RES	Single Family, Detached	474406940	\$6,066.29
RES	Single Family, Detached	474411100	\$6,559.60
RES	Single Family, Detached	474418800	\$4,974.58
RES	Single Family, Detached	474424800	\$6,094.42
RES	Single Family, Detached	474431150	\$5,568.49
RES	Single Family, Detached	474440840	\$7,906.49
RES	Single Family, Detached	474505550	\$5,962.65
RES	Single Family, Detached	474508550	\$8,556.94
RES	Single Family, Detached	474521440	\$2,927.77
RES	Single Family, Detached	474536240	\$3,001.68
RES	Single Family, Detached	474600600	\$7,214.19
RES	Single Family, Detached	474609140	\$4,416.40
RES	Single Family, Detached	474609640	\$4,105.60
RES	Single Family, Detached	474621040	\$6,715.76
RES	Single Family, Detached	474624190	\$7,055.97
RES	Single Family, Detached	474625240	\$5,938.51
RES	Single Family, Detached	474625990	\$7,337.01
RES	Single Family, Detached	474626290	\$6,458.78
RES	Single Family, Detached	474628390	\$3,155.83
RES	Single Family, Detached	474700310	\$4,426.02
RES	Single Family, Detached	474712590	\$5,494.36
RES	Single Family, Detached	474717070	\$6,166.93
RES	Single Family, Detached	474717380	\$5,154.43
RES	Single Family, Detached	474810850	\$8,273.40

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
RES	Single Family, Detached	474907650	\$4,192.36
RES	Single Family, Detached	474909950	\$4,413.92
RES	Single Family, Detached	474910300	\$2,529.78
RES	Single Family, Detached	474911680	\$6,793.63
RES	Single Family, Detached	474924750	\$2,548.60
RES	Single Family, Detached	474943050	\$2,529.23
RES	Single Family, Detached	474944550	\$5,622.92
RES	Single Family, Detached	475003850	\$6,944.30
RES	Single Family, Detached	475019800	\$4,861.78
RES	Single Family, Detached	475025550	\$3,259.81
RES	Single Family, Detached	475104350	\$4,536.02
RES	Single Family, Detached	475104750	\$3,345.21
RES	Single Family, Detached	475509350	\$12,279.29
RES	Single Family, Detached	475543250	\$7,836.92
RES	Single Family, Detached	475547050	\$4,909.85
RES	Single Family, Detached	475610140	\$7,685.08
RES	Single Family, Detached	475617160	\$7,884.08
RES	Single Family, Detached	475621020	\$7,029.79
RES	Single Family, Detached	475727850	\$6,056.35
RES	Single Family, Detached	475911050	\$10,989.20
RES	Single Family, Detached	475914000	\$8,816.14
RES	Single Family, Detached	475918200	\$11,568.84
RES	Single Family, Detached	475921800	\$12,586.64
RES	Single Family, Detached	484203400	\$4,927.36
RES	Single Family, Detached	484319350	\$5,468.44
RES	Single Family, Detached	484322050	\$3,570.91
RES	Single Family, Detached	484325450	\$5,659.92
RES	Single Family, Detached	484327350	\$4,257.52
RES	Single Family, Detached	484329190	\$4,310.78
RES	Single Family, Detached	484333320	\$3,279.85
RES	Single Family, Detached	484333680	\$5,920.95
RES	Single Family, Detached	484338500	\$4,930.10
RES	Single Family, Detached	484338750	\$3,207.87
RES	Single Family, Detached	484339220	\$4,801.84
RES	Single Family, Detached	484340690	\$5,507.21
RES	Single Family, Detached	484343050	\$4,139.55
RES	Single Family, Detached	484344400	\$6,063.91
RES	Single Family, Detached	484403340	\$4,676.43
RES	Single Family, Detached	484406300	\$2,911.57
RES	Single Family, Detached	484407660	\$5,318.49
RES	Single Family, Detached	484426680	\$9,220.24
RES	Single Family, Detached	484428610	\$3,806.11
RES	Single Family, Detached	484432110	\$4,207.66
RES	Single Family, Detached	484503270	\$4,008.76
RES	Single Family, Detached	484504070	\$5,605.63
RES	Single Family, Detached	484508230	\$4,999.83
RES	Single Family, Detached	484508540	\$5,517.47

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
RES	Single Family, Detached	484515740	\$4,040.29
RES	Single Family, Detached	484524400	\$3,898.17
RES	Single Family, Detached	484525650	\$4,909.14
RES	Single Family, Detached	484527700	\$6,320.98
RES	Single Family, Detached	484604240	\$3,295.92
RES	Single Family, Detached	484604650	\$3,137.06
RES	Single Family, Detached	484614450	\$6,002.89
RES	Single Family, Detached	484615850	\$3,782.41
RES	Single Family, Detached	484619650	\$4,579.37
RES	Single Family, Detached	484722450	\$3,837.02
RES	Single Family, Detached	484725900	\$6,646.48
RES	Single Family, Detached	484804750	\$4,016.15
RES	Single Family, Detached	484823750	\$5,235.25
RES	Single Family, Detached	484824050	\$2,640.66
RES	Single Family, Detached	484824250	\$3,324.31
RES	Single Family, Detached	484824550	\$6,252.71
RES	Single Family, Detached	484829450	\$4,942.59
RES	Single Family, Detached	484902700	\$2,490.51
RES	Single Family, Detached	484920250	\$3,197.77
RES	Single Family, Detached	484925500	\$4,476.15
RES	Single Family, Detached	484926550	\$5,027.92
RES	Single Family, Detached	484927050	\$6,060.45
RES	Single Family, Detached	485103600	\$5,773.74
RES	Single Family, Detached	485118050	\$21,763.97
RES	Single Family, Detached	485127000	\$5,039.80
RES	Single Family, Detached	485132200	\$10,868.50
RES	Single Family, Detached	485135000	\$5,395.84
RES	Single Family, Detached	485200800	\$9,418.81
RES	Single Family, Detached	485506050	\$3,473.39
RES	Single Family, Detached	485541100	\$5,179.00
RES	Single Family, Detached	485707850	\$5,300.69
RES	Single Family, Detached	485803000	\$4,094.57
RES	Single Family, Detached	485825600	\$6,614.35
RES	Single Family, Detached	485915650	\$10,439.96
RES	Single Family, Detached	486001950	\$6,121.12
RES	Single Family, Detached	486020800	\$11,840.19
RES	Single Family, Detached	486025350	\$5,526.79
RES	Single Family, Detached	486032650	\$7,565.22
RES	Single Family, Detached	494206950	\$6,245.52
RES	Single Family, Detached	494226600	\$4,300.97
RES	Single Family, Detached	494308050	\$6,541.36
RES	Single Family, Detached	494314200	\$4,282.26
RES	Single Family, Detached	494317900	\$6,181.13
RES	Single Family, Detached	494340100	\$3,068.38
RES	Single Family, Detached	494403650	\$4,979.17
RES	Single Family, Detached	494414250	\$8,041.88
RES	Single Family, Detached	494414550	\$4,205.91

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
RES	Single Family, Detached	494415400	\$4,669.51
RES	Single Family, Detached	494417250	\$5,906.99
RES	Single Family, Detached	494433500	\$4,927.27
RES	Single Family, Detached	494522900	\$4,376.96
RES	Single Family, Detached	494609450	\$2,287.94
RES	Single Family, Detached	494617500	\$4,386.47
RES	Single Family, Detached	494705700	\$5,221.72
RES	Single Family, Detached	494705800	\$3,126.56
RES	Single Family, Detached	494716050	\$4,580.45
RES	Single Family, Detached	494719350	\$3,814.46
RES	Single Family, Detached	494725200	\$5,537.74
RES	Single Family, Detached	494811650	\$3,132.67
RES	Single Family, Detached	494826750	\$6,245.53
RES	Single Family, Detached	494827650	\$3,302.95
RES	Single Family, Detached	494827700	\$4,686.60
RES	Single Family, Detached	494834300	\$4,410.66
RES	Single Family, Detached	494835600	\$6,792.00
RES	Single Family, Detached	494835700	\$2,797.12
RES	Single Family, Detached	494913550	\$1,929.97
RES	Single Family, Detached	494939950	\$4,233.46
RES	Single Family, Detached	494940550	\$3,626.90
RES	Single Family, Detached	495506550	\$3,155.90
RES	Single Family, Detached	495733790	\$5,109.34
RES	Single Family, Detached	495856200	\$2,721.36
RES	Single Family, Detached	504300250	\$6,776.05
RES	Single Family, Detached	504301300	\$7,284.46
RES	Single Family, Detached	504301950	\$7,439.13
RES	Single Family, Detached	504310800	\$6,175.02
RES	Single Family, Detached	504324250	\$4,108.53
RES	Single Family, Detached	504326950	\$6,125.85
RES	Single Family, Detached	504334850	\$5,638.07
RES	Single Family, Detached	504404490	\$3,858.76
RES	Single Family, Detached	504517000	\$8,889.98
RES	Single Family, Detached	504518290	\$3,497.41
RES	Single Family, Detached	504607350	\$4,070.09
RES	Single Family, Detached	504718950	\$3,905.45
RES	Single Family, Detached	504723600	\$3,936.30
RES	Single Family, Detached	504724050	\$3,098.21
RES	Single Family, Detached	504724330	\$3,839.65
RES	Single Family, Detached	504732740	\$3,189.44
RES	Single Family, Detached	504733900	\$5,648.92
RES	Single Family, Detached	504801700	\$2,627.30
RES	Single Family, Detached	504805490	\$3,979.31
RES	Single Family, Detached	504806450	\$2,603.96
RES	Single Family, Detached	504812250	\$3,026.03
RES	Single Family, Detached	504818100	\$3,749.19
RES	Single Family, Detached	504823250	\$4,545.02

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
RES	Single Family, Detached	504928900	\$4,039.47
RES	Single Family, Detached	505112950	\$8,647.27
RES	Single Family, Detached	505227150	\$15,386.97
RES	Single Family, Detached	505228550	\$4,758.23
RES	Single Family, Detached	505617390	\$5,751.12
RES	Single Family, Detached	505704150	\$7,875.68
RES	Single Family, Detached	505709160	\$5,467.90
RES	Single Family, Detached	505720490	\$5,175.30
RES	Single Family, Detached	514201600	\$3,844.68
RES	Single Family, Detached	514327790	\$4,797.89
RES	Single Family, Detached	514328100	\$4,944.91
RES	Single Family, Detached	514433950	\$4,273.23
RES	Single Family, Detached	514437500	\$2,833.37
RES	Single Family, Detached	514617050	\$3,836.94
RES	Single Family, Detached	514617250	\$5,461.31
RES	Single Family, Detached	514623950	\$4,883.50
RES	Single Family, Detached	514703750	\$1,767.12
RES	Single Family, Detached	514703800	\$1,770.46
RES	Single Family, Detached	514809050	\$4,059.26
RES	Single Family, Detached	514815750	\$1,123.53
RES	Single Family, Detached	514822300	\$3,053.94
RES	Single Family, Detached	514823350	\$3,338.62
RES	Single Family, Detached	514826750	\$3,742.58
RES	Single Family, Detached	514830990	\$3,162.03
RES	Single Family, Detached	514831950	\$1,779.54
RES	Single Family, Detached	514838050	\$5,510.83
RES	Single Family, Detached	514840490	\$3,372.22
RES	Single Family, Detached	514924500	\$9,222.00
RES	Single Family, Detached	514924600	\$21,499.43
RES	Single Family, Detached	515010750	\$4,457.51
RES	Single Family, Detached	515013450	\$11,873.77
RES	Single Family, Detached	515214450	\$5,846.91
RES	Single Family, Detached	515422490	\$8,540.33
RES	Single Family, Detached	515508300	\$6,809.16
RES	Single Family, Detached	515517150	\$6,802.18
RES	Single Family, Detached	515522500	\$5,262.00
RES	Single Family, Detached	515528270	\$5,825.03
RES	Single Family, Detached	515616660	\$6,350.41
RES	Single Family, Detached	515706300	\$3,714.45
RES	Single Family, Detached	515722850	\$10,874.36
RES	Single Family, Detached	524404570	\$6,917.48
RES	Single Family, Detached	524406850	\$5,029.12
RES	Single Family, Detached	524505500	\$9,717.25
RES	Single Family, Detached	524801550	\$2,639.24
RES	Single Family, Detached	524806800	\$3,661.88
RES	Single Family, Detached	524811800	\$4,825.63
RES	Single Family, Detached	524911950	\$6,824.19

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
RES	Single Family, Detached	525010100	\$9,185.45
RES	Single Family, Detached	525026300	\$6,382.20
RES	Single Family, Detached	525026700	\$4,750.64
RES	Single Family, Detached	525030200	\$4,482.13
RES	Single Family, Detached	525046850	\$5,315.93
RES	Single Family, Detached	525111700	\$4,644.03
RES	Single Family, Detached	525120150	\$6,886.06
RES	Single Family, Detached	525230700	\$9,262.78
RES	Single Family, Detached	525301000	\$6,747.82
RES	Single Family, Detached	525305540	\$7,471.31
RES	Single Family, Detached	525408840	\$4,714.40
RES	Single Family, Detached	525416090	\$4,931.87
RES	Single Family, Detached	525427590	\$7,473.47
RES	Single Family, Detached	525430040	\$6,110.10
RES	Single Family, Detached	525433180	\$7,493.46
RES	Single Family, Detached	525605900	\$7,496.29
RES	Single Family, Detached	525608250	\$9,083.15
RES	Single Family, Detached	525638800	\$6,507.07
RES	Single Family, Detached	525800300	\$12,636.10
RES	Single Family, Detached	525914400	\$8,236.47
RES	Single Family, Detached	534900600	\$3,549.30
RES	Single Family, Detached	534903500	\$4,102.78
RES	Single Family, Detached	534905000	\$7,703.60
RES	Single Family, Detached	534912250	\$3,150.36
RES	Single Family, Detached	534931500	\$4,578.85
RES	Single Family, Detached	534931550	\$4,467.09
RES	Single Family, Detached	534934590	\$2,422.68
RES	Single Family, Detached	535001650	\$3,947.70
RES	Single Family, Detached	535007750	\$4,906.74
RES	Single Family, Detached	535008300	\$3,685.81
RES	Single Family, Detached	535009200	\$5,530.20
RES	Single Family, Detached	535016400	\$3,287.99
RES	Single Family, Detached	535030300	\$6,588.93
RES	Single Family, Detached	535111700	\$6,386.62
RES	Single Family, Detached	535202800	\$6,266.16
RES	Single Family, Detached	535222000	\$7,083.35
RES	Single Family, Detached	535300325	\$4,384.77
RES	Single Family, Detached	535601000	\$7,210.61
RES	Single Family, Detached	535620550	\$6,171.95
RES	Single Family, Detached	535841500	\$11,534.28
RES	Single Family, Detached	535853800	\$3,254.89
RES	Single Family, Detached	535865050	\$11,865.27
RES	Single Family, Detached	545010400	\$7,374.46
RES	Single Family, Detached	545026650	\$4,028.81
RES	Single Family, Detached	545115350	\$348.62
RES	Single Family, Detached	545118250	\$4,336.06
RES	Single Family, Detached	545206050	\$6,447.56

