



CITY OF FORT SASKATCHEWAN AGENDA

Regular Council Meeting Tuesday, May 10, 2016 – 6:00 P.M. Council Chambers – City Hall

- 6:00 P.M.**
1. **Call to Order** Mayor Katchur
 2. **Approval of Minutes of April 26, 2016 Regular Council Meeting** (attachment)
 3. **Delegations**
Those individuals in attendance at the meeting will be provided with an opportunity to address Council regarding an item on the agenda, with the exception of those items for which a Public Hearing is required or has been held. Each individual will be allowed a maximum of five (5) minutes.
 4. **Unfinished Business**
 - 4.1 Water Billing System External Assessment Report Jeremy Emann /
Karina Guy,
KPMG LLP
(attachment)
 - 4.2 Food Gatherers Society Land Lease Request Troy Fleming
(attachment)
 - 4.3 Solid Waste Collection Service Levels Brad McDonald /
Tamara Shulman,
Tetra Tech Waste
Management
(attachment)
 5. **New Business**
 - 5.1 Uniform Quality Management Plan Janel Smith-Duguid
(attachment)
 6. **Bylaws**
 - 6.1 Bylaw C9-16 – Business Licence Bylaw – 3 readings Mike Erickson
(attachment)
 7. **Notice of Motion**
 8. **Points of Interest**
 9. **Councillor Inquiries**
 10. **Adjournment**



**CITY OF FORT SASKATCHEWAN
MINUTES**

REGULAR COUNCIL

Tuesday, April 26, 2016 - 6:00 PM
Council Chambers – City Hall

Present:

Members of Council:

Mayor Gale Katchur
Councillor Birgit Blizzard
Councillor Sheldon Bossert
Councillor Frank Garritsen
Councillor Stew Hennig (via telephone)
Councillor Arjun Randhawa
Councillor Ed Sperling

Administration:

Kelly Kloss, City Manager
Troy Fleming, General Manager, Infrastructure & Community Services
Brenda Rauckman, General Manager, Corporate & Protective Services
Brenda Molter, Director, Legislative Services
Wendy Kinsella, Director, Corporate Communications
Janel Smith-Duguid, Director, Planning & Development
Grant Schaffer, Director, Project Management
Richard Gagnon, Acting Director, Infrastructure Management
Susan Morrissey, Director, Finance
Barb Shuman, Director, Recreation
Chad Paddick, Transportation Services Manager
Shannon Andruchow, Senior Accountant, Budget
Matthew Siddons, Current Planner
Reade Beaudoin, Digital Media Coordinator
Sheryl Exley, Recording Secretary

In accordance with Section 199 of the *Municipal Government Act*, notice is hereby given that telephone conferencing will be used to connect Councillor Stew Hennig from a remote location.

1. Call to Order

Mayor Katchur called the regular Council Meeting of April 26, 2016 to order at 6:02 p.m.

2. Approval of Minutes of April 12, 2016 Regular Council Meeting

R60-16

MOVED BY Councillor Blizzard that the minutes of the April 12, 2016 regular Council Meeting be adopted as presented.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa,
Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

3. Delegations

The following individuals were in attendance to support the construction of a new High Performance Sports Field for Fort Saskatchewan:

- Brent Kellington, Vice President, Fort Saskatchewan Minor Football
- Peter Vandermeulen, General Manager, Fort Sting Football
- Monique Bandura, President, Fort Saskatchewan Soccer

4. Public Hearing

4.1 Bylaw C4-16 – Amend Land Use Bylaw C10-13 – Downtown Districts Zoning

Presented by: Janel Smith-Duguid, Director, Planning & Development

Mayor Katchur opened the Public Hearing at 6:21 p.m.

A Public Hearing was held to hear any submissions for or against Bylaw C4-16. Bylaw C5-16 received first reading at the April 12, 2016 regular Council Meeting.

Mayor Katchur asked if anyone wished to speak in favour or against Bylaw C4-16.

There were no submissions.

Mayor Katchur closed the Public Hearing at 6:28 p.m.

5. Business Arising from Public Hearing

5.1 Bylaw C4-16 – Amend Land Use Bylaw C10-13 – Downtown Districts Zoning – 2nd & 3rd reading

Presented by: Janel Smith-Duguid, Director, Planning & Development

R61-16

MOVED BY Councillor Blizzard that Council amend Bylaw C4-16 by removing the most southeasterly portion of Lot 1A, Block 37, Plan 6067KS from the downtown specific regulations within the entire bylaw, and that the general definition under Part 13 for “Downtown” be amended to exclude the southeasterly portion of Lot 1A, Block 37, Plan 6067KS, and further that Appendix A – Land Use Map be updated accordingly.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

R62-16

MOVED BY Councillor Blizzard that Council give second reading to Bylaw C4-16 to amend Land Use Bylaw C10-13 for the purpose of creating downtown specific regulations, as amended.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

R63-16 MOVED BY Councillor Blizzard that Council give third reading to Bylaw C4-16 to amend Land Use Bylaw C10-13 for the purpose of creating downtown specific regulations.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

6. Business Arising from February 23, 2016 Public Hearing

6.1 Bylaw C3-16 – Amend Land Use Bylaw C10-13 – Redistrict a Portion of Lot 1, Block 8, Plan 0324058, a Portion of Lot 2, Block 8, Plan 0324059, Lot 1, Block 1, Plan 0820100, and a Portion of SW ¼ 2-55-22 W4M from IR - Industrial Reserve District to IL - Light Industrial District – Fort Industrial Estates – Stage 3 – 2nd & 3rd reading

Presented by: Matthew Siddons, Current Planner

R64-16 MOVED BY Councillor Garritsen that Council give second reading to Bylaw C3-16 to amend Land Use Bylaw C10-13 by redistricting a portion of Lot 1, Block 8, Plan 0324058, a portion of Lot 2, Block 8, Plan 0324059, Lot 1, Block 1, Plan 0820100, and a portion of SW ¼ 2-55-22 W4M from IR- Industrial Reserve District to IL - Light Industrial District.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

R65-16 MOVED BY Councillor Garritsen that Council give third reading to Bylaw C3-16 to amend Land Use Bylaw C10-13 by redistricting a portion of Lot 1, Block 8, Plan 0324058, a portion of Lot 2, Block 8, Plan 0324059, Lot 1, Block 1, Plan 0820100, and a portion of SW ¼ 2-55-22 W4M from IR- Industrial Reserve District to IL - Light Industrial District.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

Mayor Katchur called a short recess at 6:49 p.m.

The regular Council Meeting reconvened at 6:54 p.m.

7. Unfinished Business

7.1 High Performance Sports Field - Approval to Construct

Presented by: Grant Schaffer, Director, Project Management

R66-16

MOVED BY Councillor Bossert that Council proceed with construction of Project 16032 High Performance Sports Field as approved in the 2016 Capital Budget.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Birgit Blizzard, Sheldon Bossert

Against: Arjun Randhawa, Ed Sperling

CARRIED

7.2 Transit Task Force Report

Presented by: Chad Paddick, Transportation Services Manager

On January 26, 2016 Council authorized the formation of the Transit Task Force comprised of Councillors Hennig, Garritsen and Blizzard. The objective of the Task Force was to confirm the proposed service levels and report back to Council. The Task Force met four times and reviewed various options to maximize scheduling and routes, with the ultimate goal of meeting customer needs within the current budget envelope.

The results of the Transit Task Force review of transit service levels was presented to Council.

8. New Business

8.1 2015 Audited Consolidated Financial Statements

Presented by: Susan Morrissey, Director, Finance; John Stelter, Partner, and Taylor Rolheiser, Senior Manager, KPMG LLP

R67-16

MOVED BY Councillor Sperling that Council receive and approve for release the 2015 Audited Consolidated Financial Statements as presented.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

Mayor Katchur called at short recess at 8:08 p.m.

The regular Council Meeting reconvened at 8:15 p.m.

8.2 Pool Options for 2017 Plebiscite

Presented by: Barb Shuman, Director, Recreation

R68-16

MOVED BY Councillor Bossert that Council approves that the 2017 Aquatics Plebiscite be based on the splitting of aquatic amenities at Harbour Pool and the Dow Centennial Centre (Concept 2).

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert

Against: Ed Sperling

CARRIED

R69-16

MOVED BY Councillor Bossert that Council:

- a) Eliminates Concept 1 to expand aquatic services only at the Harbour Pool; and
- b) Authorize Administration to enter into an agreement with the Fort Saskatchewan Skateboarding Society to utilize the land in the vicinity of the existing Skateboard Park for future skatepark expansion.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

9. Bylaws

9.1 Bylaw C8-16 - 2016 Property Tax Bylaw - 3 readings

Presented by: Shannon Andruchow, Senior Accountant, Budget

R70-16

MOVED BY Councillor Randhawa that Council amend the 2016 budget by allocating \$1,050,139 of additional growth assessment revenue to the Financial Stabilization Reserve.

In Favour: Stew Hennig, Arjun Randhawa, Birgit Blizzard, Ed Sperling

Against: Gale Katchur, Frank Garritsen, Sheldon Bossert

CARRIED

R71-16

MOVED BY Councillor Randhawa that Council give first reading to Bylaw C8-16, providing for the collection of 2016 property taxes.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

R72-16 MOVED BY Councillor Randhawa that Council give second reading to Bylaw C8-16, providing for the collection of 2016 property taxes.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

R73-16 MOVED BY Councillor Randhawa that Council provide unanimous consent to proceed with third and final reading to Bylaw C8-16, providing for the collection of 2016 property taxes.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

R74-16 MOVED BY Councillor Randhawa that Council give third reading to Bylaw C8-16, providing for the collection of 2016 property taxes.

In Favour: Gale Katchur, Frank Garritsen, Stew Hennig, Arjun Randhawa, Birgit Blizzard, Sheldon Bossert, Ed Sperling

CARRIED UNANIMOUSLY

10. Notice of Motion

None.

11. Points of Interest

Members of Council were given the opportunity to bring forward information that would be of interest to the public.

12. Councillor Inquiries

Members of Council were given the opportunity to ask questions and provide concerns and comments.

13. Adjournment

The regular Council Meeting of April 26, 2016 adjourned at 9:13 p.m.

Mayor

Director, Legislative Services

CITY OF FORT SASKATCHEWAN

Water Billing System External Assessment Report

Purpose:

For KPMG to present the results of the external assessment of the City's water billing system.

Background:

On November 24, 2015, Council approved a motion authorizing the City Manager to engage an independent external consultant to conduct an external assessment of the City of Fort Saskatchewan's water billing system.

The scope of the work was to include an analysis of the City's water billing system including data, analytics, equipment, water consumption, software and processes. The consultant was to provide a report back to Council with its findings, recommendations and potential process improvements.

In December 2015, KPMG was engaged to conduct an assessment of the City's water billing systems and present a report back to Council in the spring of 2016.

Attached is KPMG's final report which provides details of the scope of the work performed, the results of independent tests done on the City's water billing controls and processes, and related recommendations.

Representatives of KPMG will be presenting the findings to Council at the Council Meeting.

Attachment:

Water Metering & Consumption Process & Controls Assessment – KPMG

| | | |
|---------------|---|----------------------|
| Prepared by: | Jeremy Emann Chief Financial Officer | Date: April 26, 2016 |
| Approved by: | Kelly Kloss City Manager | Date: May 4, 2016 |
| Submitted to: | City Council | Date: May 10, 2016 |



Water Metering and Consumption Process & Controls Assessment

May 4, 2016



Disclaimer

This document has been prepared by KPMG LLP ("KPMG") for the internal use of the City of Fort Saskatchewan ("Client" or the "City") pursuant to the terms of our engagement agreement with the Client dated November 23, 2015 (the "Engagement Agreement"). KPMG neither warrants nor represents that the information contained in this document is accurate, complete, sufficient or appropriate for use by any person or entity other than the City or for any purpose other than set out in the Engagement Agreement. This document may not be relied upon by any person or entity other than the City, and KPMG hereby expressly disclaims any and all responsibility or liability to any person or entity other than Client in connection with their use of this document.

The results of this assessment are not meant to constitute an audit or opinion on the part of KPMG. The findings are for the use of the Client only. All analysis and assessments are based on information provided by the Client. KPMG has relied on the information provided, and makes no warranties or guarantees as to the completeness or accuracy of the information provided.

Glossary

| | |
|--------------------------------------|--|
| Accounting Clerk | A staff position within the City which is responsible for water metering and consumption processes reviewed during this project. |
| Anomaly | When an account experiences a level of water consumption higher than its historical average consumption for a given billing period. |
| AR5001, AR5002 | A type of telemetry device used to read meters. This is a manual process that requires operators to visit houses and collect meter readings through a gun. |
| AutoRead / Sensus | The system used by the City to translate meter reading information into data that can be imported for consumption invoicing purposes. |
| Control, Critical Control | <p>The Institute of Internal Auditors (IIA) International Standards glossary defines a control as: any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.</p> <p>A critical control is one that directly prevents risk factors that could lead to the realization of a specific risk (such as over-allocation of water consumption to an account).</p> |
| Diamond | The system used by the City to generate water consumption allocations reflected on invoices for residents. |
| Materiality | Consumption levels that are 10 cubic meters higher than historical average for a residential account are considered to be material for the purposes of this review. |
| Operator | A staff position within the City that collects water meter readings and / or performs follow-up on water meter readings, as required. |
| Resident / Account | A single-family or multi-family household that uses water. |
| VGB, MXU | A type of telemetry device used to read meters. This is done through radio frequencies that are transmitted as a City vehicle drives around the City and communicates via transponder with a resident's water meter. |

Contents

| | | |
|------------|---|-----------|
| 1 | Executive Summary | 5 |
| 2 | Project Overview | 12 |
| 2.1 | Background | 12 |
| 2.2 | Scope | 12 |
| 2.3 | Approach | 13 |
| 3 | Water Metering and Consumption – Processes and Critical Controls | 15 |
| 3.1 | Water Metering Processes and Controls | 15 |
| 3.2 | Water Consumption Processes and Controls | 23 |
| 4 | Data Analytics | 33 |
| 5 | Jurisdictional Review | 47 |
| 5.1 | Key Practices | 47 |
| 5.2 | Meter Properties & Technology | 48 |
| 5.3 | Operations and Maintenance | 49 |
| 5.4 | Resource Management | 51 |
| 5.5 | Customer Services Capabilities | 52 |
| 6 | Recommendations | 53 |
| Appendix 1 | Process Maps | 55 |
| Appendix 2 | Documents Reviewed | 59 |

1 Executive Summary

Introduction

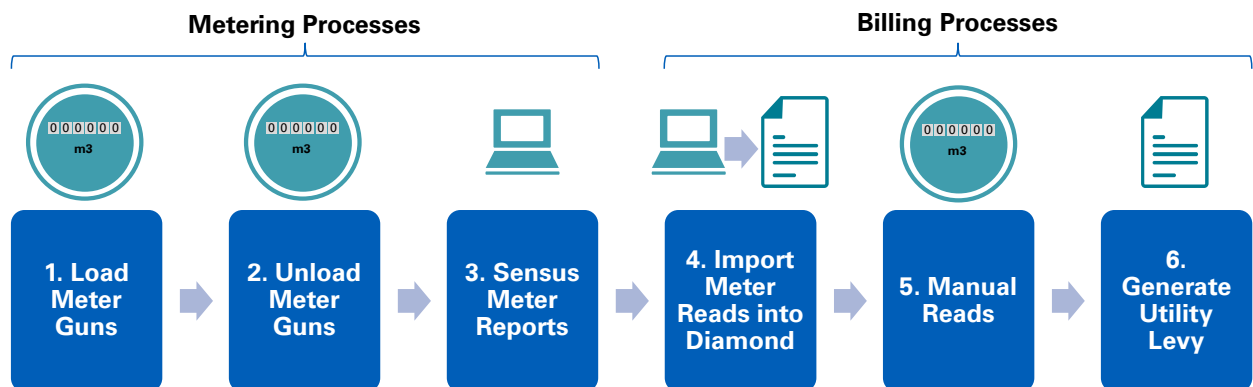
The City of Fort Saskatchewan's Financial Services department engaged KPMG from January to April 2016 to conduct an assessment of the processes and controls related to the City's water metering and consumption processes to identify whether there were any operational, financial, or information technology issues that may be affecting the accuracy and completeness of consumption information reflected in residential water levies.