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
RES	Single Family, Detached	545225950	\$7,155.21
RES	Single Family, Detached	545229950	\$4,781.41
RES	Single Family, Detached	545309300	\$6,267.03
RES	Single Family, Detached	545326290	\$6,708.18
RES	Single Family, Detached	545438630	\$5,855.15
RES	Single Family, Detached	545505150	\$4,609.12
RES	Single Family, Detached	545603650	\$9,245.62
RES	Single Family, Detached	545612100	\$7,227.92
RES	Single Family, Detached	545642000	\$8,041.45
RES	Single Family, Detached	545905950	\$10,677.76
RES	Single Family, Detached	545912050	\$15,700.80
RES	Single Family, Detached	545914450	\$7,657.42
RES	Single Family, Detached	546003100	\$5,625.12
RES	Single Family, Detached	546010000	\$6,890.58
RES	Single Family, Detached	555206540	\$8,207.00
RES	Single Family, Detached	555422850	\$9,532.52
RES	Single Family, Detached	555427900	\$4,265.66
RES	Single Family, Detached	555526300	\$10,110.33
RES	Single Family, Detached	555600350	\$4,183.57
RES	Single Family, Detached	555606850	\$3,439.75
RES	Single Family, Detached	555607520	\$4,573.15
RES	Single Family, Detached	555710800	\$7,231.97
RES	Single Family, Detached	555714400	\$3,285.72
RES	Single Family, Detached	555722600	\$7,387.02
RES	Single Family, Detached	565000400	\$16,587.06
RES	Single Family, Detached	565312200	\$7,188.81
RES	Single Family, Detached	565312900	\$7,651.57
RES	Single Family, Detached	565435250	\$8,572.61
RES	Single Family, Detached	575402800	\$8,130.52
RES	Single Family, Detached	575442100	\$10,536.89
RES	Single Family, Detached	575442900	\$11,418.16
RES	Single Family, Detached	575442950	\$11,644.93
RES	Single Family, Detached	575516050	\$4,824.17
RES	Single Family, Semi Detached	514438230	\$4,083.69
RES	Single Family, Semi Detached	524802670	\$7,429.02
RES	Townhouse, Res-2 unit (One Title)	445421750	\$7,557.97
RES	Townhouse, Res-2 unit (One Title)	474411650	\$8,520.12
RES	Townhouse, Res-2 unit (One Title)	474936500	\$6,671.81
RES	Townhouse, Res-2 unit (One Title)	484618750	\$6,346.82
RES	Townhouse, Res-2 unit (One Title)	485623630	\$10,276.25
RES	Townhouse, Res-2 unit (One Title)	485624400	\$7,796.64
RES	Townhouse, Res-2 unit (One Title)	495517515	\$7,907.35
RES	Townhouse, Res-2 unit (Two Titles)	435503490	\$3,543.23
RES	Townhouse, Res-2 unit (Two Titles)	445336760	\$3,839.67
RES	Townhouse, Res-2 unit (Two Titles)	464620150	\$7,008.19
RES	Townhouse, Res-2 unit (Two Titles)	464620350	\$550.30
RES	Townhouse, Res-2 unit (Two Titles)	464924880	\$3,158.93

LIENS OUTSTANDING 2016

Class	Predominant Use	Roll Number	Arrears
RES	Townhouse, Res-2 unit (Two Titles)	464924930	\$9,995.77
RES	Townhouse, Res-2 unit (Two Titles)	465105690	\$6,588.09
RES	Townhouse, Res-2 unit (Two Titles)	474723160	\$3,984.10
RES	Townhouse, Res-2 unit (Two Titles)	494806880	\$4,211.74
RES	Townhouse, Res-2 unit (Two Titles)	504620860	\$4,931.41
RES	Townhouse, Res-2 unit (Two Titles)	524811410	\$3,219.73
RES	Townhouse, Res-2 unit (Two Titles)	525019870	\$7,832.02
RES	Townhouse, Res-2 unit (Two Titles)	525032570	\$5,386.25
RES	Townhouse, Res-2 unit (Two Titles)	535614450	\$3,831.02
RES	Townhouse, Res-2 unit (Two Titles)	535628100	\$5,655.02
		Total	\$3,007,274.62

Internal Audit Budget Information Update – Year End 2016

Recommendation

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

1. That Council Policy No. C03-003, Reserves for Future Expenditures, be amended to establish an Internal Audit Program Reserve; and
2. That the City Clerk be requested to amend Council Policy No. C03-003 as outlined in this report.

Topic and Purpose

The purpose of this report is to provide an update on the expenditures as of December 31, 2016 for internal audit services provided by PricewaterhouseCoopers (PwC), and to request City Council approval to amend Council Policy No. C03-003, Reserves for Future Expenditures (Reserve Policy), to include an Internal Audit Program Reserve.

Report Highlights

1. Overall, internal audit and consulting expenditures are within budget parameters. However, project deliverables (i.e. audit reports) are not expected to be tabled with the Standing Policy Committee on Finance until March/April 2017.
2. The establishment of an Internal Audit Program Reserve will provide financial stability to the Internal Audit program and ensure sufficient funding is available over the term of internal audit services agreements.

Strategic Goal

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

Background

City Council budgeted \$427,000 for internal audit services for 2016. This is the second year of the five-year contract with PwC.

Report

2016 Operating Budget Status Update

There are currently three internal audit projects being conducted by PwC. In December 2016, draft audit reports were provided for the Administration's review for two of those projects. Final reports for all three projects are expected to be tabled with the Standing Policy Committee on Finance in March or April 2017. As of December 31, 2016, 74% of the total budgeted internal audit hours for the year have been completed, and all but \$59,769 of the Internal Audit Plan budget has been spent.

PwC is also working on two additional consulting projects. For both projects, draft reports were provided to the Administration for review in December 2016, and final reports are expected to be tabled with the Standing Policy Committee on Finance in

March 2017. As of December 31, 2016, 77% of the total budgeted consulting project hours for the year have been completed, and an amount of \$44,235 has been overspent from this pool of funding. This amount is offset by the under-expenditure in the Internal Audit Plan for a net favorable variance of \$15,534.

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

Internal Audit Program Reserve

Historically, internal audit plan hours that are not completed in the year of approval are carried forward to the subsequent year. Although this can result in fluctuations in the number of hours in the approved internal audit plan each year, overall, the internal audit services agreement obligation is maintained (5 years x 1,400 hours = 7,000 hours). For 2016, the net favourable variance of \$15,534, as shown below, cannot be carried forward to fund the Internal Audit Plan hours that are being carried over into 2017.

	Internal Audit Plan		Add'l Projects	Total
	Dollars	Hours	Dollars	Dollars
Approved 2016 Operating Budget	\$228,123	1,400.0	\$198,877	\$427,000
Carryover from 2015	35,520	253.5	(35,520)	-
Professional Services Provided	(203,874)	(1,225.0)	(193,221)	(397,095)
Disbursements Incurred	-	-	(14,371)	(14,371)
Unspent 2016 Operating Funding	\$59,769	428.5	(\$44,235)	\$15,534

The Administration is recommending that an Internal Audit Program Reserve be established to provide financial stability to the Internal Audit program and ensure sufficient funding is available for all approved internal audit and consulting projects over the term of internal audit services agreements. If approved, the Internal Audit Program Reserve would be established with the unspent 2016 Operating Budget funding of \$15,534.

The proposed amendments to the Reserve Policy are detailed in Attachment 2.

Options to the Recommendation

City Council can choose not to approve the establishment of the Internal Audit Program Reserve and direct the Administration to continue funding approved projects with annual operating funding only. The Administration does not recommend this option as not establishing the reserve will result in the Internal Audit program being over budget upon the completion of the approved work. In addition, the Standing Policy Committee on Finance’s ability to select additional projects will be limited.

Policy Implications

If the recommendation in this report is approved, Council Policy No. C03-003 will be amended to reflect the changes.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

If the recommendation is approved by City Council, the Internal Audit Program Reserve will be effective for 2016 year end.

Public Notice

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

Attachment

1. Internal Audit Budget Status Report
2. Proposed Internal Audit Program Reserve

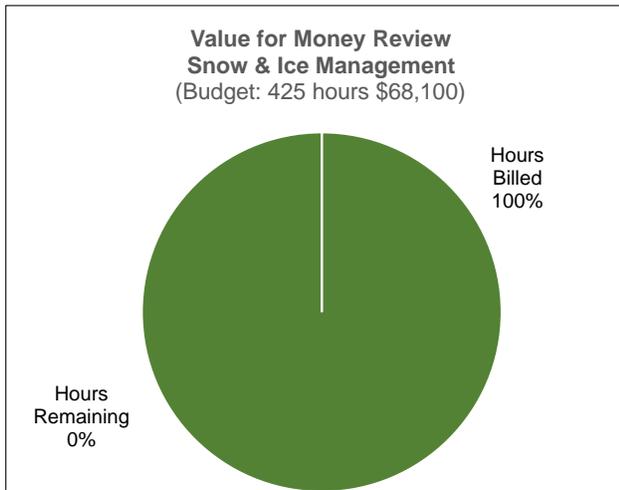
Report Approval

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

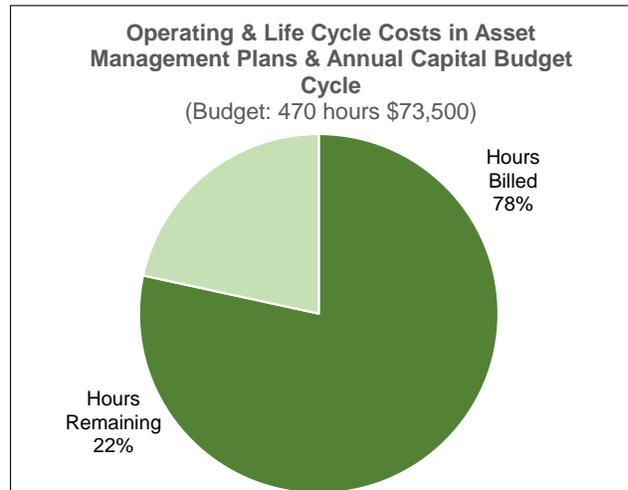
IA Budget YE2016_Reserve.docx

Internal Audit Budget Status Report

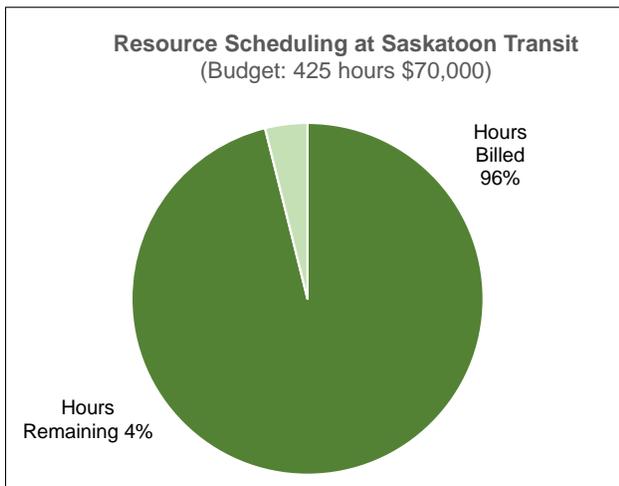
Internal Audit Projects



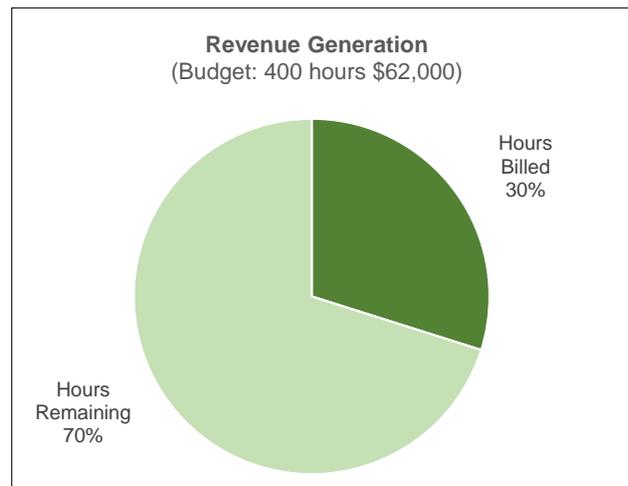
Notes: Statement of Work approved January 4, 2016. Audit report presented to SPC on Finance September 6, 2016. Administration agreed with all 21 findings - 2 high, 14 moderate and 5 low. Update report presented to SPC on Finance on November 7, 2016.



Notes: Statement of Work approved August 15, 2016. Audit fieldwork complete and draft audit report provided to Administration in late 2016. A meeting to discuss and review the draft report is scheduled for January 2017. Anticipated reporting to SPC on Finance in April 2017.

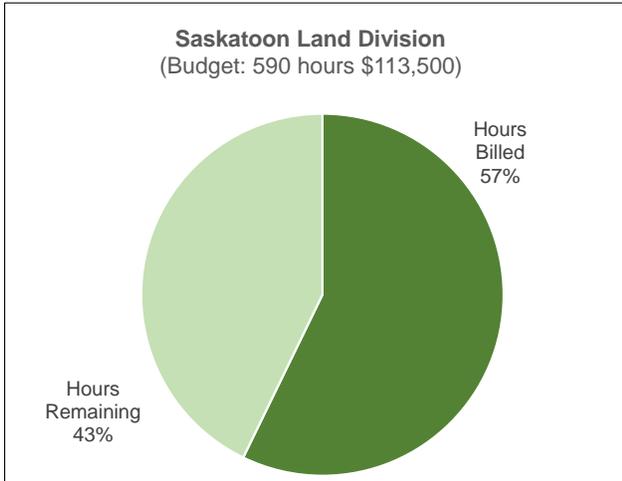


Notes: Statement of Work approved July 18, 2016. Audit fieldwork complete and audit report being reviewed by the Administration and General Manager of Transportation & Utilities. Pending review, the report will be submitted to SPC on Finance in March 2017.

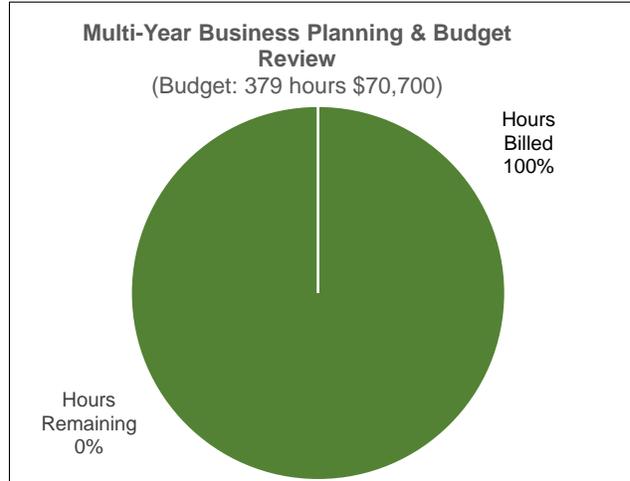


Notes: Statement of Work approved November 7, 2016. Audit fieldwork commenced with relevant stakeholder groups in December and will continue into January and February 2017. Anticipated reporting to SPC on Finance before the end of the first quarter of 2017.

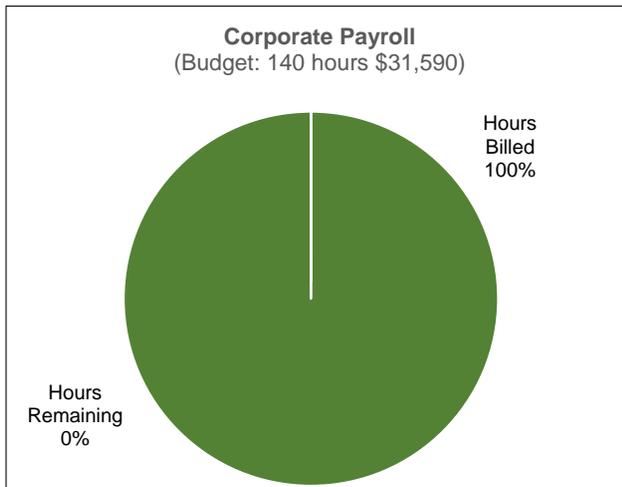
Additional Consulting Projects



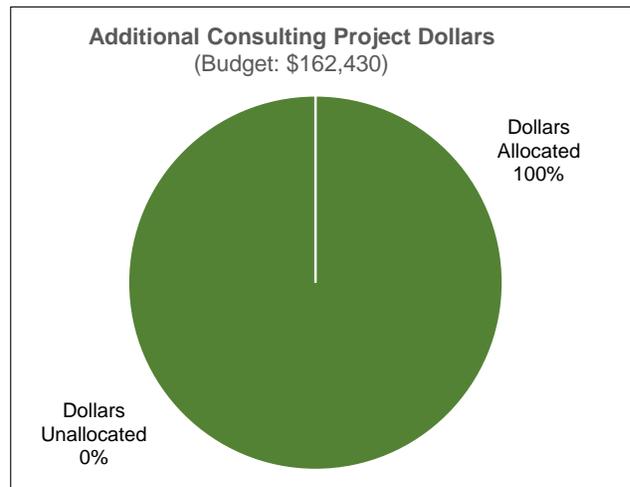
Notes: Statement of Work approved August 15, 2016. Project fieldwork complete and draft report provided to Administration in late 2016. Pending review, the report will be submitted to SPC on Finance in March 2017.



Notes: Statement of Work approved August 15, 2016. Final version of draft report presented to Administration on December 9, 2016.

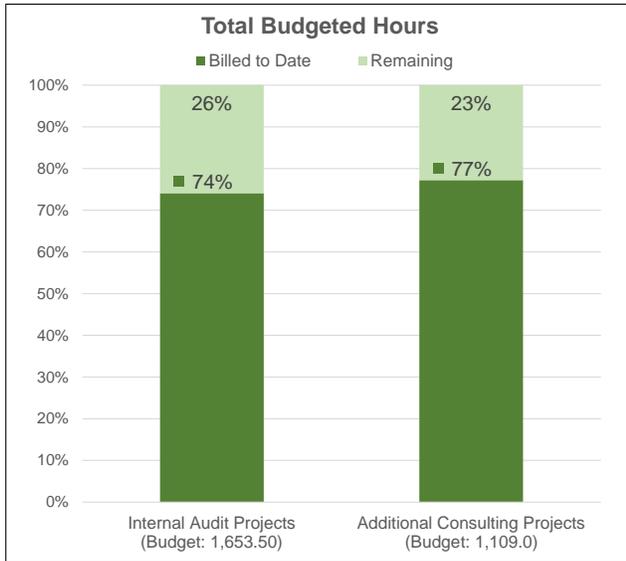


Notes: Conducted by former internal audit service provider.

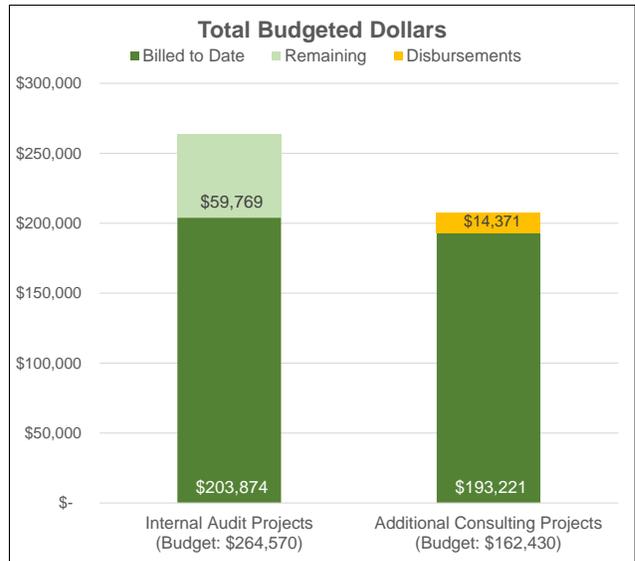


Notes: All additional consulting project dollars have been fully allocated to specific consulting projects.

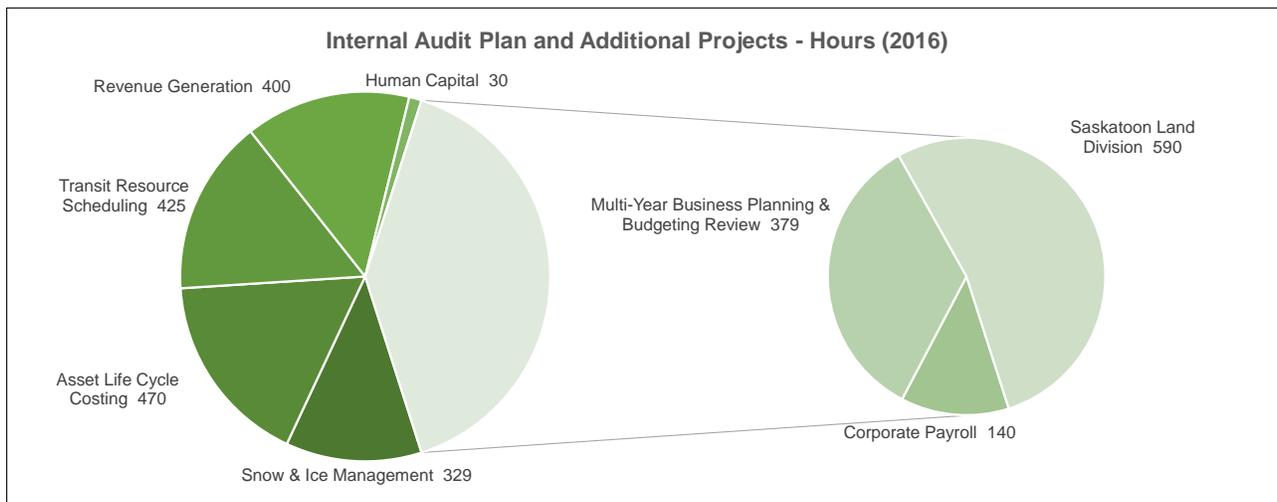
Overall Internal Audit Program



Notes: A total of 1,225.0 hours of internal audit work and 856.5 hours of additional consulting work have been billed to December 31, 2016.



Notes: A total of \$411,467 has been billed to December 31, 2016 for internal audit services, consulting services and disbursements. This represents 96% of the total operating budget for 2016.



Notes: The Internal Audit Program's 2016 operating budget has been fully allocated to specific audit and consulting projects.

Proposed Internal Audit Program Reserve

1. Purpose

The purpose of the Internal Audit Program Reserve is to provide a source of funding for the Internal Audit program, including both the projects on the approved annual internal audit plan as well as supplementary projects approved under Council Policy No., C02-032 Internal Audit Charter.

2. Source of Funds

This Reserve shall be funded from annual operating contribution from the Internal Audit budget.

3. Application of Funds

The funds in this Reserve will be used to fund the projects approved in the annual Internal Audit Plan and/or consulting projects approved by the Standing Policy Committee on Finance in accordance with Council Policy No. C02-032, Internal Audit Charter.

4. Responsibility

The Internal Audit Program Reserve will be managed by the Director of Corporate Risk.

Overview of the 2017 Assessment Roll

Recommendation

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

Topic and Purpose

The province of Saskatchewan has undergone a legislated reassessment of assessed values in 2017. This report provides an overview of the 2017 Assessment Roll.

Report Highlights

1. The purpose of a property reassessment is to recalculate property assessment values to a more current valuation date.
2. The Province of Saskatchewan made a change to the residential and multi-unit residential percentage of value to be applied to assessed values. This change does not result in individual properties paying more, nor does the City of Saskatoon receive any additional tax revenue.
3. Generally speaking, the 2017 assessed values have not increased in value as much as they did in 2013 with the last reassessment.

Strategic Goal

This report supports the Strategic Goal of Asset and Financial Sustainability by ensuring that assessment and taxation of properties in Saskatoon are open, accountable and transparent.

Background

At its meeting on April 25 and December 5, 2016, City Council received a report from the CFO/General Manager, Asset and Financial Management Department, regarding preliminary aggregate assessment values for the residential, commercial and multi-residential property classes. These increases were the result of moving from the 2011 base valuation date to the 2015 base valuation date.

Report

Purpose of a Property Reassessment

The assessments in place from 2013 to 2016 were based on January 1, 2011, market values. The 2017 assessments are based on market values as of January 1, 2015, and will be in place until the next reassessment in 2021.

Changes to the Taxable Assessment

The Province of Saskatchewan (Province) reviews the percentage of value to be applied to assessed values every four years in conjunction with a reassessment. This allows for shifting of the taxes to different property classes.

Overview of the 2017 Assessment Roll

For the 2017 Reassessment, the Province changed the percentage of value for the residential and multi-unit residential tax class from 70% to 80%. This percentage is applied to the assessed value to arrive at the taxable assessment which is used for taxation. It will have no impact on the amount of taxes collected by the City of Saskatoon (City).

The City ensures that all changes to property values, including the percentage change from 70% to 80%, are revenue neutral. This means that when the taxable assessment increases, the tax rates decrease to ensure that the same tax dollars are used as the starting point.

The following is an example and is for illustrative purposes only. It shows the effect that a change in assessment and percentage of value has on the mill rate based on a revenue neutral state.

2016 Assessed Value	2016 Taxable Assessment (70%)	2016 Municipal Tax Rate	2016 Municipal Taxes	2017 Assessed Value	2017 Taxable Assessment (80%)	Revised Municipal Tax Rate (Revenue Neutral)**	Revised (Revenue Neutral) Taxes
\$350,000	\$245,000	0.0075*	\$1,832	\$399,700	\$319,800	0.0057*	\$1,832

*Tax rates are rounded.

**Budget changes are added to the revenue neutral tax rates to determine the new tax rates for 2017.

On a revenue neutral basis, a residential property's taxable assessment would have to increase by approximately 30% to translate into a 0% tax change on a revenue neutral basis. The revised tax rate includes a calculation to account for the overall aggregate change to the residential tax class (14%), the percentage of value change (14%) and the compounding effect of these changes (2%).

In other words, a property's taxable assessment would have to increase by more than 30% to see a tax increase on a revenue neutral basis.

To assist property owners in understanding their assessment notice, "Your Guide to Information Found on the 2017 Assessment Notice" has been created (Attachment 1), which also includes an explanation of the 70% to 80% change in the percentage of value.

2017 Assessment Roll Highlights

As a result of updating assessed values to a more current valuation date, it is common for property values to change in response to supply and demand factors within the market. Generally speaking, the 2017 assessed values have not increased in value as much as they did in the last reassessment in 2013.

Overview of the 2017 Assessment Roll

The following table displays the aggregate assessment value changes by property class before the Provincial percentage of values are applied:

Property Class	Assessments as of Valuation Date Jan. 1, 2011	Assessments as of Valuation Date Jan. 1, 2015	% Change in Assessment between Valuation Dates	% Assessment Change Due to Reassessment
Commercial	\$ 6.927B	\$ 9.409B	36%	92%
Multi-Residential	\$ 1.764B	\$ 2.656B	51%	102%
Residential & Condominium	\$26.633B	\$29.849B	12%	83%
Agricultural	\$ 7.135M	\$15.140M	112%	46%

NOTE: This table includes only those properties used for taxation (values of exempt properties are not included).

There have been some types of properties that have increased in value above the overall change in its property class. The largest increase in the commercial sector was noted in the retail sub group at approximately 57% (median). In the residential single-family sub group, there were six residential neighbourhoods that saw average increases in its assessed values greater than 20%. These neighbourhoods are:

Ward	Neighbourhood	2016 Average Assessed Value*	2017 Average Assessed Value*	% Change in Assessment
1	City Park	341,165	412,754	21%
2	King George	174,573	213,721	22%
2	Riversdale	173,449	218,330	26%
4	Mount Royal	229,852	278,981	21%
6	Nutana	458,925	572,113	25%
6	Varsity View	417,887	522,435	25%

*Assessed Value (100% of value – before Provincial percentage of value applied).

Additional information relating to highlights of the 2017 Assessment Roll will be presented by the City Assessor (Attachment 1) at the January 30, 2017, Standing Policy Committee on Finance meeting.

Public and/or Stakeholder Involvement

The 2017 Assessment Roll is currently open for the 60-day Customer Review Period which ends March 10, 2017. This period is an opportunity for property owners to review their assessment, speak with an assessor about their assessment, and/or file a formal appeal.