Our assessment covered the water metering and consumption processes, from the time a meter is read (via telemetry) through to a consumption amount being recorded for an account in order to generate an invoice. We focused our assessment on controls and processes used by the City to ***detect, prevent and / or correct potential risk factors that could lead to a material overstatement in a resident's water consumption reflected in an invoice for a given billing period.*** We also performed data analytics to support our findings.

Our work specifically excluded the physical inspection of the water distribution system, including residential meters.

Findings – Assessment of the City's Control

As noted in the diagram below, six key processes were identified for the City's water metering and consumption functions.



Critical controls designed to detect, prevent, and / or correct related risk factors in the six processes were identified. We reviewed and assessed those critical controls that were designed to detect, prevent and / or correct the risk of a material overstatement in a resident's water consumption for a given billing period. A material overstatement has been defined as an anomaly that exceeds an account's average historical consumption levels (from 2009 to 2015) by more than 10 cubic meters.

Based on our assessment in the January – February 2016 billing period, we found no critical control deficiencies for the in-scope processes that could lead to a material overstatement in a resident's water consumption as reflected on an invoice.

Most critical controls are reliant on manual checking and reviews. The manual portion of the review of accounts conducted by the Accounting Clerk requires significant time and relies upon the accuracy of the Clerk over a high volume of information. This is supplemented by some system generated reports; but not all reports are used as effectively as they could be to support the review process.

A summary of the assessment of critical controls is outlined in the table below. The table includes:

- The name of the in-scope process
- The degree of inherent risk (degree of risk before controls are in-place) in the process that a residential account could have a material over-statement in consumption (low, medium, high)
- The City's critical controls in place to mitigate the inherent risk
- The degree of residual risk that a residential account could have a material over-statement in consumption (low, medium, high), and
- Our overall assessment of the critical controls.

Further details on our assessment and findings are included in Section 3 of our report.

| Process | Inherent Risk | Critical Controls | Residual Risk | Assessment |
|-----------------|---------------|--|---------------|--|
| Load Meter Guns | Med | <p>While there were no critical controls identified within the Load Meter Guns process, the Staff Estimate utilized in subsequent processes has been assessed as a compensatory control to this process.</p> <p>When Sensus Meter Reports identify 'no reads' which indicate that an actual reading cannot be gathered, or a meter reading appears to be an anomaly through the manual review process the Accounting Clerk accesses an account's history and utilizes the past six meter readings (excluding outliers) to obtain an average consumption rate. This average is</p> | Low | <p>The Staff Estimate control was tested and assessed as operating effectively in the January – February 2016 billing period.</p> <p>No deficiencies were found in the process that would lead to a material overstatement in a resident's water consumption for a given period.</p> |

| Process | Inherent Risk | Critical Controls | Residual Risk | Assessment |
|---|---------------|---|---------------|---|
| | | added to the account's last meter reading in the previous billing period until an actual physical meter read can be confirmed by an Operator. | | |
| <p>The results from the Staff Estimate Test of Operating Effectiveness are described in Section 3.1.3.</p> <p>Unload Meter Guns</p> | Med | While there were no critical controls identified within the Unload Meter Guns process, the Staff Estimate utilized in subsequent processes has been assessed as a compensatory control to this process. See description above. | Low | <p>The Staff Estimate control was tested and assessed as operating effectively in the January – February 2016 billing period.</p> <p>No deficiencies were found in the process that would lead to a material overstatement in a resident's water consumption for a given period.</p> |
| Sensus Meter Reports | Med | Staff Estimate – see description above. | Low | <p>The Staff Estimate control was tested and assessed as operating effectively in the January – February 2016 billing period. The 41 Staff Estimates entered by the Accounting Clerk out of a total of 8,124 residential accounts for the Jan-Feb billing period represented approximately 0.5% of all residential accounts. Therefore, 99.5% of residential account meter readings obtained were actual meter readings.</p> <p>No deficiencies were found in the process that would lead to a material overstatement in a resident's water consumption for a given period.</p> |
| Import Meter Reads into Diamond | High | Data Transfer – data is transferred between <i>AutoRead</i> and <i>Diamond</i> . System reports are generated and manually checked | Low | The Data Transfer control was tested and assessed as operating effectively in the January – February 2016 billing period. |

| Process | Inherent Risk | Critical Controls | Residual Risk | Assessment |
|-----------------------|---------------|--|---------------|--|
| | | <p>to ensure that data is complete and accurate in the billing system.</p> <p>Meter Turnover Check – the Accounting Clerk manually reviews a report that flags any accounts where the meter has turned over (i.e. reverted to 0) and investigates and resolves any issues with the meter reading.</p> | | <p>The Meter Turnover Check was tested and assessed as operating effectively in the January – February 2016 billing period.</p> <p>No deficiencies were found in the process that would lead to a material overstatement in a resident's water consumption for a given period.</p> |
| Manual Reads | Med | Staff Estimate – see description above. | Low | <p>The Staff Estimate control was tested and assessed as operating effectively in the January – February 2016 billing period.</p> <p>No deficiencies were found in the process that would lead to a material overstatement in a resident's water consumption for a given period.</p> |
| Generate Utility Levy | Med | Smartlist Report Verification – the Accounting Clerk verifies that all accounts have actual meter reads, or that a staff estimate has been entered to ensure that each account will have a meter reading for that billing period. | Low | <p>The Smartlist Report Verification control was tested for completeness and accuracy. Due to the inability to retrieve all reports for the past 5 billing periods, as well as the improper identification of several accounts listed as 'no-reads', this control may not be operating appropriately.</p> <p>However, given this control is a final manual check performed by the Accounting Clerk, the impact for reporting of overconsumption is limited to specific situations (e.g. no-read or system estimate).</p> <p>The Staff Estimate utilized in the manual review of consumption anomalies by the Accounting Clerk in</p> |

| Process | Inherent Risk | Critical Controls | Residual Risk | Assessment |
|---------|---------------|-------------------|---------------|--|
| | | | | place earlier in the process performs a similar function and is considered compensatory to this control. |

Findings – Data Analytics

KPMG completed data analysis of the City's historical water metering and water consumption data covering the period from January 2009 to December 2015. The purpose of this was to analyze and identify trends in consumption against a set of variables, including the reasons that consumption anomalies may exist. For the purposes of this analysis an anomaly was defined as any consumption value over an account's average historical consumption (from 2009 to 2015). Anomalies were considered material in the scope of this review when they exceeded 10 cubic meters from an account's average historical consumption level.

The following table outlines the key areas that were explored via data analytics and the key findings for each:

| Area Explored | Key Findings |
|---|---|
| Seasonality and Stability of Consumption | <p>The City's aggregated water consumption is variable with seasonal trends – peak usage occurs in July-August and the lowest usage in March-April. As a result, high variation over a single year of billings can be reasonably expected.</p> <p>In reviewing the number of residential consumption anomalies, there were no patterns between years (2009 to 2015) or bi-monthly billing periods; anomalies can occur during any period and do not appear related to seasonal consumption patterns. All accounts experiences some variation in their consumption, with some experiencing higher variation than others.</p> |
| Water Loss | <p>Water loss is the difference between the volume of water the City purchases and its total consumption. From 2009 to 2015, the City's water loss ranged between a minimum of 2% (2012) to maximum of 7% (2009). Benchmarks for water loss are set at approximately 10% by Environment Canada and the Alberta Urban Municipalities Association; our analysis indicates that for the period from 2009 to 2012, the City's water loss is below this range.</p> |

| Area Explored | Key Findings |
|-----------------------------------|---|
| Water Consumption Patterns | <p>For the period from 2009 to 2015, approximately 44% of the account records reviewed for residential consumption had a consumption anomaly; i.e. where the consumption for a period was higher than the account's historical consumption average.</p> <p>The average consumption in the City is 27 cubic meters per billing period per account. No single year had more consumption anomalies than any other.</p> |
| Meter Telemetry | <p>Four different telemetry devices are used to collect meter readings from the 8,124 residential water accounts in the City. The majority of accounts utilize MXU telemetry with the remaining accounts spread evenly across the other devices. Based on the analysis performed on the meter reads of each device, no single telemetry device appeared to lead to a higher consumption reading.</p> |
| Age of Meters | <p>The current meters utilized for residential accounts were installed between 1990 and 2015. Approximately 45% of were installed prior to 2000, 30% between 2000 and 2010 and the remaining 25% within the past 5 years. Based on the analysis completed there is no strong relationship between the year a meter was installed and consumption anomalies.</p> |
| Geographic Locations | <p>Consumption anomalies, meter installation dates and disputed accounts were mapped according to the location of residents and the billing period of dispute. Based on the analysis completed it does not appear that consumption anomalies are related to a specific geographic location of a residence.</p> |

Further details on the data analytics results are included in Section 4 of our report.

Findings – Jurisdictional Review

A jurisdictional review was undertaken to identify leading practices in water metering and billing processes. Our review focused on several municipalities including High Level, Leduc and Medicine Hat. The results of our jurisdictional review indicates that water metering and consumption processes and enabling technology at the City does not offer the same functionality other municipalities are employing. The following outlines the key findings from this review:

- Most municipalities reviewed utilize aspects of metering technology that enable them to:
 - Monitor daily water consumption for each resident
 - Complete automated meter reading, through the use of centralized telemetry towers, and
 - Create system generated checks and flags to identify anomalies in metering consumption
- Municipalities are beginning to consider and make moves towards consolidating all of their utility operations into a single system for metering and billing – this includes, water, electricity, gas, etc.
- Most municipalities reviewed invoice residents on a monthly basis.

- Customer portals are being established to enable residents to log in and view their account, including their daily consumption and their invoices, allows them to pay for their bills, and also enables them to communicate with the City regarding their concerns.

Further details on the jurisdictional review results is included in Section 5 of our report.

Key Recommendations

During the course of our review we identified a number of opportunities that the City should consider to improve its water metering and billing processes, critical controls and customer service.

- As our review of controls was limited to a single billing period, the City should consider **conducting additional testing** of subsequent billing periods to confirm the effectiveness of its estimate processes.
- Consider **implementing a system that would assist the City to record and respond to customer inquiries (including complaints)**. This type of technology would allow the City to better record actions taken to address the inquiry, provide an automated work flow and enable a resident to view the status of their inquiry as it is resolved or addressed.
- **Further configure existing systems** used in the water metering and billing process to **generate reports** that would alleviate the need for the City to rely on manual reviews of consumption and billing records to identify and correct anomalies.
- Strengthen the current controls in the City's water metering and billing processes through the introduction of a **peer review process to double-check** where anomalies are identified and addressed, and improve **tracking the completion of processes taken** by the Accounting Clerk.
- Consider a **change in the frequency of the City's meter readings and billing cycles** from bi-monthly to monthly to better enable proactive monitoring of consumption patterns and address disputes closer to when they occur.
- Consider what, if any, changes the City could make to its **water metering technology** to reduce the use of manual processes (e.g. handheld guns) and increase the use of system-driven processes and automated radio frequency readings.
- The City should **document its policies and processes** to calculate consumption estimates. This should include guidance on the estimate in relation to a resident's mean consumption.

Further details on each of these are outlined in Section 6 of our report.

As an important next step, the City should assess and prioritize each of these recommendations and develop a work plan to establish accountability and implement these changes.

2 Project Overview

2.1 Background

The City of Fort Saskatchewan (City) has received a number of complaints from residents related to water consumption as reflected on invoices since May 2015. These residents indicate that their invoices are "higher than normal" and may be the result of anomalies with the recording of their water consumption. The matter has been discussed at City Council and in various public forums. In order to identify and address potential discrepancies, the City engaged KPMG to conduct an assessment of the processes and controls related to water metering and consumption to identify whether there are operational, financial, or information technology issues that may be affecting the accuracy and completeness of water consumption information.

Municipalities across Canada are continuing to focus on sustainable infrastructure. The management of water is a critical component of the sustainability agenda. There is significant advantage to conducting periodic reviews of the water distribution and invoicing systems to promote the effective accounting of water consumption.

Various factors can impact water consumption each billing period and year (e.g. weather, recreational usage, etc.). As such, the ongoing assessment of water metering and consumption systems, and ongoing analytics related to consumption can provide the City with insightful information to inform its monitoring and ongoing continuous improvement of the City's water services.

2.2 Scope

Potential issues with water loss and consumption (including monitoring) can arise anywhere in the water eco-system, including in the water distribution infrastructure, the metering system and / or during the allocation of consumption as reflected on a resident's invoice.

The scope of KPMG's assessment from January to April 2016 covered the water metering and consumption processes from the time a meter is read (via telemetry) through to a consumption amount being recorded for an account in order to generate an invoice. This included the review of major work processes and controls in place to confirm that equipment and activities are operating properly and contribute to the accurate allocation of consumption as reflected in invoices (i.e. policies and procedures governing the types of meters used, meter maintenance, meter reading, data management, usage analysis, and levy generation).

Our assessment covered the water metering and consumption processes, from the time a meter is read (via telemetry) through to a consumption amount being recorded for an account in order to generate an invoice. We focused our assessment on controls and processes used by the City to ***detect, prevent and / or correct potential risk factors that could lead to a material overstatement in a resident's water consumption reflected in an invoice for a given billing period.*** A material overstatement was defined as an anomaly that exceeds an account's average historical consumption levels (from 2009 to 2015) by more than 10 cubic meters.