Communication Plan

To address the key question residents have posed since receiving their 2017 Assessment Notices (“percentage of value” change from 70% to 80%), further communication support has been developed as follows:

- Assessment webpage has been enhanced with additional “percentage of value” information (saskatoon.ca);
- Frequently Asked Questions have been updated to include “percentage of value” information and example (saskatoon.ca);
- A new PDF, “Your Guide to Information Found on the 2017 Assessment Notice”, to support information found on the 2017 Assessment Notice is available on saskatoon.ca (Attachment 2);
- A media release will be issued to address the top 2017 Assessment Notice related question received from property owners – the Province’s change to the “percentage of value” from 70% to 80% for residential properties, and the effect, if any, on 2017 property taxes; and
- New graphic image added to the Revenue Neutral Property Tax Estimator to aid residents in identifying the assessment information that must be entered in order to preview an estimate (prior to any 2017 budget changes) of their property taxes for 2017.

Policy Implications

The policy implications are similar to previous reassessments through which City Council sought to keep the impact of revaluation, overall by class of property, revenue neutral. The Administration will be submitting further reports and recommendations related to a number of tax policy issues, including appeal contingencies and phase-in of “within class” changes in the commercial class due to reassessment.

Financial Implications

There are no further known financial implications other than the approved capital budget for revaluation which includes costs for additional mailings (assessment notices to all property owners), consultant fees and work associated with increased appeal activity.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

A report on tax policy issues, including recommendations for appeal contingencies and phase-in for the commercial tax class will be presented to the Standing Policy Committee on Finance and City Council in March 2017.

Overview of the 2017 Assessment Roll

Public Notice

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

Attachments

1. "Your Guide to Information Found on the 2017 Assessment Notice"
2. 2017 Reassessment – Assessment Roll Highlights

Report Approval

Written by: Darcy Huisman, City Assessor
Reviewed by: Shelley Sutherland, Director of Corporate Revenue
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial
Management Department

Overview 2017 Assessment Roll.docx



Your Guide to Information Found on the 2017 Assessment Notice

To be shown a preview of the effect of the 2017 Reassessment on your 2017 Property Taxes (not including the 2017 Budget changes) use the **Revenue Neutral Property Tax Estimator**:

➤ saskatoon.ca/taxestimator

- Property Tax Notices are mailed to property owners in May 2017
- Your Property Tax payment is due June 30, 2017

- 1 ROLL NUMBER:** The Roll Number is the unique identifier for your property.
- 2 ASSESSED VALUE:** This shows your 2016 Assessed Value, based on the property's market value assessment as of January 1, 2011.
The last reassessment of your property was conducted in 2013.

- 3 PREVIOUS % OF VALUE/TAXABLE ASSESSMENT:** Provincial legislation determines the percentage of the Assessed Value that is taxable by a municipality (City of Saskatoon).
The 'Percentage of Value' is applied to a property's Assessed Value to arrive at the Taxable Assessment.
In this example, the previous Taxable Assessment was 70% of \$317,800 or \$222,460.

- 4 ASSESSED VALUE:** This shows your property's **new 2017 Assessed Value**, based on the property's market value assessment as of January 1, 2015. In this example, the property's Assessed Value has increased.

Your property's Assessed Value is not the value of what you'd sell your property for today, it is calculated to reflect what it might have sold for, or the market value assessment, as of January 1, 2015.
Changes in the real estate market after January 1, 2015 will be reflected in the next province-wide reassessment in 2021. As legislated, market data or information that surfaced after January 1, 2015 cannot be considered in the 2017 Reassessment.

- 5 CURRENT % OF VALUE/TAXABLE ASSESSMENT:** The Province changed the 'Percentage of Value' on residential properties from 70% to 80% for the 2017 Reassessment. Property owners will not pay more because of this change.
The effective tax rate decreases to ensure the municipal tax revenue generated stays the same. In this example, the current Taxable Assessment is 80% of \$357,900, or \$286,320.

- 6 SCHOOL SUPPORT:** This is the school support as recorded for this property. Please refer to the back of your assessment notice for information on changes or corrections for your school support.

- 7 QUESTIONS OR CONCERNS?** Most concerns can be addressed by speaking with an assessment appraiser prior to starting a formal appeal process with required fees. Call **306-975-3227**, or visit saskatoon.ca/assessment for more information on your assessment or the formal appeal process.

- 8 THE 60-DAY CUSTOMER REVIEW PERIOD** is open from **January 9, 2017 – March 10, 2017**. Changes to your assessment will only be considered if your appeal is received during the review period. Only your property's assessed value can be appealed, not your property taxes.

SAMPLE 2017 ASSESSMENT NOTICE



Corporate Revenue, Assessment & Taxation
325 - Third Avenue North, Saskatoon, SK S7K 0J5
Telephone 306-975-3227

CIVIC ADDRESS	
123 ANY STREET	
ROLL NUMBER	
123456789	

1

556/501

DOE, JOHN
123 ANY STREET
SASKATOON SK S1A 2B3

REGISTERED OWNERS

Doe, John

LEGAL DESCRIPTION

Parcel(s): 111222333

Description	2	3		4	5	
	Assessed Value	Previous Values % of Value	Taxable Assessment	Assessed Value	Current Values % of Value	Taxable Assessment
Residential Land And Improvements Taxable Portion	317,800	70%	222,460	357,900	80%	286,320
Totals	317,800		222,460	357,900		286,320

6

The school support for this property is designated as follows:
Mailing Date: **January 09, 2017**.

Public School Board: 100%
Separate School Board: 0%

All complaints against this assessment must be made on the notice of appeal form (below) AND must be delivered to the Board of Revision c/o the City Clerk's Office no later than **March 10, 2017**.

7

NOTICE OF APPEAL TO THE BOARD OF REVISION

Civic Address: 123 Any Street Roll Number: 123456789 Last Date of Appeal: March 10, 2017

School support shown is incorrect. A SIGNED declaration form completed by each owner wishing to change their school support must be attached. These forms are available in **Assessment & Taxation** at 325 - Third Avenue North and online at saskatoon.ca. **No fee.**

I am appealing against the assessment of this property. Applicable appeal fee must be included. Specific grounds for appeal and summary facts must be stated using the space provided on the reverse side.

8

Appellant's Name: (please print)		Agent's Name (if named/known): (please print)		Agent / Appellant's Signature:	
Mailing Address:		Mailing Address:			
City/Town:		City/Town:			
Province:	Postal Code:	Province:	Postal Code:	Date:	
Home Phone #:	Business Phone #:	Home Phone #:	Business Phone #:		
Fax #:	Cell #:	Fax #:	Cell #:		
E-mail address:		E-mail address:			
Appellant's interest in the property (eg. Owner, tenant, property mgr):					
Assessment value under appeal:				Fee Enclosed \$:	

2017 Reassessment

Assessment Roll Highlights

Standing Policy Committee on Finance
January 30, 2017

Reassessment

- Legislated to occur every 4 years in Saskatchewan
- Updates property values to reflect changes in the market since last valuation date
- 2017 valuation date – January 1, 2015
- Customer Review Period
 - 60 days – January 9 to March 10, 2017

2017 Assessment Roll

	Beginning of 2016	2017
No. of Accounts	92,464	94,755
Total Assessed Value (billions)	\$41.7	\$52.1

Property Values as of January 1, 2015

1. Residential:

- Relatively consistent shifts across most of the city
- Overall: 12%
 - Single-family: 13%; Residential Condominiums: 5%

2. Non-Residential: varied based on sub-property type

- Overall Commercial tax class increase: 36%
 - Retail: 57%; Office: 44%; Industrial: 34%

3. Overall Multi-Residential Tax Class Increase: 51%

Property Assessments – Residential & Condo

- Approximately 88,000 properties
- 2017 Assessment Roll value – \$30.1 billion
- Median assessments
 - Single residential – \$364,000
 - Residential condominium – \$252,700
- Typical market value assessment change is 12%
 - 14% including Multi-Residential

Revenue Neutral

- Reassessments are revenue neutral to Saskatoon
- No additional tax revenue is generated as a result of
 - Percentage of value changes and/or assessed value changes
 - Mill rate is adjusted to offset increase
- Percentage of value
 - Set by the Province every 4 years in conjunction with the reassessment
 - Residential and Multi-Residential property class changed from 70% to 80%
- Value changes
 - Same amount of property taxes within a property class is collected as in 2016
 - An individual tax change is entirely dependent on how much the property's value changed relative to the average change within the property class

How Property Assessment Relates to Taxes

- Assessment values are used to calculate taxes
- Assessed values \times percentage of value = taxable assessment
- Taxable assessment \times tax rate = tax levy
- Tax rate is adjusted to keep the taxes unaffected by the percentage of value and overall value changes within property classes

Revenue Neutral Tax Change

If a residential property's change in assessment is:

- **Less** than the typical change
 - revenue neutral taxes **will decrease**
- **Same** as the typical change
 - revenue neutral taxes **will stay about the same**
- **More** than the typical change
 - revenue neutral taxes **will increase**

Revenue Neutral Tax Change – Single-Family

- 90% will stay within +/- 10% of last year's taxes
- 42% will have a decrease
- 58% will have an increase

Does not include any 2017 tax rate changes by City Council and/or the Province of Saskatchewan

Revenue Neutral Tax Change – Condominium Properties

- 54% will stay within +/- 10% of last year's taxes
- 84% will have a decrease
- 16% will have an increase

Property Assessments – Non-Residential

- Accounts – approximately 7,000
- 2017 Assessment Roll value – \$22 billion
- Typical market value assessment change for Commercial tax class – 36%
- Typical market value assessment change for Multi-Residential tax class – 51%

Revenue Neutral Tax Change – Commercial & Multi-Residential

- 18% will be within +/- 10% of last year's taxes
- 35% will have a decrease
- 65% will have an increase

For Detailed Assessment Information...

www.saskatoon.ca/assessment

- Property Assessment and Tax Tool
 - View current and historical assessment and tax information
 - Your property's characteristics
 - Other properties assessed values
 - Sales information
- Updated FAQs (including information on the percentage of value) and 2017 Reassessment Brochure
- YouTube video *"Understanding Residential Property Tax Assessment"*
- Sample Assessment Notice *"Your Guide to Information Found on the 2017 Assessment Notice"*
- Revenue Neutral Property Tax Calculator
 - Easy-to-use
 - Property owners can view the estimated increase or decrease to their property taxes

2017 Budget Approval – Business Improvement Districts

Recommendation

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

1. That the 2017 budget submissions from the Downtown Business Improvement District, Broadway Business Improvement District, Riversdale Business Improvement District, Sutherland Business Improvement District, and 33rd Street Business Improvement District be approved; and
2. That the City Solicitor be requested to prepare the 2017 Business Improvement District Levy Bylaws for submission to City Council for consideration at the same meeting that the Mill Rate Bylaws are presented.

Topic and Purpose

The purpose of this report is to receive City Council approval of the 2017 budgets for each of Saskatoon's five Business Improvement Districts.

Report Highlights

1. In accordance with the Business Improvement District (BID) Bylaws, each BID has submitted its 2017 budget for City Council approval.

Strategic Goal

The Business Improvement District Bylaws support the long-term strategy of creating a business-friendly environment under the Strategic Goal of Economic Diversity and Prosperity.

Background

The BIDs are required to have City Council approve its annual budgets. The BID levies charged to commercial properties within the respective BID areas are based on its budget requirements.

There are five Saskatoon BIDs which were established by Bylaw in the following years:

1. 1986 - Downtown BID Bylaw No. 6710
2. 1986 - Broadway BID Bylaw No. 6731
3. 1990 - Riversdale BID Bylaw No. 7092
4. 1999 - Sutherland BID Bylaw No. 7891
5. 2014 - 33rd Street BID Bylaw No. 9235

Report

In accordance with the BID bylaws, each BID has submitted its 2017 budget (Attachments 1 – 5) for City Council approval. The 2016 financial statements will be submitted at a future date. The 2017 budgeted levy request for each BID was approved by each BID's Board of Management and is summarized on the following page.

2017 Budget Approval – Business Improvement Districts

BID	2017 Levy Request	Increase from 2016		Reason for Adjustment
		\$	%	
Downtown	\$719,588	\$103,448	17%	Administration, marketing, and street maintenance costs
Broadway	\$186,700	\$0	0%	No increase from previous year
Riversdale	\$173,772	\$6,684	4%	Increased business activity, annual adjustments, expansion of programming
Sutherland	\$47,460	\$17,460	58%	Programming and streetscape maintenance costs
33 rd Street	\$30,000	\$10,000	50%	Hire half-time Administrator/Executive Director

Options to the Recommendation

City Council has the option to not approve any or all the BID budget submissions, which would require the BID(s) to resubmit its budget for approval.

Other Considerations/Implications

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

Public and/or stakeholder involvement and a communication plan are not required.

Due Date for Follow-up and/or Project Completion

The BIDs' budgets need City Council approval by the end of March 2017 to ensure adequate time to draft the bylaw for approval. The bylaws to set the BID levies for each of the five BIDs will be submitted to City Council before the end of April 2017.

Public Notice

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

Attachments

1. Downtown BID – Letter dated December 16, 2016 and 2017 Proposed Budget
2. Broadway BID – Letter dated December 16, 2016 and 2017 Proposed Budget
3. Riversdale BID – Letter dated January 12, 2017 and 2017 Proposed Budget
4. Sutherland BID – Letter dated December 01, 2016 and 2017 Proposed Budget
5. 33rd Street BID – Letter dated January 11, 2017 and 2017 Proposed Budget

Report Approval

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

BIDS 2017.docx



December 16, 2016

His Worship the Mayor and City Councillors
 c/o Ms. Pam Kilgour, CPA, CMA
 Property Taxation and Support Manager
 Corporate Revenue
 City of Saskatoon
 222 3rd Avenue North
 Saskatoon, SK S7K 0J5

Re: Downtown Saskatoon BID Proposed 2017 Operating Budget

Dear Ms. Kilgour,

Please find enclosed the proposed 2017 Operating Budget for the Downtown Saskatoon Business Improvement District. This budget was approved by the Downtown Saskatoon Board of Management for submission to the City of Saskatoon at its meeting held on November 17, 2016.

The budget reflects the hiring of a Marketing & Communications Manager which gets our staffing levels back to what they were prior to 2014 and adds a much needed person to work on marketing the district and enhancing our communication efforts. Plans for next year include continuing to support existing events as well as providing help to events or festivals trying to animate the district in positive ways. We are working with the eight downtown hotels to provide enhanced amenities for their guests, and hope to have exciting details of this to announce in the spring. We will also undertake a survey on issues related to downtown which will include topics such as safety, cleanliness, and the public realm of downtown Saskatoon.