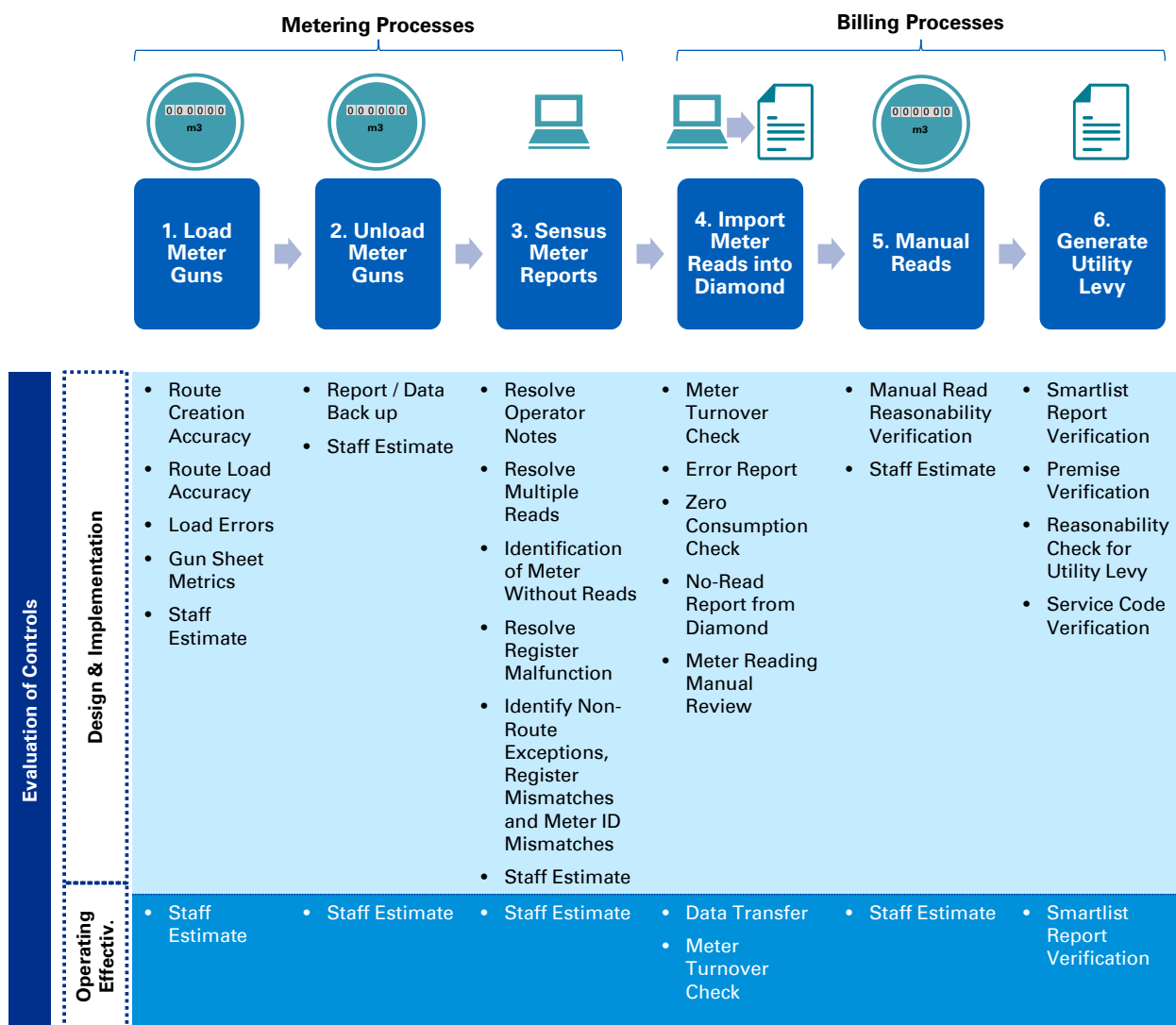
We also performed data analytics to provide insights into whether other potential anomalies exist elsewhere in the water distribution system.

Our work specifically excluded the physical inspection of the water distribution system, including residential meters.

2.3 Approach

Six key processes, and related critical controls, (outlined below in Section 3) for the City's water metering and consumption functions were identified.

Figure 1: Water Metering and Consumption Processes



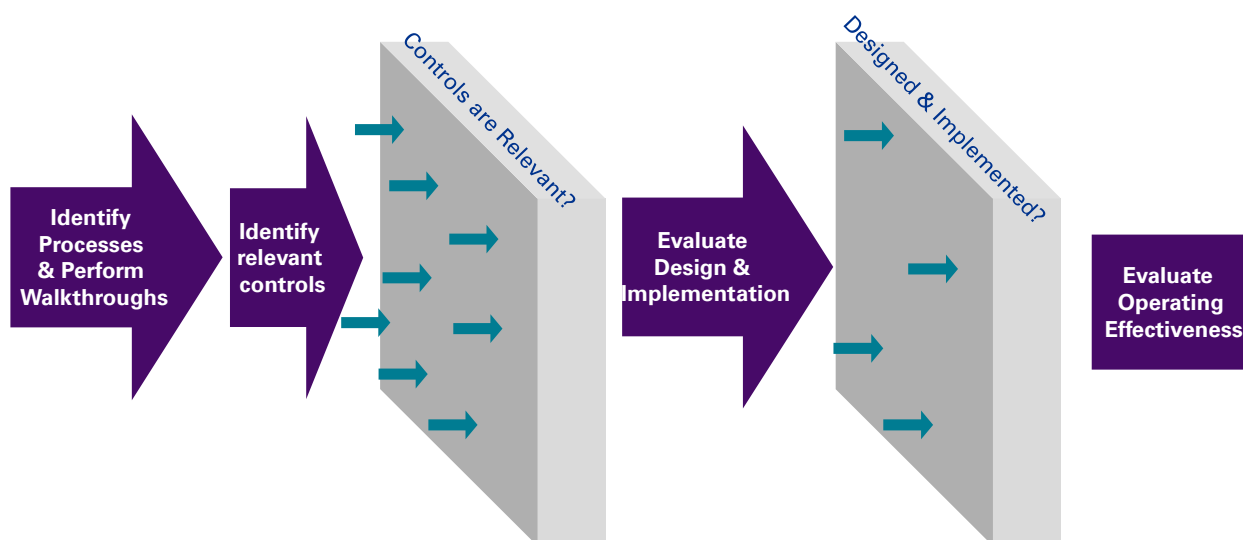
For each process, walkthroughs were performed to identify critical control points and evaluate the design and implementation of these controls.

Controls, as defined by the Institute of Internal Auditors, are *any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.*

A critical control is one that detects, prevents and / or correct risk factors that could lead to a material overstatement in a resident's water consumption as reflected in an invoice for a given billing period. Only those controls identified as critical through our review were tested for how effective their designs and / or operations were.

Documentation, staff interviews, and process walkthrough information collected were used to inform the control assessment, according to the following steps outlined in Section 3. A list of documentation reviewed and a list of the staff interviews performed is included in Appendix 2.

Figure 2: Control Assessment Process



Water metering and consumption processes were mapped and verified through interviews with the City's staff who are involved. Walkthroughs were conducted to identify where relevant controls exist in each process.

Once critical controls, that would detect, prevent and / or correct a material overstatement in a resident's water consumption reflected in an invoice for a given billing period, were identified, we evaluated the design and implementation of those controls. Controls that appeared to be designed and implemented effectively were subsequently evaluated for operating effectiveness.

The remainder of this report defines the critical controls that were reviewed and our assessment of their ability to *detect, prevent and / or correct potential risk factors that could lead to a material overstatement in a resident's water consumption reflected in an invoice for a given billing period.*

3 Water Metering and Consumption – Processes and Critical Controls

3.1 Water Metering Processes and Controls

3.1.1 Load Meter Guns

Process Overview

The City utilizes a variety of meter and telemetry devices to obtain residential water consumption readings. The meters utilized by the City are Sensus Meters.

The first type of telemetry system utilized is radio meters. Under this system telemetry devices collect the readings from a resident's meter apparatus using a radio frequency; the technologies that the City utilizes for this are called MXU and VGB. MXU is currently used in approximately 3,500 households while VGB is used in approximately 1,800 households; the VGB system is relatively newer and is predominantly found in the City's newer developments.

For these systems, the City's Accounting Clerk downloads the routes onto a USB device, which is then imported onto a tablet in an Operator's vehicle to collect the readings from radio frequency. One route is created for each of MXU and VGB. This radio frequency technology allows the readings to be collected at a quicker pace than the handheld, proximity read devices.

The second type of telemetry system utilized are Automatic Remote Read Technology (AR5001 / AR5002). Approximately 2,900 households utilize the AR system; this system is being phased out by the City and residents will subsequently be moved to the MXU and VGB systems.

The AR5001 / AR5002 metering requires the use of a 'gun' to obtain a proximity reading from a resident's meter; one gun is used for each of AR5001 and AR5002. The City's Operator must take the gun within a relative proximity of the meter to allow the reading to be collected.

Guns are programmed for a specific route (i.e. a list of households where a meter reading will be taken) and the system marks the households that require a reading with dots above the houses; these disappear once a reading is collected by an Operator.

The City's Accounting Clerk creates the routes in *Diamond*, the billing software utilized by the City. The Accounting Clerk then enters the route information into a Microsoft Excel file called the *Gun Sheet Spreadsheet* and transfers them to a system called *AutoRead*, from which they are loaded into the gun.

In the *Gun Sheet* spreadsheet, the date that the guns were loaded and the number of meters that were loaded into the routes are recorded. For the handheld guns, there are 19 routes completed on AR5001 and 12 routes on AR5002.

In some cases, meter readings cannot be obtained with the handheld guns or by the radio system. These readings must be taken manually, and are tracked on excel spreadsheets called the Route 33 and Route 33 jail sheets.

Process Controls

- **Route Creation Accuracy:** This control ensures that the routes created in *Diamond* contain all of the residential meters that require a reading. This includes confirming that each of the handheld routes have the appropriate sub-routes programmed (as retrieved from the *Gun Sheet* spreadsheet.) This control is designed to ensure that operators are given the correct routes. This is a general control.
- **Route Load Accuracy:** This control confirms that the created routes and all the meters requiring a reading are successfully imported into *AutoRead* from *Diamond*. Routes are created in *Diamond*, when the meter reading data is imported back from *AutoRead* after the guns have been unloaded. *Diamond* indicates which accounts did not receive a reading, which would trigger the Staff Estimate.
- **Load Errors:** This control enables the system to check for any errors in the importing of the data into the guns from *AutoRead*; this may include incorrect meter ID, no meter ID for account, etc. Load errors are addressed by the Accounting Clerk, where no readings are returned, the Accounting Clerk performs a Staff Estimate.
- **Gun Sheet Metrics:** The *Gun Sheet* spreadsheet tracks the date the guns were loaded, and how many meters per technology system type. Under this control the Accounting Clerk compares month to month metrics for a reasonability test. VGB meter numbers are expected to increase, whereas MXU and handheld meter numbers are expected to decrease, as older systems are replaced by newer technology. This is a general control.
- **Staff Estimate:** The purpose of this control is to create a staff estimate when a reading for an account has not been obtained, or the reading is identified by the Accounting Clerk as a potential error (i.e. the reading does not following a normal consumption pattern for the account; this is identified during the Accounting Clerk's meter read manual review described in section 3.2.1).

The formula for the staff estimate utilizes consistent methodology at any stage of the process, it is created from an account's average historical water consumption.

The Accounting Clerk accesses the account's history, and utilizes the past six meter readings (excluding any outliers to mitigate the risk that any of the past 6 meter readings are inaccurate) to obtain an average consumption rate. This average is then added to the account's meter reading from the previous billing period. All estimates are made manually by staff.

The results from the Staff Estimate Test of Operating Effectiveness are described in Section 3.1.3.

Other controls in the City's water metering and consumption processes are relied upon to ensure that the actual meter read is correct. Based on the manual review completed by the Accounting Clerk (as per section 3.2.1) it is assumed that any anomalies in consumptions are corrected prior to invoicing for consumption.

Potential Risk Factors

| Inherent Risk | Controls | Residual Risk |
|---|--|--|
| The Guns and Radio Reading Devices may be loaded with the incorrect routes. Not all required routes are loaded; therefore houses may be missed and | The Staff Estimate will be applied or an actual meter read will be obtained from an operator if a meter reading is not available. | Houses without actual readings have their readings estimated utilizing the Staff Estimate by the Accounting Clerk. This procedure is described in Section 3.1.3. The Staff Estimate was tested and assessed as operating effectively. |

| Inherent Risk | Controls | Residual Risk |
|--|--|--|
| readings are not obtained. | | Therefore the likelihood of this occurring is low. |
| <p>The <i>Gun Sheet</i> spreadsheet is an unprotected Excel document located on a shared drive, accessible by a number of City staff.</p> <p>This could result in values being accidentally overwritten by another staff, altering the route information and potentially resulting in residences that do not obtain a reading.</p> | <p>There are no specific controls designed to verify the content in the Gun Sheet Spreadsheet.</p> <p>However, the Staff Estimate will be utilized for the accounts without meter readings; If the routes were altered by someone who had tampered with the Excel sheet, some residences may not obtain a reading. This would prompt the Staff Estimate process to be used.</p> | <p>Houses without actual readings have their readings estimated utilizing the Staff Estimate by the Accounting Clerk. This procedure is described in Section 3.1.3.</p> <p>The Staff Estimate was tested and assessed as operating effectively. Therefore the likelihood of this occurring is low.</p> |

Assessment of Design and Implementation

To evaluate the critical controls identified in the context of the scope of our review, KPMG observed the loading of guns (and USB devices) in a walkthrough with the Accounting Clerk.

This included observing the loading of the AR5001 and AR5002 guns, as well as the USB devices for the MXU and VGB routes. KPMG also observed the Accounting Clerk's checking of load errors when the upload to the meter reading devices was completed, the recording of the date telemetry meter readers were loaded, and the number of meters per *AutoRead* to the *Gun Sheet* spreadsheet.

Assessment of Operating Effectiveness

The results from the Staff Estimate Test of Operating Effectiveness are described in Section 3.1.3.

3.1.2 Unload Meter Guns

Process Overview

Loaded guns (AR5001, AR5002) and USB data devices (MXU, VGB) are taken by the City's Operators to collect the meter readings on the created routes.

While the MXU and VGB routes require only a few days for the Operators to collect and return with the meter reading data, the process for collecting the readings for the AR5001 and AR5002 takes approximately 2 weeks to complete.

Once the AR5001, AR5002, VGB and MXU devices return from the field, the information is ready to be imported into *AutoRead* by the Accounting Clerk. AR5001 and AR5002 are loaded into the handheld gun

dock, which connects the gun to the AutoRead system into which the Accounting Clerk imports the meter readings. Similarly, the USB device containing the meter reading data from the VGB and MXU routes is connected to the computer system through a USB port, and the Accounting Clerk utilizes AutoRead to import the meter readings. The unloading of the meter reading devices will only take approximately ten to fifteen minutes maximum per route. When the data is imported, *AutoRead* generates the Sensus Meter Reports and a copy of the collected meter data is saved on the City's shared drive.

Additional information on the Sensus Meter Reports is in section 3.1.3.

Controls

The following controls were noted for the The results from the Staff Estimate Test of Operating Effectiveness are described in Section 3.1.3.

Unload Meter Guns process:

- **Report / Data Backup:** Reports generated by *AutoRead* are backed up and saved to the City's shared drive. The meter reading data for the period is also stored on the City's shared drive to have the original source data on file if required. This control is only a precaution against data loss, rather than designed to prevent a material overstatement in a resident's water consumption reflected in an invoice for a given billing period.
- **Staff Estimate:** The purpose of this control is to manually create a staff estimate when a reading for an account has not been obtained, or the reading is identified by the Accounting Clerk as a potential error (i.e. the reading does not following a normal consumption pattern for the account; this is identified during the Accounting Clerk's meter read manual review described in section 3.2.1). The Staff Estimate process has been described in Section 3.1.1.

The results from the Staff Estimate Test of Operating Effectiveness are described in Section 3.1.3.

Potential Risk Factors

| Inherent Risk | Controls | Residual Risk |
|---|--|--|
| IT or system failure may result in the meter readings unable to be transferred from the Guns / USB devices into <i>AutoRead</i> . | <p>System configuration control: Accounts without readings are flagged in <i>AutoRead</i> through the Meter Sensus Reports described in Section 3.1.3</p> <p><i>AutoRead</i> reports indicate which meter data was transferred from the Guns into <i>AutoRead</i> successfully. Accounts without readings will be identified as requiring a staff estimate or the operator obtaining a reading.</p> | <p>Houses without actual readings have their readings estimated utilizing the Staff Estimate by the Accounting Clerk. This procedure is described in Section 3.1.3.</p> <p>The Staff Estimate was tested and assessed as operating effectively. Therefore the likelihood of this occurring is low.</p> |

Assessment of Design and Implementation

To test the design and implementation of the control noted above, KPMG performed a walkthrough of the process to unload the meter reading devices.

KPMG observed the Accounting Clerk import the information from the USB devices (for MXU and VGB) into *AutoRead*. This included: overriding the previous meter readings from the last billing cycle in *AutoRead*; the system noting the number of meters read compared to the total number of meters on the route; the generation of *AutoRead* reports; and the back-up of the reports and data to the City's shared drive. If errors are identified in the import of data, the Sensus Meter Reports will identify the error on the appropriate report, and the Accounting Clerk will rectify the error based on which report it was identified through, as described in Section 3.1.3. KPMG also observed the same import process for both the AR5001 and AR5002 handheld guns into *AutoRead*.

The backup data was not utilized any further in the process, and it was explained to KPMG that this data is saved as a precaution, to have a record of the original data.

Assessment of Operating Effectiveness

The evaluation of the Staff Estimate was tested as part of section 3.1.3.

3.1.3 Sensus Meter Reports

Process Overview

Once meter readings have been imported into *AutoRead* a series of reports are generated by the system and used by the City's Accounting Clerk to validate the meter readings after they are imported into *Diamond*. The *AutoRead* system creates a separate set of reports for the MXU / VGB telemetry system and AR5001 / AR5002 telemetry system, to highlight potential issues that require action to update and verify the meter readings for each. Each of the reports display accounts that are associated with the potential error that the report is highlighting, and the Accounting Clerk performs certain actions for each report type to rectify the issue, as described below.

In addition to those noted below, reports are also used for meter maintenance purposes. These *AutoRead* reports assist in the monitoring of the need for meter maintenance. These reports are designed to identify issues in the collection of the meter readings; such as whether any accounts have been unable to obtain a meter read for two consecutive billing periods. If issues are identified through these reports, Operators will be assigned to inspect the meter and assess whether meter maintenance or replacement is required. Older meters (e.g. AR5001, AR5002, and MXU) are replaced by a VGB meter; on average each meter has an approximate lifespan of 25 years.

The following are the common reports generated for both telemetry systems:

- **Master Route:** The report lists of the meter readings of all the accounts on the route. This information can be used to verify information when manually checking readings later.
- **Low Exception:** This report highlights those accounts with unusually low consumption below 3 cubic meters. During our review we noted that the settings on this report have not been configured to flag consumption at this level. As a result the report shows the majority of the meter readings on it and does not provide value to the City in terms of identifying meter readings with anomalies.
- **Non-Read Exception:** This report lists all of the meters that did not obtain a reading. The report is compared with one generated by *Diamond* (see section 3.2.1) to identify the accounts that did not receive a meter reading and identifies the need for a staff estimate.

- **Register Malfunction:** This report depicts those readings where a digit was unable to be read by a telemetry device, as noted by a '?' in the place of the digit on the reading. This error requires the Operator to obtain another actual meter reading, or the Accounting Clerk to utilize a staff estimate for the digit.

The following are the unique reports generated for the AR5001 / AR5002 telemetry system:

- **Marked Location:** This report identifies where Operators have marked a specific location in the system with notes to assist in the data collection process. This could include information such as a dog on site, among others.
- **Route Note:** This report identifies where Operators have entered notes to inform the Accounting Clerk about necessary actions that need to be taken regarding an account; including meter malfunctions. Typically a route note involves a subsequent investigation into a meter issue, or will result in a new meter being installed through the initiation of a work order, described in Section 3.2.3. If an actual meter read was not able to be taken due to the issue identified in the route note, the accounts on this report will require a staff estimate for the meter reading.
- **Multiple Read:** This report identifies the accounts that have multiple readings recorded during the meter reading process. These multiple reads are typically attributed to human error, such as an operator pulling the trigger too many times on a touchpad. While *AutoRead* recognizes that multiple reads have been taken for an account, only one of the readings is utilized to indicate the consumption amount, since the multiple readings obtained are the exact same reading. If at least one successful reading has been taken for an account with multiple reads, the Accounting Clerk will not take any action. However, if no reading is entered, the Accounting Clerk will provide a staff estimate.

The following are the unique reports generated for the MXU / VGB telemetry system:

- **Register Mismatch:** This report identifies the accounts where the system expected one type of read, but obtained another. This may occur when a touch read has been collected, as opposed to a radio read. Often no action is required from the Accounting Clerk on accounts that are flagged this way, as the reading obtained is the actual meter reading from that meter.
- **Non-Route Exception:** This report identifies any meter readings on the MXU / VGB routes from meters on similar frequencies that do not belong to the route or to the City. The Accounting Clerk will verify that none of these readings are related to City accounts.
- **MXU Worksheet:** This report identifies accounts without meter readings, including the information on the Non-Read Exception Report. It also includes information as to why the reading was unable to be taken (e.g. bad read, no responses from MXU, non-route readings, register malfunctions, manual readings, Radio-Reads, and work performed). Using this report the Accounting Clerk highlights the accounts that an additional read must be gathered for, and provides this to Operators to obtain an accurate reading prior to the invoicing of consumption.
- **Meter ID Mismatch:** This report identifies the accounts where a meter ID does not have the required frequency information to enable a reading. The Accounting Clerk will manually enter the MXU from the Operator.

Controls

The following controls were noted for the Sensus Meter Reports process:

- **Resolve Operator Notes:** The Marked Locations and Route Note reports gives operators the ability to attach notes to a location with information relevant to data collection, such as why a reading was not obtained. The Accounting Clerk must take action to these notes to resolve any issues that may prevent an inaccurate meter reading, such as ensuring the proper maintenance is taken.

- **Resolve Multiple Reads for a Single Meter ID:** The Multiple Read Report flags meters that show up with multiple readings. Most often these are caused by human error. The Accounting Clerk will manually review these accounts to ensure an accurate reading is utilized by assessing the account history and verifying that the consumption appears to reflect historical levels.
- **Identification of Meter ID's Without Reads:** The Non-Read Exception report from *AutoRead*, the No-Read Report from *Diamond*, and the MXU Worksheet from *AutoRead* identify the accounts that do not have a read associated with an account for a given billing period. The Accounting Clerk will compare the reports from *AutoRead* and *Diamond* and mark down the no-read accounts on the MXU Worksheet, which is then given to the Operators. Operators then return to these meters to try to obtain another reading. If no read is able to be obtained after this attempt, the Staff Estimates of the readings by the Accounting Clerk will be utilized.
- **Resolve Register Malfunction:** The Register Malfunction report indicates that one of the meter digits was unable to be read and shows up as a '?' in the report. This requires a staff estimate of the digit to capture consumption as accurately as possible. This control identifies the meter reads that require a staff to estimate one of the digits and mark the meter read as a 'staff estimate'.
- **Identify Non-Route Exceptions, Register Mismatches and Meter ID Mismatches:** These controls assist in identifying meter readings that do not belong on the route, when a reading is a different type than expected, and accounts that have meter ID's requiring updates in Diamond (i.e. meter replaced, new installation, etc.).
- **Staff Estimate:** The purpose of this control is to create a staff estimate when a reading for an account has not been obtained, or the reading is identified by the Accounting Clerk as a potential error (i.e. the reading does not following a normal consumption pattern for the account; this is identified during the Accounting Clerks meter read manual review described in section 3.2.1). The Staff Estimate was described in Section 3.1.1.

Potential Risk Factors

| Inherent Risk | Critical Controls | Residual Risk |
|--|--|---|
| Reports identify a number of potential anomalies in the meter readings; as a result some accounts may have incorrect readings or no readings taken at all. | Staff Estimate approach will be applied or an actual meter read will be obtained from an operator if a meter reading is not available for the accounts identified in the Sensus Meter Reports. | If an estimate is made above the actual consumption of a household then an overstatement of the resident's water consumption and bill could occur for the period. However, the Staff Estimate was tested and assessed as operating effectively. Therefore the likelihood of this occurring is low. |

Based on the Generate Utility Levy process review, the residual risk that a material overstatement in a resident's water consumption reflected in an invoice for a given billing period could occur is low.

Assessment of Design and Implementation

KPMG conducted a process walk-through with the Accounting Clerk to verify controls had been identified, and to verify the critical control identified in this process.

It was observed that *AutoRead* automatically generated the relevant reports, noting that only those reports that were applicable would be generated. The Accounting Clerk printed the reports to assist in the manual review process, and saved them to the City's shared drive.

KPMG observed that these reports highlight and trigger the need for a Staff Estimate, or for the Operator to return to the meter to obtain an actual reading. Therefore, the Staff Estimate was identified as a critical control point that is designed to detect, prevent and / or correct potential risk factors that could lead to a material overstatement in a resident's water consumption reflected in an invoice for a given billing period.

Assessment of Operating Effectiveness

To evaluate the operating effectiveness of the Staff Estimate, a sample of 20 out of the total 40 estimates (out of a total of 8,124 residential accounts) entered by the Accounting Clerk into accounts for the January-February 2016 billing period was assessed to see whether these followed the Staff Estimate methodology and whether these estimates were reasonable. Only 0.5% of residential accounts required Staff Estimates, with 99.5% of residential accounts obtaining an actual meter reading. The January – February 2016 billing period was assessed within the scope of KPMG's assessment of the meter reading and consumption processes.

Our sample included those readings that were marked as 'staff' or 'service' estimates, as these labels are utilized by the Accounting Clerk in *Diamond* to indicate that a staff estimate has been performed.

To perform our assessment we completed the following steps:

- We obtained the most recent report from *Diamond* that contained all staff and service estimates for the January-February 2016 billing period, within the identified assessment period for process walk-throughs as agreed upon by the City.
- We reviewed a sample of 20 estimates from this report. Our sample size was selected from a total 41 estimates that were made during the billing period. (The 41 staff estimates entered by the Accounting Clerk for the Jan-Feb billing period represented approximately 0.5% of all residential accounts).
- For each estimate entered into the 20 residential accounts included in our sample, we reviewed the consumption history for the past six billing periods for that specific client account, and calculated the estimated consumption based on the methodology used by the City (i.e. the average of six prior billing periods).
- For the number of differences between the estimate and our calculated value, we inquired with the Accounting Clerk as to the reason behind the differences, which are described below in our observations from the assessment.

Differences between our calculation and the City's estimate were immaterial i.e. less than or equal to 0.001). Our assessment revealed that the majority of the estimates (70%) were correctly noted.

As a result, this control was applied consistently during the January – February 2016 billing period and generated consumption levels that appeared reasonable relative to the review of the past consumption history.

During our assessment the following observations were noted:

- For new accounts without prior consumption histories, the Accounting Clerk will enter an estimate ranging from 5 to 10 cubic meters, which is lower than the average consumption for an account (per billing period) of 27 cubic meters (as calculated from consumption data from 2009-2015).

- When an estimate is marked as a 'service estimate' as opposed to a 'staff estimate' KPMG observed the Accounting Clerk utilizes a new policy, effective October 2015, designed to prompt the resident to respond as follows:
 - For accounts with abnormally low consumption levels over several (2-3) billing periods that do not reflect prior consumption history or other anticipated meter maintenance errors, the Accounting Clerk and Operators will attempt to contact the resident (by phone or contact card at the door) to request a meter inspection. If a response is not provided after several attempts at contact, the Accounting Clerk will enter a slightly higher consumption than what the meter was reading as the City believed there may be an error with the meter and requires access to the property to assess whether the system is working correctly.
 - By entering a slightly higher consumption (KPMG observed the Accounting Clerk entering consumption estimates approximately 2 – 5 cubic meters above actual read consumption levels), the intent was to encourage the account holder to call in; this method is only utilized after other methods, such as the notifications and notices left at a resident's home have not worked.

3.2 Water Consumption Processes and Controls

3.2.1 Import Meter Reads into Diamond

Process Overview

The City utilizes *Diamond* to create bills for residential water consumption. Meter readings are imported into *Diamond* from the reading software, *AutoRead*, by the City's Accounting Clerk. During this import process *Diamond* will automatically flag any errors associated with the data.

The Accounting Clerk manually reviews the data imported to check and correct anomaly readings by performing a reasonability test. This includes a manual review of the meter readings in *Diamond* to determine whether anomalies such as high / low / missing consumption levels are present; this is the second check performed (see section 3.1.3).

Each billing period, the Accounting Clerk produces the following reports generated from *Diamond* for each route (AR5001, AR5002, VGB and MXU) to assist with this manual review:

- **No-Read Report:** This report depicts all of the accounts that did not obtain a meter reading, for various reasons including (but not limited to): reading not received by telemetry device, meter frequency information not entered into system, operator unable to access meter to obtain a reading, meter malfunction, etc. The Accounting Clerk compares this report to the Non-Read Exception report (see section 3.1.3) from *AutoRead*, to verify that accounts without a meter reading have been accounted for between the two types systems. Once this is verified, accounts without reads are given to Operators to attempt to obtain an actual read for the second time.
- **Turnover Report:** Accounts with readings that indicate that a meter has 'turned over' during the billing period are listed in this report. A meter turnover indicates that the digits have reached the maximum value and reset to the lowest value (i.e. all zeros). As part of this report, the Accounting Clerk will verify if the readings were close to the maximum in the previous cycle to ensure that there are no errors with the meter. Typically, residential meters do not have high enough consumption levels to create a turnover in the billing period, so this indicates to the Accounting Clerk that the reading should be checked and may require a staff estimate.
- **Zero Consumption Report:** Accounts without consumption reported will appear on this report. This means that the account did receive a reading, and the consumption had not changed since the previous period. For most accounts, this is unusual activity, as it is expected that each household will

consume some water in any billing period. However, there are circumstances, such as when a house is without tenants, or it is a unit currently being developed, etc. where zero consumption is reasonable. The Accounting Clerk will review these accounts and may provide a staff estimate if zero consumption is deemed unreasonable.

Per our inquiry with Accounting Clerk, the review of the reports generated from *Diamond*, as well as the manual review of high / low consumption levels and a general review for meter reading anomalies, are performed to determine the accuracy of the water consumption billed to the resident.

Subsequent to this manual review, the Accounting Clerk will post the meter readings to the appropriate account in *Diamond*. The Accounting Clerk is then able to generate a Utility Levy and prepare bills as described in section 3.2.3.