In addition to our maintenance program, which provides cleaning, snow clearing and other activities currently five days a week, we will be moving to a seven day per week staffing schedule. We believe the activity in the district warrants having staff cleaning daily from May to August.

The Downtown BID looks forward to a continued close working relationship with the City of Saskatoon. 2016 saw Downtown Saskatoon undertake and carry out a rebrand of the organization; one which we feel positions the BID well to enhance efforts at marketing and animating downtown. As we move into our thirty-first year of operation, we do so at a time where support for Downtown Saskatoon is necessary. In addition to working with downtown stakeholders, we will look to the City of Saskatoon for leadership in this regard.

Submitted on behalf of the Board of Management,

A handwritten signature in blue ink, appearing to read 'Brent Penner'.

Brent Penner
 Executive Director

Attachment: 2017 DBID Operating Budget

cc: Chris Beavis, Board Chair



Downtown Saskatoon Business Improvement District
2017 Proposed Operating Budget
 For City Council Approval

	2016 Budget	2016 Actuals (to 16dec15)	2017 Budget
REVENUES			
DBID Levy	616,140.00	602,461.00	719,588.00
Parking Reserve Revenue	35,900.00	35,900.00	35,900.00
Special Event Revenue	20,000.00	18,650.00	20,000.00
Street Maintenance Revenue	25,600.00	27,294.79	27,000.00
Other Revenue	1,000.00	9,881.63	2,000.00
Interest Revenue	6,300.00	4,828.71	4,500.00
Community Support Program Administration	8,000.00	8,000.00	8,000.00
Total Revenues	\$712,940.00	\$707,416.13	\$816,988.00
EXPENSES			
Administration			
Accounting & Professional Services (Legal, IT, Payroll)	17,000.00	12,634.18	17,000.00
Office Rent & Maintenance	52,900.00	53,510.00	55,000.00
Office Expenses	36,950.00	30,781.32	36,675.00
Salaries & Benefits	285,160.00	267,247.64	331,098.00
Total Administration	392,010.00	364,173.14	439,773.00
Marketing, Research & Education			
Marketing, Advertising & Research	69,650.00	82,233.34	109,200.00
Professional Development	18,800.00	9,648.24	18,000.00
Heritage Programming	2,000.00	2,008.10	3,000.00
Total Marketing, Research & Education	90,450.00	93,889.68	130,200.00
Board & Committees			
Board Meetings & Related	3,500.00	3,088.37	3,500.00
Committees	1,200.00	1,282.18	1,200.00
Memberships	3,800.00	2,174.10	4,000.00
Total Board & Committees	8,500.00	6,544.65	8,700.00
Special Events			
New Event Opportunities	3,500.00	2,471.88	10,000.00
Established Festivals & Events	29,325.00	29,307.56	26,500.00
Total Special Events	32,825.00	31,779.44	36,500.00
Street Enhancement Program			
Street Maintenance Equipment & Supplies	22,540.00	18,808.43	20,665.00
Street Maintenance Program Summer/Winter	161,680.00	152,103.49	180,000.00
Tree Lights & Information Directories	4,585.00	9,242.37	800.00
Total Street Enhancement Program	189,155.00	180,323.03	201,815.00
Total Expenses	\$712,940.00	\$676,709.94	\$816,988.00
Revenues less Expenses	\$0.00	\$30,706.19	\$0.00
Draw to/from Reserve	0.00	0.00	0.00
Surplus (Deficit) after Draw to/from Reserve	\$0.00	\$30,706.19	\$0.00

December 16, 2016



His Worship Mayor Clark & Members of City Council, City of Saskatoon
c/o Pam Kilgour, Property Taxation and Support Manager
Corporate Revenue, 222 3rd Ave N, Saskatoon SK S7K 0J5

Re Broadway Business Improvement District 2017 Budget Submission

Your Worship and Councillors,

Please find enclosed the 2017 proposed budget for the Broadway Business Improvement District (BBID), which has been approved by the Board of Directors for submission to the City of Saskatoon.

A year of flux and transition for Broadway Avenue and the BBID, 2016 has been a year to press the reset button. A tough summer of road construction has led to a beautiful street scape with more reliable infrastructure for the foreseeable future and momentum for new priorities.

A new Executive Director, DeeAnn Mercier, started with the BBID at the end of summer and we are excited by her energy and enthusiasm for the district. Building on 2015 and 2016 stakeholder engagement and strategic planning, rebranding of the district has started and will continue in the new year.

- In support of Living Wages and the economic impact they can have for our own business and community, the Broadway BID endeavours to continue to phase in an increase toward living wage rates for employees who were previously closer to minimum wage, with Marketing Summer Student and Maintenance Support Worker starting wage of \$15 an hour;
- With the intention of continued stakeholder engagement, we cover costs of member-based events, as well as more board development opportunities;
- The budget was designed to keep the levy equal to, or below last year's budget and focus on revamping existing programs and events to be more cost effective.

We are looking forward to the year ahead, and thankful for your ongoing support of the BBID.

On behalf of the Broadway BID Board of Directors,

A handwritten signature in dark ink, appearing to read "Troy Smith", is written over a white rectangular area.

Troy Smith
Board Chair
Broadway Business Improvement District

Enclosures: 2016 BBID Budget & 2017 Board Members



**Broadway Business Improvement District
2017 Operating Budget**

	<u>2016 Budget</u>	<u>2016 Actuals (Estimated)</u>	<u>2017 Budget</u>
REVENUES			
BBID Levy	186,700.00	192,963.00	186,700.00
COS Flex Parking Revenue	35,900.00	35,900.00	35,900.00
COS Grants (Flower Pots & Graffiti)	4,388.00	3,888.00	7,880.00
Staff Grants	6,000.00	4,065.00	6,000.00
Marketing Initiatives	0.00	500.00	0.00
Urban Design Reimbursement	0.00	23,530.00	0.00
Special Event Revenue	39,500.00	26,197.80	18,000.00
Interest Earned	1,350.00	804.18	800.00
Miscellaneous Revenue	0.00	1,110.30	0.00
Transfer from Reserves	53,164.00	49,997.49	0.00
Total Revenues	327,002.00	338,955.77	255,280.00
EXPENDITURES			
Administration			
Salaries & Benefits	179,817.00	185,028.05	152,212.06
Accounting & Legal	13,850.00	10,069.15	10,000.00
Advertising & Promotions	2,670.00	2,475.00	2,090.00
Rent, including Utilities	14,000.00	13,719.32	14,000.00
Office Expenses	14,400.00	9,718.00	13,000.00
Total Administration	224,737.00	221,009.52	191,302.06
Programming			
Business Development Expenses	250.00	0.00	250.00
Business Professional Development	500.00	200.00	500.00
Community Professional Development	3,000.00	0.00	3,000.00
Conferences	8,000.00	3,559.78	8,000.00
Memberships & Committees	600.00	1,176.51	1,000.00
Graffiti Maintenance Program	1,000.00	3,089.65	2,000.00
New Marketing Initiatives	10,000.00	71,581.21	4,000.00
BBID Grant to Members	10,000.00	0.00	10,000.00
BBID Capital Project	10,000.00	0.00	5,000.00
Total Programming	43,350.00	79,607.15	33,750.00
Special Projects and Events			
Snow Day on Broadway	7,000.00	0.00	0.00
Annual Meeting of the Members	1,500.00	264.79	500.00
Art Fest/Spring Event	7,000.00	1,311.74	1,500.00
Live@Lunch	1,000.00	0.00	0.00
Walk of Stars	1,500.00	0.00	1,500.00
Code & Map/Walking Tours	700.00	0.00	500.00
Street Fair	17,000.00	16,121.72	17,000.00
Jingle Bucks	7,000.00	1,000.00	0.00
Neighbourhood/ Winterlude	500.00	4,007.44	4,000.00
Third Thursday	1,000.00	0.00	0.00
Broadway Repaving Animation	5,000.00	4,010.76	0.00
Broadway 360	365.00	0.00	400.00
BBID Event Sponsorship	1,000.00	200.00	500.00
Total Special Projects	50,565.00	26,916.45	25,900.00
Board Expenses			
Board Expenses	500.00	682.80	500.00
Board Development	3,500.00	700.00	3,500.00
Total Board Expenses	4,000.00	1,382.80	4,000.00
Reserves			
Transfer to Reserves	4,350.00		
Total Expenditures & Reserves	327,002.00	328,915.92	254,952.06
Surplus/(Deficit)	-	10,039.85	327.94



2017 Broadway BID Board of Directors

As of December 20, 2016

Year of Appointment

2016	Executive Chair	Troy Smith Group2, Owner
2015	Vice-Chair	Tania Friesen Nosh Eatery & Tap, Owner
2016	Secretary	Cristle Hardy Modern Country Interiors, Manager
Appointed Dec 2016		Councillor Cynthia Block City Councillor - Ward 6
2014		Kyle Jabs McDougall Gauley, Junior
2014		Reid Challis the Bike Doctor, Marketing
2016		Edyta Sieminska Calories, Co-Owner



Thursday, January 12, 2017

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

To His Worship and Members of City Council:

Re: Riversdale Business Improvement District's 2017 Budget

The Riversdale Business Improvement District (RBID) Board of Management has unanimously approved the 2017 operating budget and is requesting a 4% increase to the RBID levy reflecting more business activity, annual adjustments, and continued expansion of programming growth in this historic retail corridor.

Expanding the very successful YXEats this fall, along with sellout crowds to Silence is Golden at the Roxy Theatre, is taking place in the District amidst its many challenges. Further promotion and investment is anticipated with the opening of the Remai Modern this year, along with a review of Avenue A South, the Idylwyld Drive Corridor Study, and improved parking availability on 19th Street West. The RBID Board will be reinvesting in several key areas this year including new marketing material, and a service vehicle for watering flower pots and boulevard trees.

We look forward to attracting more small, quality, and unique businesses that continue to provide local job opportunities and create further improvements to the area.

Sincerely,

A handwritten signature in black ink that reads 'Randy Pshebylo'. The signature is fluid and cursive, written over a white background.

Randy Pshebylo, BDM
 Executive Director
 Riversdale Business Improvement District

Riversdale Business Improvement District
[Facebook](#) | [Twitter](#) | [Web](#) | P 306.242.2711 | F 306.242.3012
 Riversdale Business Improvement District
 344 20th Street West, Saskatoon, SK, S7M 0X2

Riversdale Business Improvement District

2017 Operating Budget

For Council Approval

	2016 Budget	2016 Budget (unaudited)	2017 Budget (For Approval)
REVENUES			
BID Levy	\$167,088.34	\$167,120.00	\$173,771.87
Parking Grant	\$35,900.00	\$35,900.00	\$35,900.00
Interest Income	\$500.00	\$1,811.02	\$2,000.00
Other Income	\$6,100.00	\$2,872.25	\$6,400.00
Street Maintenance	\$7,950.00	\$8,674.00	\$8,000.00
Total Revenue	<u>\$217,538.34</u>	<u>\$216,377.27</u>	<u>\$226,071.87</u>
EXPENSES			
Administration			
Rent/Utilities	\$8,700.00	\$9,003.16	\$9,000.00
Wages and Benefits	\$155,444.76	\$142,091.66	\$160,000.00
Office Expense	\$11,000.00	\$6,199.67	\$11,000.00
Accounting and Legal	<u>\$10,000.00</u>	\$7,323.28	\$10,000.00
Total Administration	<u>\$185,144.76</u>	<u>\$164,617.77</u>	<u>\$190,000.00</u>
MARKETING AND RESEARCH			
Newsletter/Community Relations	<u>\$12,000.00</u>	<u>\$9,698.05</u>	<u>\$12,000.00</u>
Total Marketing and Research	<u>\$12,000.00</u>	<u>\$9,698.05</u>	<u>\$12,000.00</u>
Programming			
Clean and Safe/Vehicle and Fuel Expense	\$4,500.00	\$1,495.51	\$4,500.00
Heritage Projects/Special Events&Projects	<u>\$8,000.00</u>	\$6,511.23	\$8,000.00
Total Programming	<u>\$12,500.00</u>	<u>\$8,006.74</u>	<u>\$12,500.00</u>
BOARD EXPENSE			
Travel and Conference			
Meeting/Board and Staff Education	\$5,000.00	\$4,590.30	\$15,000.00
	<u>\$5,500.00</u>	\$4,762.42	\$5,500.00
Total Board Expenses	<u>\$10,500.00</u>	<u>\$9,352.72</u>	<u>\$20,500.00</u>
Reserves	\$ (2,606.42)	\$24,641.68	\$ (8,928.13)
Total Expenditures and Reserves	<u>\$220,144.76</u>	<u>\$191,675.28</u>	<u>\$235,000.00</u>
Total Surplus/Deficit	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>



1000 Central Avenue, Saskatoon, SK S7N2G9
 Telephone: (306) 477-1277 Facsimile: (306) 374-7198
www.sutherlandbid.ca

December 1, 2016

His Worship Mayor Clarke & Members of City Council
 City of Saskatoon
 c/o James Nechiporenko, Budget Manager
 City Hall
 222-3rd Avenue North
 Saskatoon, SK S7K 0J5

Your Worship and Councillors:

Re: Sutherland Business Improvement District 2017 Budget Submission

Enclosed is a copy of the 2017 budget for the Sutherland Business Improvement District (SBID) which has been approved by the Board of Management for submission to the City of Saskatoon.

2016 was a year of completion of Phase 2 of our Streetscape Project, the re-paving of 110th Street to 115th Street and concrete work adjacent to businesses. With this work now complete, emphasis was placed on keeping Central Avenue looking as it does resulting in an increase to the expenditure side of our budget. We see this operational cost continuing in 2017.

In 2017, our Board of Management will aggressively push to confirm what funding options are available (current and future) for continued streetscape improvements and programs within our BID. Currently, the SBID is the only BID participating in the City Wide program. The SBID is to remain in this Program for the short-term as we continue discussions regarding the next phase(s) of streetscaping on Central Avenue. The City anticipates funding should be available in 2018. We find it imperative that this work be complete in 2018 as it was originally intended to be available for 2017.

We have said this in the past and would like to emphasize again that the administrative and project staff of the City of Saskatoon continue to support our BID with their expertise and time. We look forward to their continued support and involvement as we plan for the next phase(s) of our streetscape program.