Controls

The following controls were noted for the Import Meter Reads into Diamond process:

- **Error Report:** This control is used to highlight items that *Diamond* marks as 'errors' and that require corrective action. The error list is populated by accounts that have errors in their meter read dates, and will be generated for each route imported into *Diamond* where these errors are present. Since this report does not identify anything related to consumption levels, it is unlikely to prevent a material overstatement in a resident's water consumption reflected in an invoice for a given billing period.
- **Zero Consumption Report:** This control is used to highlight accounts that had zero consumption for the given billing period, and will be generated for each route that obtains accounts with zero consumption levels. The Accounting Clerk accesses the account history to verify if this is a pattern or an anomaly. If there has been zero consumption for more than 2 months the account is further investigated. This control is linked to the Staff Estimate tested in section 3.1.3.
- **Meter Turnover Check:** Through this control the Accounting Clerk investigates if the consumption is normal based on the turnover result; this report is generated for each route that obtains accounts with meter read turnover indicated. If a pattern of turnover is not present and this occurs for more than 2 months, further investigation is undertaken. This control was identified as a critical control, as it directly relates to the risk of preventing a material overstatement in a resident's water consumption reflected in an invoice for a given billing period. A meter turnover could result in a significant overbilling to a resident if left uncorrected. This test has been described in the Test of Operative Effectiveness below.
- **No-Read Report from Diamond:** Through this control reports between *Diamond* and *AutoRead* are compared to ensure that all no-read accounts have a meter read entered. This report will be generated for each route that obtains accounts without meter readings. Operators will attempt to collect a reading from the accounts identified on this list, however, if a reading is still unavailable a staff estimate is used. This control is linked to the Staff Estimate tested in section 3.1.3 and was tested through that process.
- **Meter Reading Manual Review:** Through this control the Accounting Clerk manually checks the meter readings for anomalies for each route within the billing period. Where issues are found, staff estimates are entered until Operators bring back an actual read for the meter. This control is linked to the Staff Estimate tested in section 3.1.3 and was tested through that process.

Potential Risk Factors

| Inherent Risk | Controls | Residual Risk |
|---|---|--|
| Readings that are imported into <i>Diamond</i> do not match the readings imported into <i>AutoRead</i> from the guns, with the data collected from the meters by Operators. | Data Transfer Process: <i>Diamond</i> , through the Error Report, will flag accounts that appear to have errors resulting in differences between the two systems, for example, if a meter has not yet been registered in <i>Diamond</i> or discrepancies in meter read dates. | The Data Transfer Process was tested and assessed as operating effectively in the January – February 2016 billing period. Therefore the likelihood of this occurring is low. |
| Meters that have 'Turned Over' represent a large consumption by the account, which is usually not typical for a residential account. <i>Diamond</i> indicates that a turnover has occurred, but this may not be a representation of the actual consumption, which could lead to potential overbilling based on inaccurate consumption reading. | Meter Turnover Check: <i>Diamond</i> flags meter turnover as anything where the digits are lower than the last read. | The Meter Turnover Check was tested and assessed as operating effectively in the January- February 2016 billing period. Therefore the likelihood of this occurring is low. |

Based on the Import Meter Reads into *Diamond* process review, the residual risk that a material overstatement in a resident's water consumption reflected in an invoice for a given billing period could occur is low.

Assessment of Design and Implementation

To assess the design and implementation of the critical controls in the Import Meter Reads into *Diamond* process we performed a walkthrough of the import process.

The Accounting Clerk was observed importing the meter reading data from *AutoRead* into *Diamond*, including the creation of a batch for the current billing period, the review of the error report from *Diamond*, as well as the generation and printing of the various reports noted above.

The Accounting Clerk was observed performing the manual review process. The Accounting Clerk manually reviewed each account that the Turnover and Zero Consumption reports flagged, to verify whether these events had actually occurred.

Assessment of Operating Effectiveness

Data Transfer Process

The operating effectiveness of the data transfer between *AutoRead* to *Diamond* was assessed. To perform the assessment the following steps were completed:

- The Master Route report from *AutoRead* was obtained for the January-February 2016 billing period
- The total number of records was determined and compared with the total number of records present in *Diamond* to evaluate the completeness of the data transfer
- To assess the accuracy of the data transfer, 20 sample of consumption readings out of the 8,124 residential consumption accounts were selected from *AutoRead* and compared to the consumption value depicted in *Diamond*.

We observed that the number of records in the *AutoRead* reports matched the number of records that were imported into *Diamond*. Each of the consumption levels from the account samples reviewed between *AutoRead* and *Diamond* matched. Based off of the accounts sampled, the Data Transfer Process appeared to be operating normally for the January – February 2016 billing period.

Meter Turnover Check

The operating effectiveness of the Meter Turnover Check control identified in the Import Meter Reads into Diamond process was assessed. To perform the assessment the following steps were completed:

- The Turnover Report generated from Diamond when the routes were imported was obtained for the January-February 2016 billing period from the Accounting Clerk.
- For each account where a turnover was identified, the Accounting Clerk's treatment of the turnover as either a valid turnover or an error was observed. To determine whether a turnover is valid, the Accounting Clerk assessed previous account consumption history to assess whether consumption levels for this account have historically been high enough to constitute meter turnover. Since the Turnover Report only includes a limited number of accounts during each billing period, we reviewed all of the accounts highlighted in the billing period for the assessment.
- The reasonability of the treatment for the turnover meter reading was assessed. This included a verification of the action taken, and through an assessment of the prior meter reading and the history of the account's consumption.

Of the 15 meters where a turnover was noted, only 2 were identified as valid due to being a high consumption account. The remaining accounts did not experience a valid turnover; the meter reading was recorded as either the same, or slightly less, which triggered the system to identify the meter as a turnover.

For the 13 accounts that were not valid turnovers, the Accounting Clerk was asked to identify the action taken to rectify the error.

- The first error type was that several meter readings are the same every billing period, signifying that the meter readings may not have been able to be obtained from the telemetry system. To correct this

error the Accounting Clerk was observed manually entering an estimate for consumption for these accounts, which resulted in the system recognizing that the read obtained was less than the prior billing period and marked the account as a turnover. The Accounting Clerk monitors / follows-up on the account experiencing these turnovers by contacting the resident. Based on our observation and understanding of the process this approach appears to be reasonable.

- The second error type was accounts with low utilization; the system identifies this as a turnover. A potential cause of this error is backflow, where the water flows backwards through the pipes and causes the meter reading to be slightly lower than the previous reading. The Accounting Clerk identified these accounts by the previous meter reading for the account. This error was corrected by changing the previous read to match the current read, resulting in zero consumption. Based on our observation and understanding of the process this approach appears to be reasonable.
- The last error type was for one account that was flagged as having its meter installed backwards; the system identifies this as a turnover. To correct this the Accounting Clerk switched the previous and the current reads, to give the correct consumption levels in the system. Based on the account's consumption history, this approach appears to be reasonable.

In addition, based on our assessment we also noted the following:

- While *Diamond* has the ability to generate a high / low consumption report, the current reporting is not properly configured to provide this information.
- The manual review of the readings requires a significant time commitment by the Accounting Clerk.

3.2.2 Manual Reads

Process Overview

Occasionally it may not be possible for Operators to collect meter reads. The need for a manual review is indicated by accounts where operators could not obtain a meter reading, which could result from changes to the property by the homeowner or environmental factors preventing access for the Operators, meter accounts not yet linked to a resident's account for new residences or move-ins, etc. It is still preferable to obtain an actual meter reading as opposed to making an estimate. This may be done by an Operator or by the resident calling into the City with their meter reading. In both cases the values are provided directly to the Accounting Clerk.

The Accounting Clerk records the Operator meter readings in *Diamond* and record the source of the reading in the appropriate data fields. Once this is complete, the Accounting Clerk will update the meter read date to the next scheduled reading date.

It is standard practice for the City to repair / replace meters if there are reading difficulties for two consecutive billing periods. In addition, the majority of manual reads are related to commercial / industrial water meters, rather than residential.

Controls

The following control was noted for the Manual Reads process:

- **Manual Read Reasonability Verification:** Through this control the Accounting Clerk conducts a reasonability verification of the readings during a manual review process. The assessment is based on whether or not a manual reading for the account seems reasonable based on the account's historical consumption. Where there is a question regarding the reasonableness of the manual read, the Accounting Clerk will enter in a Staff Estimate for the period, while further investigation is completed.

Potential Risk Factors

| Inherent Risk | Controls | Residual Risk |
|--|--|--|
| An Operator made an error in the manual reading, recording, or reporting of the meter read resulting in over-reporting of consumption. | The Staff Estimate methodology of assessing historical consumption is utilized by the Accounting Clerk to verify the manual read obtained from the Operator. Manual reads in residential settings may only be needed on a limited basis. | The Staff Estimate was tested and assessed as operating effectively in the January – February 2016 billing period. Therefore the likelihood of this occurring is low. |
| Data from the manual meter readings could be entered incorrectly into <i>Diamond</i> by the Accounting Clerk. | The Staff Estimate methodology of assessing historical consumption is utilized by the Accounting Clerk to verify the manual read obtained from the Operator. Manual reads in residential settings may only be needed on a limited basis. Manual meter readings are either received from an Operator on paper or over the phone from a resident. | The Staff Estimate was tested and assessed as operating effectively in the January – February 2016 billing period. Therefore the likelihood of this occurring is low. |
| Residents may make an error in reading and reporting their meter to the City. | The Staff Estimate methodology of assessing historical consumption is utilized by the Accounting Clerk to verify the manual read obtained from the Operator. Manual reads in residential settings may only be needed on a limited basis. Manual meter readings are received over the phone from a resident. | <p>The resident reports an incorrectly high reading to the Accounting Clerk, resulting in an overstatement of consumption reflected in the invoice for a given billing period.</p> <p>If the reading given to the Accounting Clerk is incorrect, this cannot be validated until the next time an Operator retrieves a meter reading for the account. This can then be back-billed or applied a credit, if the reading was incorrect.</p> |

Assessment of Design and Implementation

We performed a walkthrough of the Manual Reads process with the Accounting Clerk. The manual meter readings that were collected by the Operators were reviewed by the Accounting Clerk against the historical consumption of the account for verification.

During the January-February 2016 billing period several residential meter readings required a manual reading. The Accounting Clerk was observed assessing the manual readings received and questioning their accuracy. As a result, the Accounting Clerk requested the Operators to retrieve a second manual reading, while a Staff Estimate was entered.

Based on our assessment this process is designed and implemented in a way that would verify the accuracy of the manual meter readings obtained. Manual readings that do not appear correct to the Accounting Clerk, based on patterns of consumption for an account, may require an additional manual read.

Assessment of Operating Effectiveness

We did not perform an assessment of effectiveness for the controls in the Manual Reads process as in the event that a read is unable to be collected and / or appears unreasonable a Staff Estimate is entered. Our assessment of the Staff Estimate (section 3.1.3) concluded that this control was operating effectively in the January – February 2016 billing period.

3.2.3 Generate Utility Levy

Process Overview

Before the City begins allocating water consumption as reflected on invoices (i.e. Utility Levies), work orders for the billing period are posted in *Diamond* by the Accounting Clerk.

Work orders may include a change of customer, change of a meter, the shutting of off water for an account, meter repairs and maintenance, installations on new builds, etc. Work orders can be identified as required through the water meter and consumption process, or through customer initiated actions (e.g. move to a new home). The Accounting Clerk sorts work orders to identify those that may require immediate action during the given billing period.

The Accounting Clerk posts work orders into *Diamond* as they are created. The work orders need to be posted prior to the generation of the utility levy, to ensure that the information from the work orders is included in the invoices for the billing period.

Subsequent to this, the process of generating utility levies begins. A utility levy is generated from the meter reading to a resident registered on the account. The Accounting Clerk checks to ensure that all accounts have a reading associated with them.

In addition, the Accounting Clerk also works to ensure that the resident contact information for the account is correct.

The utility levy is then generated through *Diamond* to determine the water consumption charges for the billing period that will be mailed to residents. The Accounting Clerk creates batches and enters the information for the billing period and verifies this. This process takes approximately three hours. Once generated, the bills are sent by the Accounting Clerk to the Senior Accountant and PDF's of the bills are

printed. This may take several days, and bills are typically mailed to residents 2 to 3 days after their creation.

Controls

The following controls were noted for the Generate Utility Levy process:

- **Smartlist Report Verification:** This control uses the Smartlist report to assist the Accounting Clerk in verifying that all accounts that were identified as not having received a reading have Staff Estimates generated for them, and that all System Estimates have been replaced by a Staff Estimate. This control was identified as a critical control, as all accounts that have not obtained a reading from the telemetry devices require a Staff Estimate to be entered. System Estimates may not be reasonable or applied in a consistent manner, which could result in potential overstatement of consumption for some residential invoices.
- **Premise Verification:** This control uses a Smartlist report to ensure that the residential address and number of premises associated with an account are updated and accurate. Each account must have information on how to send invoices to the resident. This control is designed to identify whether billing information is available for the account. It is not designed to prevent a material overstatement in a resident's water consumption as reflected in an invoice for a given billing period.
- **Reasonability Check for Utility Levy:** This control is completed once a utility levy is generated for an account. The Accounting Clerk manually reviews each account to ensure that no levy amounts appear abnormal. This manual review is less robust than the processes previously described section 3.2.1.
- **Service Code Verification:** Through this control the Accounting Clerk verifies that the service codes for the accounts are appropriate. For each fixed residential account (F062) there must be a corresponding consumption service code (W062). This is not a critical control, as it is not designed to prevent a material overstatement in a resident's water consumption as reflected in an invoice for a given billing period.

Potential Risk Factors

| Inherent Risk | Controls | Residual Risk |
|--|---|--|
| Accounts may not have readings, or they may have system estimates in place which do not follow the staff estimate methodology. | The Smartlist Report Verification approach utilizes reports generated from Diamond to flag system estimates. System estimates do not follow the same methodology as the staff estimate and must be changed to the formula for consistency. | The Smartlist Report Verification was tested and system estimates identified were resolved, therefore it was assessed as operating effectively in the January – February 2016 billing period. Therefore the likelihood of this occurring is low. |
| The utility levy generated does not correspond with the actual usage as portrayed by the | The Accounting Clerk manually reviews the levies generated from <i>Diamond</i> through a Reasonability Check after batch is posted | Data used to calculate the levy may be overstated for a given billing period. While this control was not tested, we believe the presence of other critical controls in the water metering and |

| Inherent Risk | Controls | Residual Risk |
|-----------------------------------|--|--|
| meter reading in <i>Diamond</i> . | to flag abnormally high or low levy amounts. | consumption processes, such as the Staff Estimate, Data Transfer, and Meter Turnover Check, perform a similar enough function to be considered compensatory to this control. |

Based on the Generate Utility Levy process review, the residual risk that a material overstatement in a resident's water consumption reflected in an invoice for a given billing period could occur is low.

Assessment of Design and Implementation

We performed a walkthrough with the Accounting Clerk of the controls noted above. Through this we observed the Accounting Clerk utilize the various Smartlist reports to verify and confirm consumption levels.

Reads are able to be marked according to different descriptions (e.g. system estimate). For those accounts that had reads as anything other than actual or staff estimates, we observed the Accounting Clerk assess the account information and either verify why the reading had been marked with a specific description, and / or if it needed to be changed.

We also observed the generation of the utility levies and the resulting review for reasonability. Our assessment is that this was not a control as there was no formal 'review' process or documentation of the review of the utility levies generated. The review solely consisted of the Accounting Clerk scanning the levy list to ensure that no extremely high or extremely low amounts appeared.

In addition, our review focused on the point at which consumption was reflected on a utility levy.