Respectfully submitted on behalf of the Board of Management,

Sheldon Wasylenko, Chair
 Enclosure

Sutherland Business Improvement District

2017 Operating Budget for Council Approval

	2016 Budget	2016 Forecast YTD	2017 Budget (Proposed)
REVENUE			
Business Levy	\$ 30,000.00	\$ 30,130.00	\$ 47,460.00
Sponsorship/Programs	\$ 2,500.00	\$ 2,590.00	\$ 2,640.00
Surplus Revenue	<u>\$ 8,700.00</u>	<u>\$ 13,028.00</u>	<u>\$ 5,000.00</u>
Total Revenue	\$ 41,200.00	\$ 45,748.00	\$ 55,100.00
EXPENDITURES			
Administration			
Executive Director (Contract)	\$ 25,000.00	\$ 24,000.00	\$ 25,000.00
Administrative Support	\$ 200.00	\$ 910.00	\$ 1,000.00
Audit Fees	<u>\$ 1,500.00</u>	<u>\$ 1,603.00</u>	<u>\$ 1,800.00</u>
Total Administration	\$ 26,700.00	\$ 26,513.00	\$ 27,800.00
Programming			
Welcome Train Sign	\$ 500.00	\$ 1,880.00	\$ 2,000.00
Website maintenance	\$ 1,500.00	\$ 650.00	\$ 1,000.00
Member development	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000.00</u>
Total Programming	\$ 2,000.00	\$ 2,530.00	\$ 5,000.00
Special Projects			
Urban Camp Proj/repairs	\$ 750.00	\$ 1,165.00	\$ 1,500.00
Street signs	\$ -	\$ 285.00	\$ 300.00
Flower project/street maint	\$ 3,500.00	\$ 10,900.00	\$ 12,000.00
Graffiti project	<u>\$ 500.00</u>	<u>\$ -</u>	<u>_____</u>
Total Special Projects	\$ 4,750.00	\$ 12,065.00	\$ 13,800.00
Board Expense			
Board Meetings	\$ 1,250.00	\$ 805.00	\$ 1,000.00
Strategic Planning	\$ -	\$ -	\$ -
Training, Conferences, Events	\$ 6,000.00	\$ 2,550.00	\$ 6,000.00
Memberships	<u>\$ 500.00</u>	<u>\$ 1,285.00</u>	<u>\$ 1,500.00</u>
Total Board Expense	\$ 7,750.00	\$ 4,640.00	\$ 8,500.00
Total Expenditures	\$ 41,200.00	\$ 45,748.00	\$ 55,100.00
Annual Operating Surplus/Deficit	\$ -	\$ -	\$ -
RESERVES			
Start of year	\$ 70,840.00	\$ 75,600.00	\$ 62,572.00
Contribution to reserve	\$ -	\$ -	\$ -
Reserves used	<u>\$ 8,700.00</u>	<u>-\$ 13,028.00</u>	<u>\$ 5,000.00</u>
Year End Surplus/Deficit	\$ 62,140.00	\$ 62,572.00	\$ 57,527.00

Signed and dated

Lloyd Moker, Executive Director, SBID

Kos Kosmas, Secretary/Treasurer, SBID

33rd Street **Business Improvement District**

January 11, 2017

His Worship, the Mayor, and City Councillors
c/o Ms. Pamela Kilgour
Property Taxation and Support Manager
Corporate Revenue
222 3rd Avenue North
Saskatoon, SK S7K 0J5

Dear Ms. Kilgour,

Please find enclosed our 2017 Operating Budget for the 33rd Street Business Improvement District. This budget was approved by the Board for submission to the City of Saskatoon. 2016 was our second year in operation as a Business Improvement District, and our Board continued to focus primarily on establishing the foundations of our organization. We also prioritized establishing our individual brand and growing our 33rd Street Fair.

In 2017, our Board intends to hire a half time Administrator/Executive Director to assist us in meeting our members' needs and to ensure we have an effective Business Improvement District. To assist in funding this half time position, we are requesting an increase to our budget.

Respectfully submitted on behalf of the 33rd Street Business Improvement District
Board of Directors,



Maya Scott
Co-chair
33rd Street Business Improvement District

Encl: 33rd Street BID 2017 Operating Budget

33RD STREET BUSINESS IMPROVEMENT DISTRICT

Saskatoon Business Improvement Districts

Final 2017 Draft Operating Budget

For Council Approval

	2016 Budget	2016 Actual Preaudit	2017 Budget
<u>REVENUES</u>			
Bid Levy	\$ 20,000	\$ 19,678	\$ 30,000
Street Fair		\$ 1,310	\$ 800
GST Refund	\$ 500	\$ 271	\$ 300
Total Revenues	\$ 20,500	\$ 21,259	\$ 31,100
<u>EXPENDITURES</u>			
Administration			
Directors' Insurance	\$ 650	\$ 650	\$ 650
Bank Fees	\$ 100	\$ 84	\$ 100
Accounting/Legal, Professional Services	\$ 2,500	\$ 2,673	\$ 2,700
Miscellaneous Office Expenses	\$ 1,000	\$ 196	\$ 1,000
Total Administration	\$ 4,250	\$ 3,603	\$ 4,450
Special Projects & Events			
Shop the Neighbourhood	\$ -	\$ -	\$ -
33rd Street Fair BID Contributions	\$ 4,000	\$ 4,659	\$ 4,000
Total Special Projects	\$ 4,000	\$ 4,659	\$ 4,000
Market/Research & Education			
Marketing & Advertising	\$ 5,000	\$ 4,710	\$ 10,000
Banner Fabrication & Installation	\$ 3,000		\$ 5,500
Total Market/Research	\$ 8,000	\$ 4,710	\$ 15,500
Street Enhancement			
Maintenance	\$ 4,000	\$ 550	\$ 1,100
Street Scaping			
Total Street Enhancement	\$ 4,000	\$ 550	\$ 1,100
Total Expenditures	\$ 20,250	\$ 13,522	\$ 25,050
Surplus/Deficit	\$ 250	\$ 7,737	\$ 6,050
<u>RESERVES</u>			
Executive Director	\$ -	\$ -	\$ 20,000
Banner Fabrication & Installation	\$ 4,000	\$ 4,000	
Marketing & Advertising Fund	\$ 5,000	\$ 5,000	
Street Furnishing Fund	\$ 4,250	\$ 4,000	\$ 750
Expenditures & Reserves	\$ (13,000)	\$ (5,263)	\$ (14,700)

Purchase Requirement Amendments to Council Policy No. C09-001, Residential Lot Sales – Contractor Allocations

Recommendation

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

1. That the revisions to Council Policy No. C09-001, Residential Lot Sales – Contractor Allocations, as outlined in this report, be adopted; and
2. That the City Clerk be requested to update the policies as reflected in this report.

Topic and Purpose

The purpose of this report is to propose amendments to Council Policy No. C09-001, Residential Lot Sales – Contractor Allocations, to add flexibility to the Eligible Contractor purchase requirement. Current policy requirement to purchase one lot every two years is not in alignment with current market conditions. Many Saskatoon Land builder customers of varying sizes are in danger of being removed from the Eligible Contractor listing due to their inability to satisfy the purchase requirement over the last two years.

Report Highlights

1. Council Policy No. C09-001 currently requires contractors to purchase one lot every two years to maintain eligible status and confirm they are active in the new home building market.
2. Slower sales and moderating demand for new homes has resulted in many contractors deciding not to purchase lots throughout the 2015 and 2016 calendar years.
3. Fifty-five Eligible Contractors are currently in violation of purchase requirement criteria and will be removed from the eligibility list. Many of these contractors have remained active in the new home market, building new homes on previously purchased lots or by attempting to sell completed new homes.
4. The Administration is proposing changes to Council Policy No. C09-001 to allow contractors additional options to demonstrate they are remaining active in the new Saskatoon home market.

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

Background

At its meeting on April 8, 2013, City Council resolved to amend Council Policy No. C09-001, Residential Lot Sales – Contractor Allocations to change purchase requirement criteria from one lot every three years to one lot every two years. At the time, the change was proposed to eliminate those builders who were not participating in the robust housing market, who had been choosing to purchase land from other developers, or may not be building homes as their primary source of income. The change resulted in 13 Eligible Contractors being removed from the list.

Further changes to Council Policy No. C09-001 were adopted by City Council on June 27, 2016 which added additional contractor criteria for safety certification and training requirements. The criteria added new requirements for contractors to demonstrate a level of home building professionalism prior to purchasing and building homes in Saskatoon Land's developments.

Report

Current Purchase Requirement Criteria

The purpose of Council Policy No. C09-001 is to assist in fostering competition and diversity in the home building industry in Saskatoon by ensuring a fair and equitable allocation of City-owned lots to Contractors. Section 3.3 of the policy outlines the various criteria that a contractor/builder must meet, including a purchase requirement that states:

“Contractors must purchase one lot every two years in order to maintain eligible status.”

Since being implemented into policy at the peak of one of Saskatoon's most robust housing markets, the purchase requirement has been an adequate tool to ensure that the Eligible Contractor listing only included builders that remain active in the new home market. Furthermore, it provided a means by which Saskatoon Land could effectively maintain the listing and remove Eligible Contractors who were not participating in the robust market, who had been choosing to purchase land from other developers, or may no longer be building homes at all.

Changing Market Conditions

As a result of lower commodity prices and reduced population growth in Saskatoon, demand for new single-family lots has declined significantly in 2015 and 2016. The City of Saskatoon's annual single-family lot sales have dropped to approximately \$20M in the last two years from a high of over \$100M in 2012 (Attachment 1). More recently, builder customers have been reluctant to purchase new lots as they were still working through lot inventory acquired previously, and completed speculative homes are taking longer to sell.

Purchase Requirement Amendments to Council Policy No. C09-001, Residential Lot Sales – Contractor Allocations

Not surprisingly, over the same time period, the number of contractors on Saskatoon Land's Eligible Contractor list has also declined from 224 in 2013 to 139 in 2016 as shown below.

Year	Total
2013	224
2014	183
2015	170
2016	139

Annual reductions are due to a combination of enforcement of the purchase requirement, inability of contractors to meet other eligibility requirements, or contractors voluntarily deciding to exit the homebuilding industry.

Contractor Removals for 2017

To identify contractors that will need to be removed from the listing for not meeting the purchase requirement, the Administration has reviewed the purchase history for 2015/2016 and identified 55 Eligible Contractors that will not maintain eligible status for 2017. According to Council Policy No. C09-001, these contractors are in violation of the requirement, will not be eligible for lot allocations, and will be removed from the eligibility list.

It has become apparent that enforcing the policy purchase requirement as written and removing several contractors from the eligibility list may not be in line with the purpose of the policy itself, which is to assist in fostering competition and diversity in the home building industry. Communication with many of the contractors facing potential removal has determined that over the last two years most have remained active in the new home market by building on previously acquired lots or actively marketing and listing completed new homes. Quite simply, they were not in a position to acquire new lots until they sold recently completed homes and initiated starts on previously purchased lot inventory.

Proposed Change to Policy to Demonstrate Builder Activity

The Administration is recommending changes to Council Policy No. C09-001 to allow builder customers additional means to indicate they are remaining actively engaged in the new home building market (Attachment 2).

As an alternative to the one lot every two years purchase requirement, if contractors are able to demonstrate that through the same two-year period they are actively taking out building permits for new homes in Saskatoon or actively marketing new homes for sale through Multiple Listing Service (MLS) or other advertising, they would satisfy the intent of criteria and be qualified as remaining active in the new home market. Therefore, if the two-year purchase requirement has not been met by the builder, it will be up to that individual company to demonstrate to the Administration that they have met the intent of criteria and provide evidence that they are remaining active in the new home building

market. Examples of acceptable evidence that could be easily reviewed by Saskatoon Land include:

- building permits issued by the City of Saskatoon;
- MLS listings of completed new homes; and
- proof of advertising demonstrating active marketing of new homes.

Use of the new measures to determine builder activity would be implemented immediately to qualify Eligible Contractors for potential lot allocations in 2017.

Options to the Recommendation

City Council can choose to reject the proposed policy change and leave the current purchase requirement criteria as is, resulting in 55 current Eligible Contractors being removed from the list. The Administration does not recommend this option due to the current market conditions.

Public and/or Stakeholder Involvement

In December 2016, Saskatoon Land notified all Eligible Contractors that were potentially in violation of the one lot every two years purchase requirement based on their purchase history (Attachment 3).

A meeting with representatives from the Saskatoon & Region Homebuilders' Association and a representative sample of Saskatoon Land builder customers was held to discuss the potential purchase requirement problem. The recommended policy change was endorsed as the best possible solution by a majority of the meeting attendees.

Communication Plan

All Eligible Contractors have been notified of the pending policy change and that it will be considered at the January 30, 2017 Standing Policy Committee on Finance meeting, and subsequently by City Council at its meeting on February 27, 2017.

Policy Implications

If the recommendations in this report are approved, Council Policy No. C09-001 will be amended to reflect the changes.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

If the changes to Council Policy No. C09-001 are approved by City Council, Saskatoon Land will update its internal procedure manual to identify the measures that will be used by the Administration to demonstrate contractor activity in the Saskatoon new home market.