Assessment of Operating Effectiveness

We assessed the operating effectiveness of the Smartlist Report Verification control identified in the Generate Utility Levy process. To perform our assessment we completed the following steps:

- Reports for the last five billing cycles were obtained (May-June 2015, July-August 2015, September-October 2015, November-December 2015, and January-February 2016). All of the reports were available, except the September-October 2015 report. The Accounting Clerk was unable to locate the report for this period and indicated that it may not have been generated.
- The reports were examined to determine whether there were any no-read accounts or system estimates noted on these reports to verify that all accounts requiring staff estimates received them.

We found for three reports that all accounts with no-read or system estimates had been resolved by the Accounting Clerk.

For one report, November to December 2015, there were two accounts appearing as 'no-read' without explanation. Upon further investigation these accounts had Staff Estimates entered into *Diamond*. In our follow-up, the Accounting Clerk noted that the report may have been run before the estimates for those accounts were input.

While three of the four reports provided by the Accounting Clerk had resolved the identified no-read and system estimates, based on our assessment of the operating effectiveness the control may not be working appropriately. As a result, there are potential implications that no-reads or system estimates left unresolved in accounts may result in reporting of overconsumption for some residents. The impact is limited to when a meter reading is unable to be obtained, or a system estimate is generated. .

Due to our assessments undertaken for the January – February 2016 billing period, the presence of other critical controls in the water metering and consumption processes, such as the Staff Estimate, Data Transfer, and Meter Turnover Check, perform a similar function and are compensatory to this control.

4 Data Analytics

KPMG conducted an analysis of the City's historical water meter and consumption data (2009 to 2015) to analyze consumption patterns and trends across different variables. This assessment was conducted to identify anomalies in consumption, comparing complainants and other residents, and identify potential causes in overstatements of consumption.

For the purposes of analytics, an anomaly was defined as any consumption value over an account's average historical consumption (from 2009 to 2015). An anomaly has been defined as material in the scope of this review if it exceeds the account's historical consumption levels by greater than 10 cubic meters.

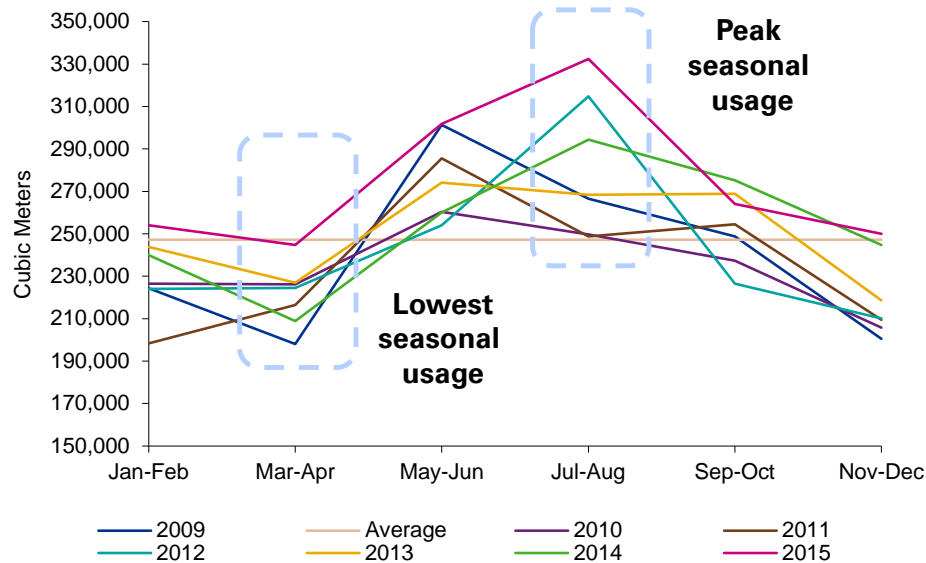
Our analytics focused on answering the following questions:

- Does seasonal consumption of water and related billing follow a standard pattern?
- Is monthly water consumption relatively stable year over year, when examined over a period of years?
- Are there indications of water loss within the City?
- Are there patterns in water consumption and that are out of the ordinary for the City over a period of time?
- Do consumption anomalies have any relationship to meter telemetry?
- Do consumption anomalies have any relationship to the age of the meter hardware?
- Do water consumption anomalies have any relationship or correlation to certain factors such as geographic location of the residence?
- Do anomalies in water consumption correlate with complaints?

4.1.1 Seasonality and Stability of Consumption

As depicted in Figure 3, the City's aggregated water consumption pattern is variable with seasonal trends. As a result, high variation among residents over a single year of billings can be reasonably expected.

Figure 3: City Water Consumption 2009 to 2015



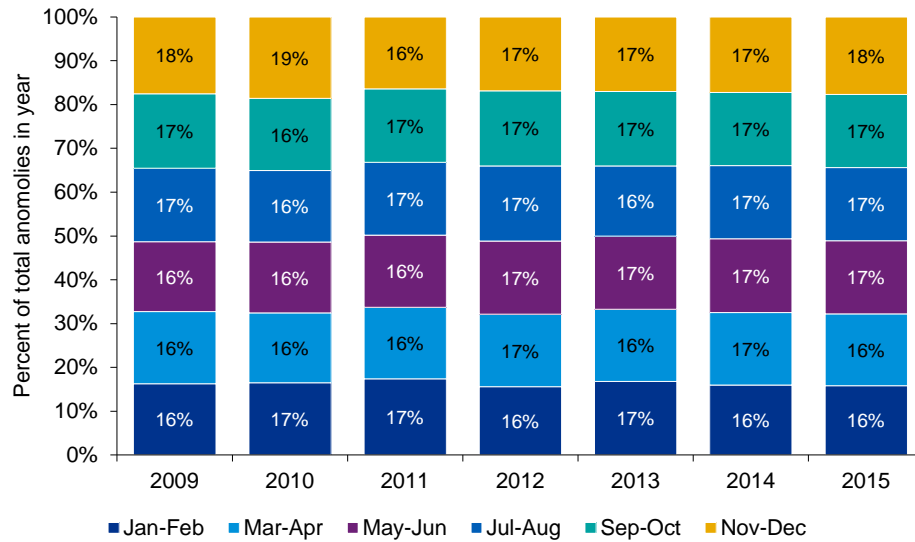
Overall, 2015 was the highest year for water consumption in the City; with the summer (July-August) recording the highest consumption over the period of time that we reviewed. During the July-August 2015 billing cycle the City received 13 of the 27 disputed bills.

July-August 2015 had the lowest rainfall and was the second warmest compared to the July-August period of other years from 2009 to 2014¹, potentially contributing to increased water consumption for the period for many residents.

In reviewing the number of residential anomalies (i.e. consumption over the resident's historical average) in each billing period from 2009 to 2015 (see Figure 4), there are no major deviations in the pattern between year or billing period. This would seem to indicate that anomalies can occur during any period and do not appear related to seasonal consumption patterns.

¹ Based on weather data obtained from Environment Canada

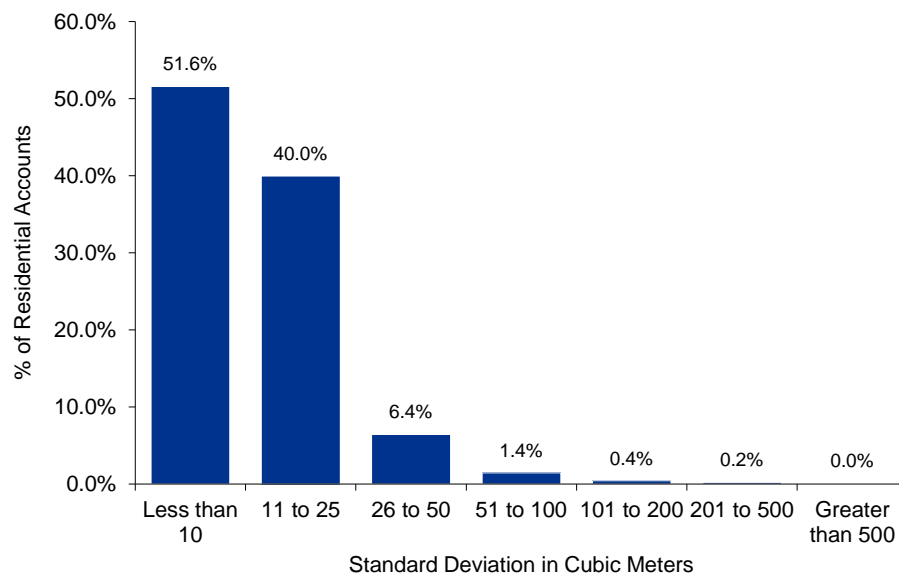
Figure 4: Proportion of Anomalies by Billing Period



To further understand the stability of consumption we also calculated the standard deviation of each account's historical consumption. The standard deviation indicates how spread out the consumption (i.e. the distance between the minimum and maximum consumption recorded across each account from 2009 to 2015). This was done to understand how much variation exists in each account's pattern of consumption.

As per Figure 5, all accounts experience some variation in their consumption, with more than 8% of accounts having a large variation (i.e. a standard deviation of more than 26 cubic meters).

Figure 5: Consumption Standard Deviation (2009 to 2015)



Conclusion

Based on the analysis performed there is a seasonal pattern of water consumption for the City. It would also appear that consumption by account is relatively variable with some accounts experiencing higher swings than others.

4.1.2 Water Loss

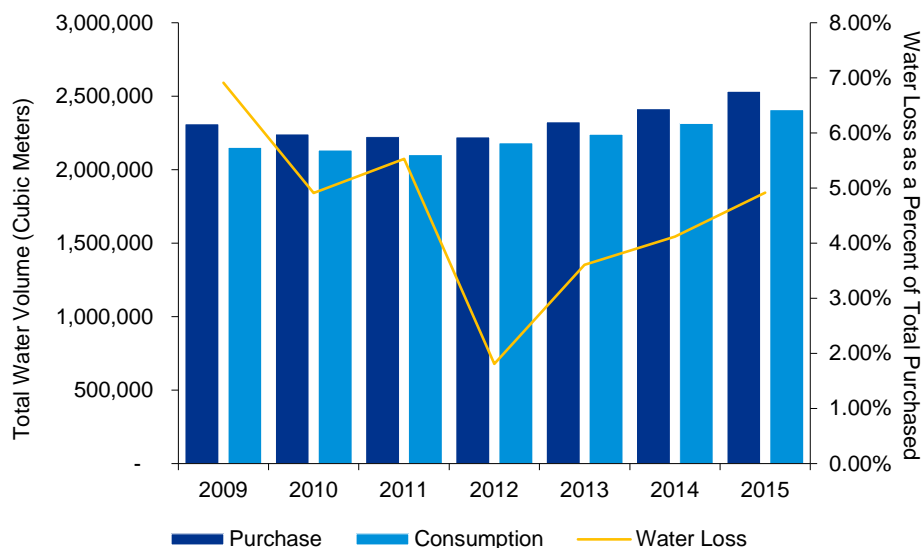
Figure 6 depicts the City's water loss, which is the difference between the volume of water purchased and the total consumption across residential, commercial and industrial.

While every municipal water system does tend to leak or have some volume of water loss, the amount can vary across municipalities. In 2009, Environment Canada estimated that on average 10.1% of water from municipal systems across Alberta, was unaccounted for. Further to this, the Alberta Urban Municipalities Association set a goal of 10% for water loss² in 2014 for Alberta's urban municipalities, which includes the City.

The City's water loss appears variable each year, with the highest water loss occurring in 2009 at just under 7% of the total purchased volume. In 2015, the City's water loss was 5% of the total purchased volume, well below the benchmarks outlined above.

This non-revenue / unaccounted for water is an important indicator of the condition and efficiency of the City's overall water system. This non-revenue water includes all unmetered consumption which consists of construction water usage, fire hydrants, other authorized unmetered consumption, and real losses from leaky infrastructure.

Figure 6: Total Water Purchase, Consumption and Loss 2009 to 2015



2 AUMA, Urban Municipal Water Conservation, Efficiency and Productivity Plan - Targets and Actions for the Urban Municipal Sector. Accessed from: http://www.auma.ca/sites/default/files/Advocacy/Document_library/80674_2014_cep_plan.pdf

Conclusion

Based on the analysis performed there is water loss within the City. However it is not related or contributing to overstatements of consumption for some residents; if this was the case we would expect total consumption to be noted higher than the total purchase of water.

4.1.3 Water Consumption Patterns

We defined a consumption anomaly where an account's consumption for a given period was larger than its historical average. Using this definition, 44% of the records we reviewed relating to residential consumption in the City between 2009 and 2015 were considered anomalies. Anomalies have been defined as material where they exceed historical consumption levels by greater than 10 cubic meters.

As per Figure 7, over the six year period reviewed 67% of these anomalies were related to overconsumption of less than 10 cubic meters, and 0.9% were related to overconsumption of more than 100 cubic meters. This is despite the fact that average consumption for a residential dwelling is approximately 27 cubic meters per billing period, or 31 cubic meters when multi-family dwellings are included.

Figure 8 breaks these anomalies further by year. Based on this analysis the proportion of anomalies follows a similar pattern, suggesting that no single year experienced any higher consumption anomalies than others.

Figure 7: Water Consumption Anomalies by Overconsumption Amount (2009 to 2015) - All

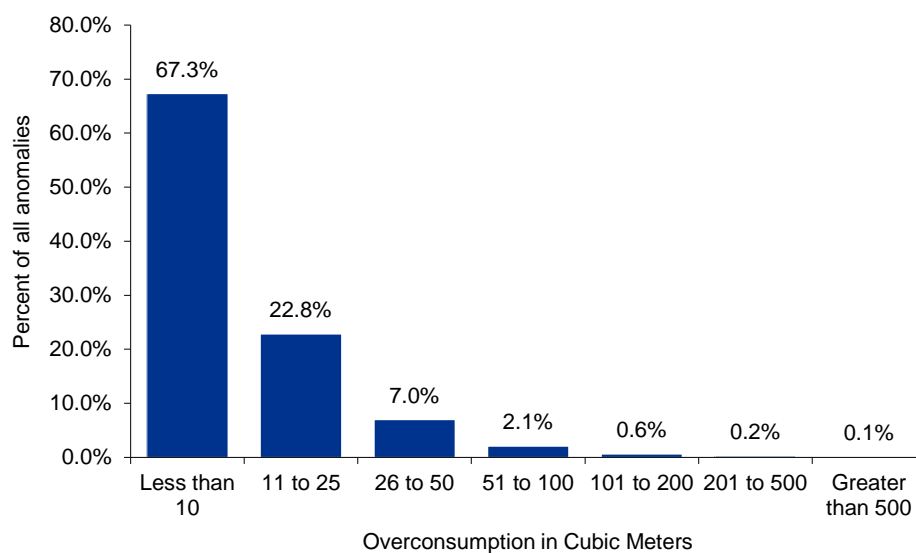
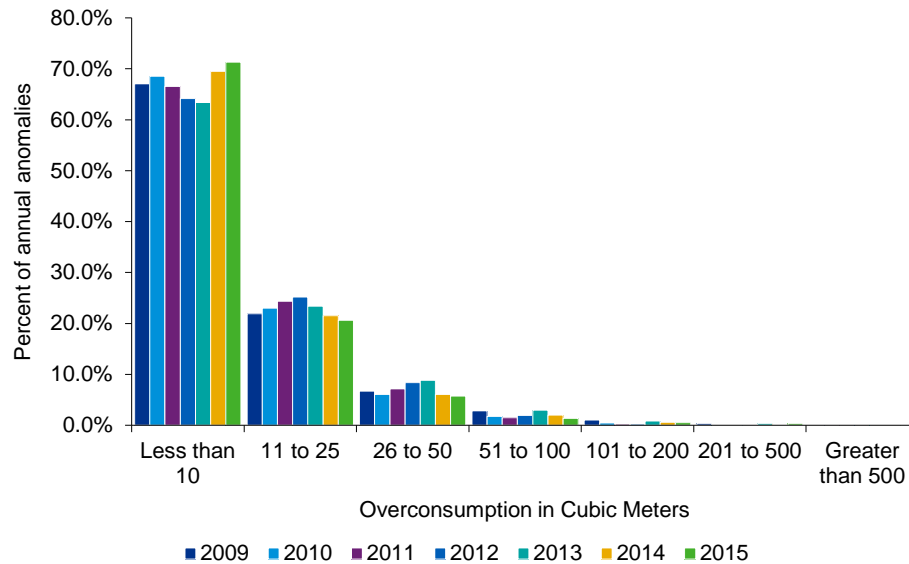


Figure 8: Water Consumption Anomalies by Overconsumption Amount (2009 to 2015) – By Year



Conclusion

Based on the analysis performed there are no distinct patterns in water consumption that are out of the ordinary for the City from 2009 to 2015.

4.1.4 Meter Telemetry

As described in section 3.1.1, there are four different telemetry devices that are used to collect meter readings from 8,124 residences in the City. Figure 9 shows the number of residences that utilize each telemetry device, as well as the average consumption anomaly for those residence. Overall the data does not suggest that any single telemetry device may lead to a higher consumption reading.

Figure 9: Telemetry Device and Average Consumption Anomaly (2009 to 2015)

| Telemetry Device | Number of accounts | Average consumption anomaly (cubic meters) |
|------------------|--------------------|--|
| AR5001 | 1,503 | 4.5 |
| AR5002 | 1,390 | 4.9 |
| MXU | 3,327 | 5.6 |
| VGB | 1,904 | 6.1 |
| Total | 8,124 | 5.2 |

Figure 10 depicts the correlation between the telemetry devices and all accounts that experienced a consumption anomaly between 2009 and 2015. Based on the analysis none of telemetry devices appear to lead to higher overconsumption readings.

Figure 10: Telemetry and Consumption Anomalies (2009 to 2015)

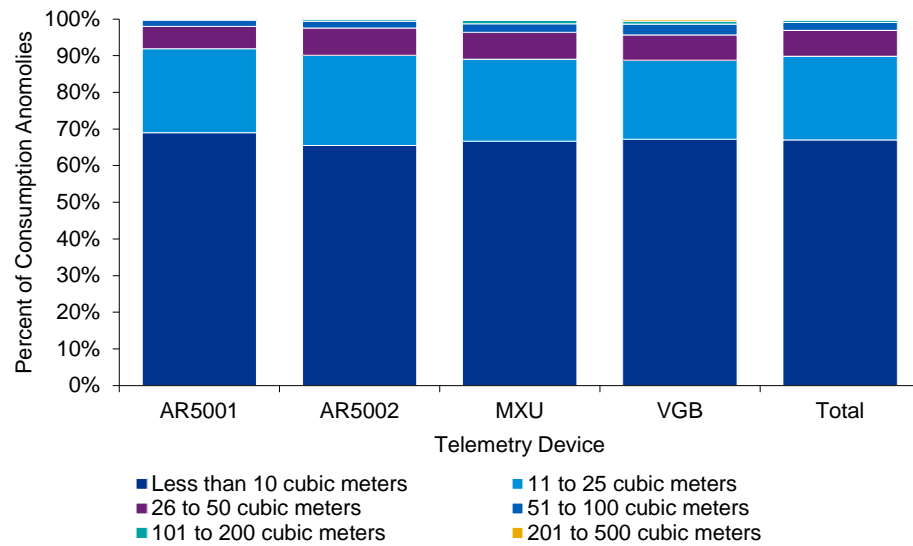
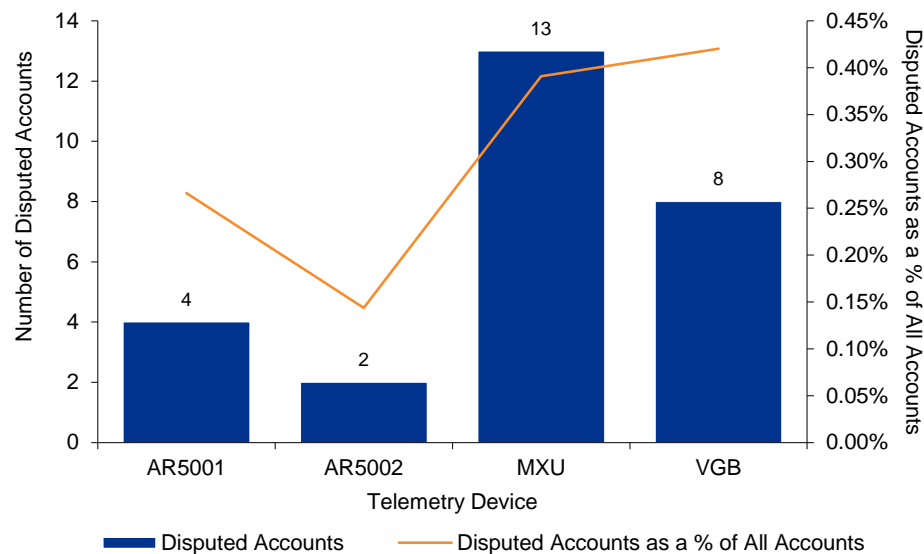


Figure 11 depicts the correlation between the telemetry devices, disputed accounts, and non-disputed accounts between 2009 and 2015. As previously noted, the City provided us with the details of 27 complaints that it had received regarding overstatements of consumption from residents. The orange line displays the percentage of disputed accounts relative to the total number of accounts associated with that telemetry device.

Figure 11: Telemetry, Disputed vs. Non-Disputed Accounts (2009 to 2015)



Conclusion

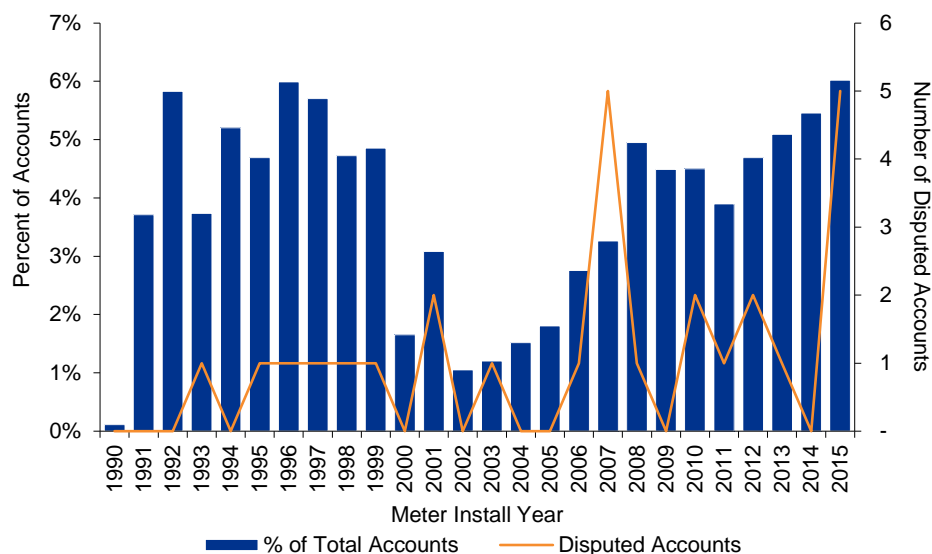
Based on the analysis completed consumption anomalies do not appear to be related to the type of telemetry used. The number of consumption anomalies among disputed accounts follows a similar pattern to non-disputed accounts.

4.1.5 Age of Meters

The current meters used by residents of the City were installed between 1990 and 2015. Figure 12 shows how this breaks down across active accounts; approximately 45% of meters were installed prior to 2000, 30% between 2000 and 2010 and the remaining 25% within the past 5 years.

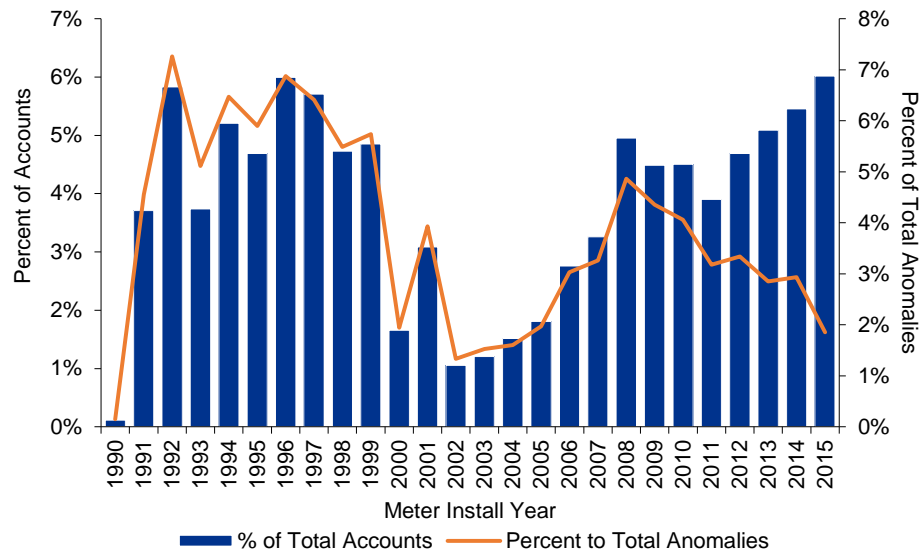
In addition Figure 12 also depicts the number of disputed accounts and when their meters were installed. Where there is no strong correlation to the meter year installed, it would appear that meters installed in 2007 and 2015 represented almost one-third of all disputed accounts;

Figure 12: Meter Install Year and Disputed Accounts



To determine whether this was a more pervasive issue, we analyzed all accounts that experienced a consumption anomaly against when their meter was installed. Figure 13 depicts the results of this analysis; approximately 54% of consumption anomalies came from meters that were installed prior to 2000, 32% from meters that were installed between 2000 and 2010 and the remaining 14% from meters installed within the past 5 years. There is no strong correlation between the year a meter was installed and a consumption anomalies.

Figure 13: Meter Install Year and Consumption Anomalies (2009 to 2015)



Conclusion

Based on the analysis completed consumption anomalies do not appear to be related to the age of the meters. The number of consumption anomalies among disputed accounts follows a similar pattern to non-disputed accounts.

4.1.6 Geographic Locations

To assess whether the disputed accounts are geographically related, these accounts were mapped according to location, and the billing period of the dispute in Figure 14.

Figure 14: Geographic Dispersion of Disputed Accounts

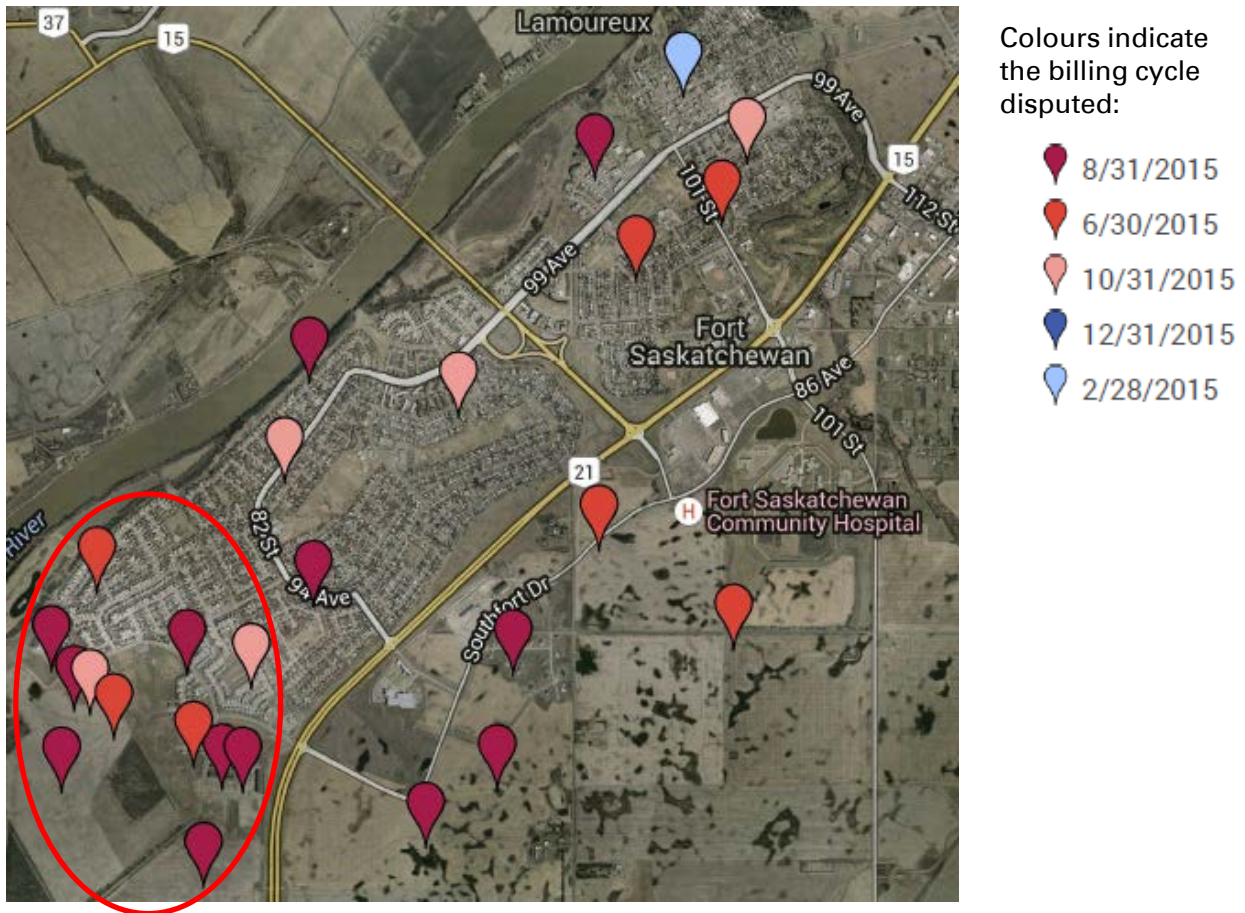


Image courtesy of Google

The July-August 2015 billing period experienced the greatest number of disputed accounts. In addition, there are potential geographic concentrations of disputes. Based on the satellite image (Figure 14), these appear to be in locations where there are newer developments.