Purchase Requirement Amendments to Council Policy No. C09-001, Residential Lot Sales – Contractor Allocations

Public Notice

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

Attachments

1. Saskatoon Land Annual Single-Family Sales 2012-2016
2. Council Policy No. C09-001, Residential Lot Sales – Contractor Allocations
3. Letter to Contractors Regarding Purchase Requirement Policy – December 2016

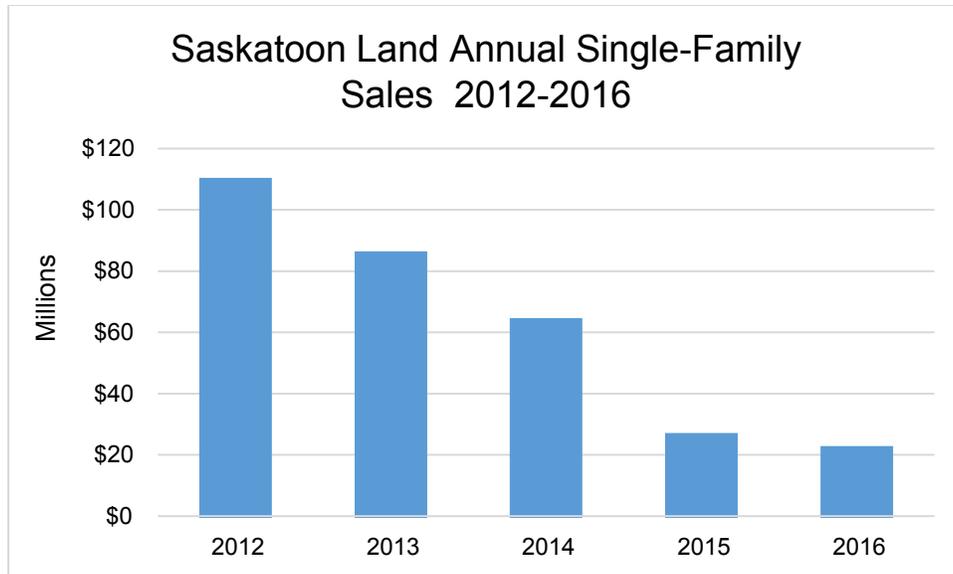
Report Approval

Written by: Frank Long, Director of Saskatoon Land

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

Approved by: Murray Totland, City Manager

Amendments_Council Policy C09-001 – Residential Lot Sales - Purchase Requirements.docx



CITY OF SASKATOON COUNCIL POLICY

NUMBER
C09-001

POLICY TITLE <i>Residential Lot Sales – Contractor Allocations</i>	ADOPTED BY: <i>City Council</i>	EFFECTIVE DATE <i>March 30, 1981</i>
		UPDATED TO <i>June 27, 2016</i>
ORIGIN/AUTHORITY <i>Planning and Development Report 16-1981; Land Bank Committee Report No. 6-1991; and all amendments up to and including The Standing Policy Committee on Finance, Item 8.2.6 – June 27, 2016.</i>	CITY FILE NO. <i>CK. 4110-36</i>	PAGE NUMBER <i>1 of 6</i>

1. PURPOSE

To assist in fostering competition and diversity in the home building industry in Saskatoon by ensuring a fair and equitable allocation of City-owned lots to contractors.

2. DEFINITIONS

2.1 Contractor - a homebuilder who constructs complete homes for the purpose of resale.

3. POLICY

The City may, from time to time and subject to the criteria outlined in this policy, offer residential lots for sale to contractors who are in the house-building business in Saskatoon.

3.1 The City will not sell lots to a contractor who does not meet the Eligibility Criteria and who does not provide sufficient information to satisfy the City that the criteria is met in spirit and in fact.

3.2 The City reserves the right to:

- a) Determine contractor eligibility and to sell lots to only those who are in good standing under the criteria;
- b) Remove any contractor from its eligibility list at any time; and

CITY OF SASKATOON COUNCIL POLICY

NUMBER <i>C09-001</i>

POLICY TITLE	EFFECTIVE DATE	UPDATED TO	PAGE NUMBER
<i>Residential Lot Sales – Contractor Allocations</i>	<i>March 30, 1981</i>	<i>June 27, 2016</i>	<i>2 of 6</i>

- c) Determine the number of lots it shall offer to any contractor at any time.

3.3 Criteria

To be eligible for lot allocations, a contractor must meet the following criteria:

- a) Relationship to Other Contractors

No allocation will be made to any contractor or company known to have officers or shareholders in common with any other contractor or company otherwise eligible, until both or all contractors or companies so involved have designated only one of the contractors or companies as being the one eligible for allocations.

- b) Business Tax/License

The applicant must have paid a business tax or license fee for the purpose of operating a home building business in Saskatoon.

- c) Individuals Representing Contractor

Any contractor or company which has individuals buy, or permits individuals to buy on behalf of the contractor or company will be removed from the City's eligibility list. This does not apply however, when officers or shareholders of the company or contractor purchase lots as individuals for their own personal residence, subject to the sales policies applicable to individuals.

- d) Purchase Requirement

~~Contractors must purchase one lot every two years in order to maintain eligible status.~~

Contractor Activity

In order to maintain eligible status, Contractors must purchase one lot every two years or demonstrate that they are actively engaged in the construction or marketing of new homes in

CITY OF SASKATOON COUNCIL POLICY

NUMBER <i>C09-001</i>

POLICY TITLE	EFFECTIVE DATE	UPDATED TO	PAGE NUMBER
<i>Residential Lot Sales – Contractor Allocations</i>	<i>March 30, 1981</i>	<i>June 27, 2016</i>	<i>3 of 6</i>

Saskatoon over the same two year period. Acceptable measures for determining if a builder has been actively engaged in new home building include but are not limited to:

- i) **Approved construction of new dwelling unit(s) in the city of Saskatoon and demonstrated progress through the building inspection process (e.g. backfill and framing inspections complete).**
 - ii) **Active marketing or listing of new homes on the Saskatoon MLS listing.**
 - iii) **Other evidence of new home building activity approved by the Director of Saskatoon Land.**
- e) Mandatory Training
- Completion of the seven modules under the Certified Professional Home Builder Program, offered to both members and non-members of the Saskatoon & Region Home Builders’ Association, or a course(s) approved by the Director of Saskatoon Land.
- f) Safety Training
- Contractors must complete an approved safety training course approved by the Director of Saskatoon Land.

3.4 Probationary Applicant

The City may, from time to time, classify as probationary, an applicant who provides reasonable evidence to indicate that they will become a homebuilder once they have been offered a lot on which to build.

The City reserves the right to limit the number of lots offered to a Probationary Contractor and to offer no more lots until proof has been received that the contractor now meets all other criteria.

The City requires such applicants to demonstrate their commitment to being or becoming an Eligible Contractor by:

CITY OF SASKATOON COUNCIL POLICY

NUMBER
<i>C09-001</i>

POLICY TITLE	EFFECTIVE DATE	UPDATED TO	PAGE NUMBER
<i>Residential Lot Sales – Contractor Allocations</i>	<i>March 30, 1981</i>	<i>June 27, 2016</i>	<i>4 of 6</i>

- a) Paying a deposit on the initial lot purchase of a minimum of 50 percent of the lot purchase price, as well as all applicable taxes;
- b) Paying the remaining balance of the purchase price within one calendar year from the date of purchase;
- c) Agreeing to complete construction including all deficiencies within one calendar year from the date of purchase;
- d) Agreeing to purchase their initial City-owned lot from only available inventory and not from a lot draw offering;
- e) Providing a minimum of two quality industry references.
- f) Providing a credit check on the company and its shareholders.
- g) Providing a complete business plan.
- h) Completion of one course under the Certified Professional Home Builder Program, or completion of safety training.

3.5 Time to Build Requirement

The Time Frame to Build Requirement will be governed by City Policy No. C09-006 on “Residential Lot Sales – General Policy”.

3.6 Violations

Violations of this Policy will result in the contractor being removed from the Eligibility List.

3.7 Inventory

Each Eligible Contractor is allowed to have a maximum of 40 lots purchased from the City within their current inventory. Inventory is defined as all lots that have not been completed to the backfill stage of construction.

3.8 Home Warranty

CITY OF SASKATOON COUNCIL POLICY

NUMBER
C09-001

POLICY TITLE	EFFECTIVE DATE	UPDATED TO	PAGE NUMBER
<i>Residential Lot Sales – Contractor Allocations</i>	<i>March 30, 1981</i>	<i>June 27, 2016</i>	<i>5 of 6</i>

Each Eligible Contractor is required to maintain membership in a City recognized Home Warranty program and to register and provide an individual home warranty certificate for a dwelling on each purchased lot.

3.9 Outstanding Accounts

Eligible Contractors are required to ensure that their accounts are in good standing. Any outstanding accounts will suspend the company from purchasing further lots over-the-counter and exclude entry into the proceeding lot draw.

CITY OF SASKATOON COUNCIL POLICY

NUMBER
C09-001

POLICY TITLE	EFFECTIVE DATE	UPDATED TO	PAGE NUMBER
<i>Residential Lot Sales – Contractor Allocations</i>	<i>March 30, 1981</i>	<i>June 27, 2016</i>	<i>6 of 6</i>

3.10 Annual Eligible Contractor Application

Eligible Contractors must file their annual application by February 28 in order to participate in Saskatoon Land activities for that year.

3.11 Insurance Coverage

Each Eligible Contractor is required to have Workers Compensation and insurance coverage with a minimum of two million dollar liability insurance coverage on each build.

4. RESPONSIBILITIES

4.1 Applicant

- a) Demonstrate that they are a homebuilder and meet all criteria.
- b) Provide a copy of the business license or a receipt showing that the business tax has been paid.
- c) Provide, if requested, such information as in the City's opinion, is necessary to establish the status of the applicant as a homebuilder.
- d) Provide the City with an affidavit, sworn before a Commissioner for Oaths, that swears that the application is accurate and true.

4.2 Saskatoon Land

- a) Administer lot allocations to contractors in accordance with this policy.
- b) Review and, where appropriate, recommend changes in policy to City Council, through the Standing Policy Committee on Finance.

4.3 Standing Policy Committee on Finance

- a) Receive and consider recommendations from the Saskatoon Land for amendments to this policy; and

CITY OF SASKATOON COUNCIL POLICY

NUMBER
C09-001

POLICY TITLE	EFFECTIVE DATE	UPDATED TO	PAGE NUMBER
<i>Residential Lot Sales – Contractor Allocations</i>	<i>March 30, 1981</i>	<i>June 27, 2016</i>	<i>7 of 6</i>

- b) Provide recommendations to City Council for amendments to this policy.

4.3 City Council

- a) Receive and consider recommendations from the Standing Policy Committee on Finance for amendments to this policy.
- b) Approve amendments to this policy when and as required.



Saskatoon Land
201 Third Avenue North
Saskatoon, SK S7K 2H7

www.saskatoon.ca
tel (306)975-3278
fax (306)975-3070

December 6, 2016

«Name»
«Company»
«Address»
«City» «Province» «Postal_Code»

Dear «Name»:

Re: Residential Lot Sales – Contractor Allocations

On April 8, 2013, City Council adopted the following amendment to City Council Policy C09-001 – Residential Lot Sales – Contractor Allocations:

“3.3(d) **Purchase Requirement**

Contractors must purchase one lot every two years in order to maintain eligible status.”

Please note that according to our records, as of January 1, 2017, your Company will be in violation of the Policy’s eligibility criterion; prior to December 31, 2016, **Saskatoon Land has a responsibility to inform you of your Company’s pending removal from the eligibility list.**

To successfully meet the Purchase Requirement set forth in Policy C09-001, your company will need to purchase a minimum of one lot from our inventory *prior to December 31, 2016*. We remind you that all lots purchased in 2016 will qualify for our Incentives Program, we’ve enclosed these details for you.

In sending this communication, we do understand that your company may not be in a position to make a lot purchase at this time for a number of reasons related to current market conditions, as well as any outstanding requirements from our Saskatoon Land Office.

Saskatoon Land will be reviewing the applicability of Policy C09-001 Purchase Requirement criterion with the Standing Policy Committee on Finance early in 2017.

While we are uncertain of the final outcome of the Policy applicability review at this time, the Administration will be recommending changes to the existing Policy’s Purchase

Requirement in 2017 based on round table discussions with the Saskatoon & Region Homebuilders' Association and a representative sample of Saskatoon Land's Eligible Contractors.

Further information on the recommended Policy changes will be shared with you, and your feedback requested in the upcoming weeks. We invite you to contact us with any questions regarding your purchase history, and for more information on our Cash Back Incentives Program please contact Saskatoon Land at 306-975-3278 Monday – Friday, 8:00 a.m. – 5:00 p.m.

Respectfully,

Jeremy Meinema,

Finance and Sales Manager

S&P Global's Canadian Ratings – City of Saskatoon

Recommendation

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

Topic and Purpose

This report is to inform City Council and the general public of the 2015 long-term issuer credit rating report recently prepared and released by S&P Global (formerly Standard & Poor's Rating Services) reaffirming the City of Saskatoon's (City) "AAA"/Stable outlook credit rating, as well as some of the key rating factors.

Report Highlights

1. S&P Global (S&P) has reaffirmed the City's "AAA"/Stable outlook credit rating based on the 2015 Consolidated Financial Statements and current economic outlook.
2. The City compares favourably to the key factors used by S&P to evaluate the City's credit rating. These include:
 - strong relationships with other levels of government;
 - a diverse economy;
 - strong and prudent financial policies and management;
 - favourable budget flexibility;
 - strong budgetary performance;
 - exceptional liquidity;
 - the ability to service debt, maintain a manageable debt level and healthy reserves; and
 - no significant future financial risks.

Strategic Goal

Strong financial performance is the foundation of the Strategic Goal of Asset and Financial Sustainability and leads to the City's "AAA" Credit Rating.

Background

An annual process to review the City's financial and economic performance and outlook, as well as the institutional framework in which the City operates is undertaken by S&P to determine the City's credit rating. The factors that contribute to this rating are summarized in this report.

Credit ratings are one of several tools that investors and lenders use when making decisions regarding an organization's future financial strengths and weaknesses. For the City, this rating serves as an indication of the credit risk and the ability of the City to meet its financial obligations in full and on time. This also identifies the credit quality of

the City's debt issue and can translate into lower interest rates for favourable credit ratings since there is minimal or low risk associated with the debt.

Report

"AAA"/Stable Outlook Credit Rating

The City received an "AAA"/Stable credit rating from S&P based on the City's 2015 financial statements, as well as current market conditions, financial forecasts and the economic outlook for Saskatoon and area. Attachment 1 is S&P's Research Update Report summarizing the key points that supports the City's "AAA" credit rating.

The rating factors and the City's performance in relation to these factors are presented as follows:

Key Factors and Rating

- Institutional Framework – VERY PREDICTABLE AND WELL-BALANCED
Strong relationships with other levels of government provides stability for municipal finances.

S&P views the City as benefiting from an intergovernmental system that is "very predictable and well-balanced because of its maturity and stability, low-to-moderate degree of mismatching of revenues and expenditures, moderate levels of transparency and accountability, and strong likelihood of extraordinary support from provincial governments."

- Economy – VERY STRONG
Saskatoon's diverse economy helps the City withstand economic fluctuations which provides stability for businesses and residents.

S&P indicated that Saskatoon's economic fundamentals are very strong. "Saskatoon's GDP would be in line with the province's, given its stature as Saskatchewan's largest Census metropolitan area and the subsequent greater economic diversity than other areas of the province."

- Financial Management – STRONG
The City of Saskatoon demonstrates strong financial management.

S&P references the City's strong management team. "In our view, the City's management team is experienced and qualified to effectively enact fiscal policies, as well as effectively respond to external risks. The City demonstrates what we view as good political and managerial strength as strong management accountability reflects."

- Budgetary Flexibility – VERY STRONG

The City of Saskatoon's favourable budget performance, as well as its self-generated revenues places the City in a strong financial position.

Budgetary flexibility is the measurement of an organization's ability to adjust for changes in volume, activity or demand. This measurement is important as it indicates an organization's ability to properly manage and adjust resource allocations in uncertain or changing economic environments.

The operating and capital performance for the City on a cash basis is considered by S&P as very favourable. More than 70% of the City's operating revenue came from modifiable revenue sources in the past five years, and capital expenditures were about 28% of total expenditures. "This indicates that Saskatoon has some ability to adjust expenditures in times of pressure on government finances, although growth pressures and the need to address critical deferred maintenance can erode this flexibility."

- Budgetary Performance – STRONG

Strong operating balances boost budgetary performance.

Budgetary performance is the comparison between a corporation's planned budget and actual performance. This is an important measure as it illustrates the ability of an organization to execute business plans within the constraints of its approved budget.

S&P stated that the operating surpluses have been consistently strong in the past five years. "In particular, the city's operating performance is at the high end of its peer group. In our 2015-2019 base-case scenario, we expect that operating balance will represent 19% of adjusted operating revenue." In 2015 the operating balance was 24.1% of adjusted operating revenue.

- Liquidity – EXCEPTIONAL

The City of Saskatoon benefits from exceptional liquidity which bolsters its credit profile.

Liquidity is the term used to describe how easily assets can be converted into cash. Liquid assets include cash holdings, short-term investments and short-term receivables. This measure is important as it is used to understand a corporation's "ability to pay" and helps identify potential cash flow issues in the future.

S&P considers Saskatoon's strongest performance in the area of liquidity. "We estimate adjusted free cash and liquid assets to average about \$360 million in 2017 and to cover about 13x the projected debt service for 2017. While a ratio of cash to debt of 1 is considered strong, Saskatoon's ratio is 13 times that due to the City's healthy financial reserves. "We believe that Saskatoon has satisfactory

access to external liquidity, given its proven ability to issue into public debt markets and the presence of a secondary market for Canadian municipal debt instruments.”

- Debt Burden – VERY LOW
High operating margins mitigate a low but rising debt.

Debt burden is the overall cost of an organization to service debt; this is commonly calculated as the annual cost of principle and interest payments divided by annual revenue. This is an important measure as it illustrates how reliant an organization is on debt and its potential to take on additional debt in the future.

The City's tax supported debt compared to consolidated operating revenues is an indicator of debt burden. A score under 30% is considered strong and under 60% would be considered reasonable. The City's tax supported debt ratio is at 32.3% at year-end 2015. In regard to the ratio of interest costs to adjusted operating revenues, Saskatoon has a ratio of 1.3%, which is considered low. “With its low debt level and interest burden, the City has what we consider a very manageable debt level that is consistent with the ratings.”

- Contingent Liabilities – VERY LOW
There are no significant financial risks from future liabilities that might impact the City's financial health.

Contingent liabilities are a potential liability that may occur, depending on the outcome of an uncertain future event. These are important to identify and consider as they can have significant impacts on future finances, operations and budgets.

S&P noted that the City's P3 projects will have no impact on the contingent liabilities. “We deem the fixed-price nature and risk transference of the proposed contracts sufficiently robust such that the impact on the City's credit profile is not material.”

Outlook

The STABLE outlook rating by S&P is based on the City's two-year forecasts. “Saskatoon will continue to benefit from a very strong economy and maintain exceptional liquidity. We further expect the City's debt burden to increase moderately to about 40% of consolidated operating revenue and for high operating margins to continue mitigating it.”

Communication Plan

A News Release advising citizens and the media of the City's “AAA”/Stable credit rating was issued on January 17, 2017, and *Standard & Poor's – Ratings Direct – Research Update: City of Saskatoon – January 17, 2017* was made available on the City's website (saskatoon.ca under Budget & Finances).

Due Date for Follow-up and/or Project Completion

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

Public Notice

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

Attachment

1. S&P Global – Ratings Direct – Research Update: City of Saskatoon – January 17, 2017.

Report Approval

Written by: Kerry Tarasoff, CFO/General manager, Asset & Financial Management Department

Approved by: Murray Totland, City Manager

SP Credit Rating 2017.docx

RatingsDirect®

Research Update:

City of Saskatoon 'AAA' Ratings Affirmed On Very Strong Economy And Exceptional Liquidity

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Research Update:

City of Saskatoon 'AAA' Ratings Affirmed On Very Strong Economy And Exceptional Liquidity

Overview

- We are affirming our 'AAA' long-term issuer credit and senior unsecured debt ratings on the City of Saskatoon.
- The ratings reflect our opinion of the city's very strong economy and budgetary flexibility, exceptional liquidity levels, and very low debt.
- The stable outlook reflects our expectations that, throughout the two-year outlook horizon, Saskatoon will continue benefiting from a very strong economy, and maintain exceptional liquidity, strong budgetary performance, and low debt.

Rating Action

On Jan. 17, 2017, S&P Global Ratings affirmed its 'AAA' long-term issuer credit and senior unsecured debt ratings on the City of Saskatoon, in the Province of Saskatchewan. The outlook is stable.

Rationale

In the past two years, a significant decline in commodity prices has dampened Saskatoon's economic performance, resulting in negative real GDP growth and rising unemployment. Nevertheless, we believe that the city's revenue structure, with very strong budgetary flexibility, strong financial management, and very strong economy, as reflected in high nominal GDP per capita, were able to mitigate this impact.

The ratings also reflect our opinion of the city's exceptional liquidity, strong budgetary performance, and very low debt and contingent liabilities, as well as our assessment of the very predictable and well-balanced institutional framework for Canadian municipalities.

Saskatoon's economic fundamentals are very strong, in our opinion. Saskatchewan's GDP per capita averaged US\$62,800 in 2013-2015, and we estimate that the city's GDP per capita would be in line with the province's, given its stature as Saskatchewan's largest Census metropolitan area and the subsequent greater economic diversity than other areas of the province. Agriculture, the public sector, and in particular the resource sector (mining and potash) are all important employers for Saskatoon, although the city does not have significant concentration in any one sector.

We believe Saskatoon's financial management is strong. In our view, the city's

management team is experienced and qualified to effectively enact fiscal policies, as well as effectively respond to external risks. Saskatoon demonstrates what we view as good political and managerial strength as evidenced by its very lengthy track record of passing budgets and meeting goals. We also believe that management accountability is strong and financial policies are prudent. Disclosure and transparency are what we believe to be good, annual financial statements are audited and unqualified, and the city prepares robust annual operating and capital budget documents. It also prepares long-term capital and borrowing plans.

We believe Saskatoon also has very strong budgetary flexibility, which is consistent with that of its peers. In our 2015-2019 base-case forecast, we expect the city's budgetary flexibility will remain in line with historical results, with average capital expenditures that represent greater than 15% of adjusted total expenditures and modifiable revenues greater than 70% of adjusted operating revenues, on average.

We believe Canadian municipalities benefit from a very predictable and well-balanced local and regional government framework that has demonstrated a high degree of institutional stability. Although provincial governments mandate a significant proportion of municipal spending, they also provide operating fund transfers and impose fiscal restraint through legislative requirements to pass balanced operating budgets. Municipalities generally have the ability to match expenditures well with revenues, except for capital spending, which can be intensive. Any operating surpluses typically fund capital expenditures and future liabilities (such as postemployment obligations and landfill closure costs) through reserve contributions.

The city's budgetary performance has historically been stable and healthy, in our view. In our 2015-2019 base-case scenario, we expect the city will continue to generate robust operating surpluses relative to those of its peers, averaging about 18% of adjusted operating revenue. Saskatoon typically generates near-balanced results or modest deficits of less than 5% after taking into account capital revenues and expenditures, helping to maximize pay-as-you-go financing for capital projects and mitigating the need to issue additional debt. In our base-case forecast, we expect the city will generate a modest after-capital deficit, on average, from 2015-2019. Of note, Saskatoon derives some of its revenues from its land development operations. However, this introduces risks to total revenues due to the exposure to potential fluctuations in demand and the high cost of servicing land.

While we view Saskatoon's debt burden as very low, we expect that it will increase in the next two years, fueled by the city's large capital program. The city's tax-supported debt burden was about 32.3% of consolidated operating revenues in 2015 and we forecast it will remain above 30% on average through 2019. However, in our view, mitigating this increased debt burden are the large operating margins Saskatoon generates, which totaled C\$661 million in 2012-2014, and 2.8x of debt outstanding at the end of 2015. Interest expenses are what we view as low, and we expect that they will continue to represent about 1% of operating revenues, on average.

In our opinion, the city has very low contingent liabilities. We believe Saskatoon will remain contingently liable for the financing costs through the construction phase of the two public-private partnership projects (P3s) in the capital plan. One project will be in its operating phase in 2017 and the other by 2018. As a result, the costs related to both of these projects are incorporated in our analysis of the city's tax-supported debt. In addition, we deem the proposed contracts' fixed-price nature and risk transference sufficiently robust that the impact on the city's credit profile is not material. Liabilities stemming from standard future employee benefits and landfill postclosure liabilities equaled about 5% of consolidated operating revenues in 2015.

Liquidity

Saskatoon's exceptional liquidity bolsters its credit profile, in our opinion. In our base-case scenario, we estimate free cash and liquid assets to average about C\$362 million in 2017 and to cover more than 13x the projected debt service for 2017. In our opinion, the city's internal cash flow generation is robust, with operating balances before interest representing more than 5x debt service. In addition, we believe that Saskatoon has satisfactory access to external liquidity, given its proven ability to issue into public debt markets and the presence of a secondary market for Canadian municipal debt instruments. We believe that the city will maintain exceptional liquidity levels to meet debt service requirements.

Outlook

The stable outlook reflects our base-case expectations that, in the next two years, Saskatoon will continue to benefit from a very strong economy and maintain exceptional liquidity. We further expect the city's debt burden to increase moderately to about 40% of consolidated operating revenue and for high operating margins to continue mitigating it.

Although we view it as unlikely in the medium term, we could lower the ratings if the city's capital program were to increase significantly and remain high, putting pressure on budgetary performance and debt.

Key Statistics

Table 1

City of Saskatoon -- Economic Statistics

	--Year ended Dec. 31--					
	2011	2012	2013	2014	2015	2016bc
Population	234,200	239,000	248,700	257,300	262,900	268,849
Population growth (%)	N.M.	2.0	4.1	3.5	2.2	2.3
GDP per capita (local currency) (single units)	N/A	N/A	N/A	N/A	N/A	N/A

Table 1

City of Saskatoon -- Economic Statistics (cont.)						
	--Year ended Dec. 31--					
	2011	2012	2013	2014	2015	2016bc
Real GDP growth (%)	6.3	4.7	6.7	4.6	(0.4)	(0.1)
Unemployment rate (%)	8.6	5.5	4.3	4.1	5.8	6.9

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. Sources typically include national statistical offices.

Table 2

City of Saskatoon -- Financial Statistics							
	--Year ended Dec. 31--						
(Mil. C\$)	2013	2014	2015	2016bc	2017bc	2018bc	2019bc
Operating revenues	765	803	815	852	891	929	969
Operating expenditures	545	558	618	674	723	780	841
Operating balance	220	245	196	178	168	149	129
Operating balance (% of operating revenues)	28.7	30.5	24.1	20.8	18.9	16.1	13.3
Capital revenues	102	67	131	73	79	87	108
Capital expenditures	380	307	330	240	262	288	356
Balance after capital accounts	(58)	5	(3)	11	(14)	(52)	(119)
Balance after capital accounts (% of total revenues)	(6.7)	0.6	(0.3)	1.2	(1.4)	(5.1)	(11.1)
Debt repaid	23	21	25	24	25	32	30
Net budget loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Balance after debt repayment and onlending	(81)	(16)	(28)	(13)	(38)	(84)	(149)
Balance after debt repayment and onlending (% of total revenues)	(9.3)	(1.9)	(3.0)	(1.4)	(4.0)	(8.3)	(13.8)
Gross borrowings	60	25	14	0	89	9	18
Balance after borrowings	(21)	9	(14)	(13)	50	(75)	(132)
Operating revenue growth (%)	0.7	4.9	1.5	4.6	4.6	4.2	4.4
Operating expenditure growth (%)	10.1	2.3	10.9	9.1	7.2	7.9	7.8
Modifiable revenues (% of operating revenues)	74.4	76.7	80.1	81.0	81.8	82.6	83.3
Capital expenditures (% of total expenditures)	41.0	35.5	34.8	26.2	26.6	27.0	29.7
Direct debt (outstanding at year-end)	235	238	228	204	268	245	233
Direct debt (% of operating revenues)	30.7	29.7	28.0	24.0	30.1	26.4	24.0
Tax-supported debt (% of consolidated operating revenues)	30.7	29.7	32.3	37.4	50.5	51.7	47.6
Interest (% of operating revenues)	0.8	0.9	1.3	0.9	0.7	1.0	0.9
Debt service (% of operating revenues)	3.7	3.6	4.4	3.7	3.5	4.4	4.0

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. Base case reflects S&P Global Ratings' expectations of the most likely scenario. Downside case represents some but not all aspects of S&P Global Ratings' scenarios that could be consistent with a downgrade. Upside case represents some but not all aspects of S&P Global Ratings' scenarios that could be consistent with an upgrade.

Ratings Score Snapshot

Table 3

City of Saskatoon -- Rating Score Snapshot	
Key Rating Factors	Assessment
Institutional Framework	Very predictable and well-balanced
Economy	Very strong
Financial Management	Strong
Budgetary Flexibility	Very strong
Budgetary Performance	Strong
Liquidity	Exceptional
Debt Burden	Very Low
Contingent Liabilities	Very low

*S&P Global Ratings' ratings on local and regional governments are based on eight main rating factors listed in the table above. Section A of S&P Global Ratings' "Methodology For Rating Non-U.S. Local And Regional Governments," published on June 30, 2014, summarizes how the eight factors are combined to derive the government's foreign currency rating.

Key Sovereign Statistics

Sovereign Risk Indicators, Dec. 14, 2016

Related Criteria

- Criteria - Governments - International Public Finance: Methodology For Rating Non-U.S. Local And Regional Governments, June 30, 2014
- Criteria - Governments - International Public Finance: Methodology And Assumptions For Analyzing The Liquidity Of Non-U.S. Local And Regional Governments And Related Entities And For Rating Their Commercial Paper Programs, Oct. 15, 2009
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Ratings List

Ratings Affirmed

Saskatoon (City of)

Issuer Credit Rating
Senior Unsecured

AAA/Stable/--
AAA

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of

Research Update: City of Saskatoon 'AAA' Ratings Affirmed On Very Strong Economy And Exceptional Liquidity

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