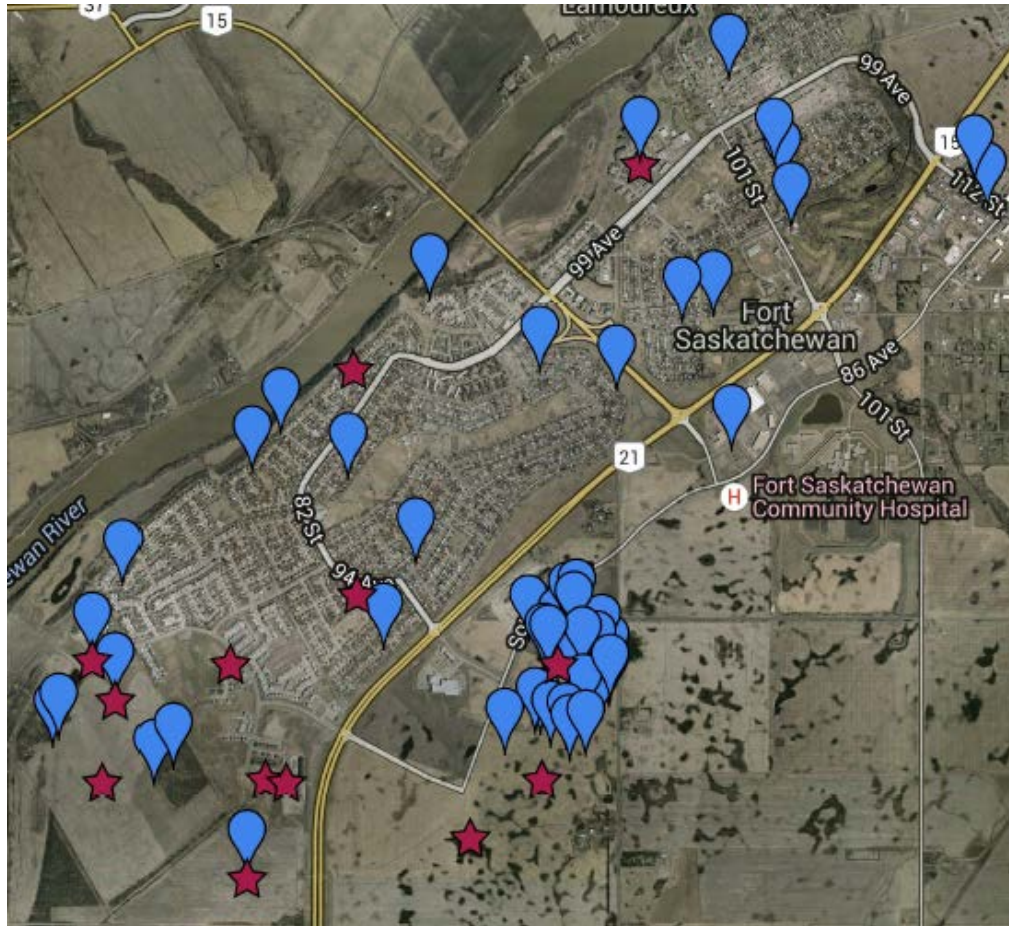
To provide further insight into the location assessment of the disputes, the meter install year was also mapped geographically (Figure 15). It does not appear that there is a correlation between the year of installation and the geographic location for the disputes. In the southwest corner of the map, there is a slight concentration of disputes from meters installed in 2007.

Figure 15: Geographic Dispersion of Disputed Accounts by Meter Install Year



The July-August 2015 billing period saw the highest historical consumption in Fort Saskatchewan, and also saw the most complaints of any single billing period. This map in Figure 16 shows the 50 accounts with the highest consumption over this time period. There is a notable cluster of high consumption in the southeast portion of the City. While some disputed accounts were among these top consumers, high consumption did not correlate strongly with disputed accounts.

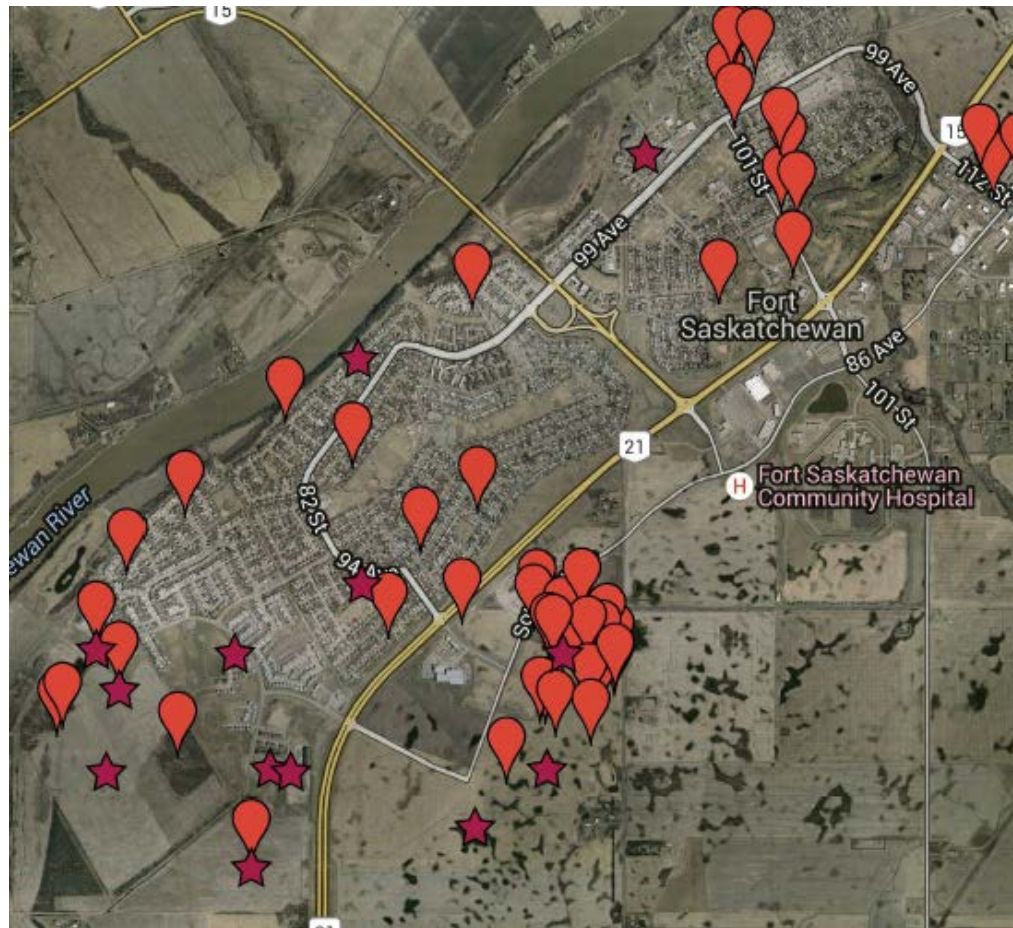
Figure 16: Geographic Dispersion of High Consumption Accounts (July-August 2015)



NOTE: Stars on the above map represent disputed accounts.

The map in Figure 17 shows the 50 accounts with the highest consumption anomalies, compared to their historical average. There is a notable cluster of high consumption anomalies (20 of 50) in the southeast portion of the City. While some disputed accounts were among those with the highest spikes, high spikes in consumption did not correlate strongly with disputed accounts.

Figure 17: Geographic Dispersion of High Consumption Anomalies (2009 to 2015)



NOTE: Stars on the above map represent disputed accounts.

Conclusion

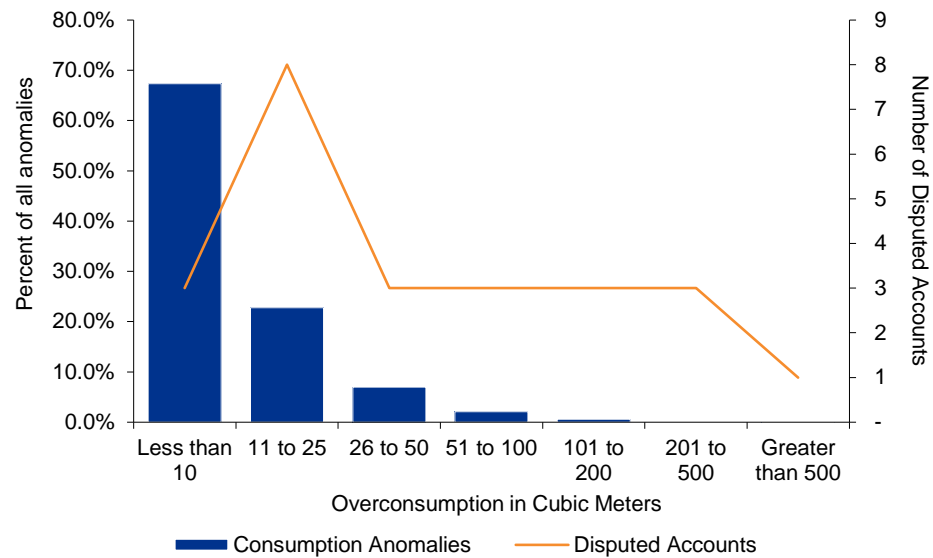
Based on the analysis completed it does not appear that water consumption anomalies have a relationship to the geographic location of a residence.

4.1.7 Consumption Anomalies and Disputed Accounts

As previously noted, the City provided us with the details of 27 complaints that it had received regarding disputed accounts.

We compared these disputed accounts against all of the consumption anomalies in Figure 18.

Figure 18: Consumption Anomalies and Disputed Accounts (2009 to 2015)



The magnitude of the disputed accounts varies significantly. While it appears that some of the disputed accounts are typical consumption fluctuations, when compared to the proportion of other accounts, others are more significant. It should be noted that the majority of consumption anomalies between 2009 and 2015 were not disputed, yet some have a significant variance from their historical average.

Conclusion

Based on the analysis completed it does not appear that water consumption anomalies have a relationship to the disputed accounts.

5 Jurisdictional Review

Our jurisdictional review focused on comparing the practices of several other Alberta municipalities to the City (population 24,040), including the Town of High Level (population 3,823), City of Leduc (population 29,304) and City of Medicine Hat (population 63,018). The table below outlines how each of these municipalities addresses different aspects of water metering and consumption processes and provides information on leading practices (leveraging radio frequency technology) that may also be considered by the City.

5.1 Key Practices

Town of High Level - Dispute Resolution System

High Level utilizes Radio Frequency Read technology for their water metering and consumption processes. They have found that the capability of their technology assists in the resolution of consumption disputes.

Their technology allows for 90 days of consumption information to be stored directly in the meter system. If a customer raises a dispute, High Level can show the resident their consumption levels from the past 90 days directly from their own meters. This has been found to pro-actively resolve disputes and allow residents to be more aware of consumption levels, as well as water conservation.

City of Leduc: Testing in an Offline System

Leduc performs a unique test within its billing system. It utilizes two system environments, one that is live, and another in a test format (i.e. will not alter account, billing, or consumption information).

This test is performed as often as 6 to 7 times a year when there is a software update or any similar occurrence that may result in technical issues occurring. It may also be run to ensure that operations are consistently tested across a prolonged period of time.

Leduc performs a sample batch in the test environment to flag abnormal consumption amounts or other technical abnormalities, which would depict an issue in the software upgrade, such as a rate being dropped off, or some other similar occurrence.

This process is performed to ensure the validity of the billing software and ensure that invoices are accurate and consistent throughout software updates and changes. Leduc noted that this testing process is highly useful in identifying potential errors pro-actively, before the billing invoices are sent out and are utilized not only in the water metering and billing processes, but across all of their utilities.

City of Medicine Hat: Consolidated Utility Services Utilizing AMI Technology

Medicine Hat is utilizing a new method of delivering utilities that is not traditionally offered by Canadian municipalities. Its Automated Metering project utilizes smart meters, those with two way interactions between the meter reading device and the centralized system, which consolidates electric, water, and gas services for all utility customers.

The company utilizes a system to administer its meter data management (MDM). This system provides advanced analytic solutions from raw consumption data. The meters on a residence also have multiple alarms configured (i.e. to identify backflow, reverse flow, empty pipe etc.).

Medicine Hat also has a unique monthly billing process, as managed through its fibre optic radio transmission technology. Centrally located towers inside the city limits are able to retrieve the data into its MDM system, and once validated, it is transmitted to a service management system.

The City is divided into 20 sections called cycles; each cycle is read on a different day of each month. The utility bill is calculated, printed and mailed to the resident 5 to 7 working days after the meters are read. As a result, the time of the month the bill is received will depend on where the resident is located in the City.

5.2 Meter Properties & Technology

| | |
|---|--|
| <p>Leading Practice</p> | <p>Radio Frequency Read technology is considered to be the most advanced and accurate means of obtaining meter reads. This technology includes:</p> <ul style="list-style-type: none"> ■ <u>Automated Meter Reading (AMR)</u>: Mobile meter reading, efficient reading with monthly data. ■ <u>Advanced Metering Infrastructure (AMI)</u>: Fixed network reading, with daily or hourly data. ■ <u>Advanced Metering Analytics (AMA)</u>: Power analytics based software platform / fixed network meter reading (can provide meaningful and proactive information - system can be configured to send notifications to operators or customers). <p>Advanced software from the Radio Frequency Read technology also provides capabilities for a municipality to access meter consumption history with hourly and daily consumption logs available online to both the customer and to the municipality. This offers the following benefits:</p> <ul style="list-style-type: none"> ■ Pro-active leak monitoring ■ Vacant account notification ■ Conservation incentives for customers ■ Information on planned/unplanned outages. <p>In addition, having a customer-facing portal regarding water meter consumption can help to reduce calls and complaints, and increase the efficiency of the overall water metering and consumption process.</p> |
| <p>City of Fort Saskatchewan</p> | <ul style="list-style-type: none"> ■ Approximately half of the City's meters utilize Radio Frequency Read technology (AMA) ■ This telemetry system has 99.5% to 100% read accuracy. |

| | |
|--|--|
| Town of High Level | <ul style="list-style-type: none"> ■ Utilizes Radio Frequency Read technology (AMI) and all systems are equipped with radio frequency technology ■ Meters capture daily consumption data and store it for up to 90 days. ■ Due to the ability to capture frequent consumption readings, the system has the ability to detect leaks sooner. ■ This telemetry system has a 99.5% to 100% read accuracy. |
| City of Leduc | <ul style="list-style-type: none"> ■ Utilizes Radio Frequency Read technology (AMI) ■ Its online system provides day-to-day monitoring of metering, with pro-active leak and consumption monitoring ■ This telemetry system has a 99.5% to 100% read accuracy. |
| City of Medicine Hat | <ul style="list-style-type: none"> ■ Utilizes Radio Frequency Read technology to collect readings for all utilities, including water, electric, and gas meters. ■ Capabilities to capture hourly and daily consumption, which can be viewed anytime by the customer online. ■ The meter has multiple alarms configured (backflow, reverse flow, empty pipe, and leak detection capabilities). ■ This telemetry system has a 99.5% to 100% read accuracy. |
| Overall Observations <ul style="list-style-type: none"> ■ In comparison to other municipalities, The City does not have the capability to monitor daily metering for its residents ■ Many other municipalities are utilizing AMI rather than AMA technology | |

5.3 Operations and Maintenance

| | |
|------------------|---|
| Leading Practice | <p>AMI and AMA systems, with continuous network monitoring, reduce the need for reports to uncover maintenance issues and act as a pro-active means to capture maintenance issues before they translate into issues with consumption reflected on invoices.</p> <p>The utilization of map-based maintenance management has the potential to create efficiencies; the GPS tracking of meter coordinates offers accessible information to all operators from any mobile device.</p> <p>Advanced systems have the capacity to automatically generate and upload 'to-do' lists into the operator's field devices, allowing for efficient management and</p> |
|------------------|---|

| | |
|--|---|
| | prioritization of work orders and effective maintenance training. Advanced systems include both paper and electronic tracking. |
| City of Fort Saskatchewan | <ul style="list-style-type: none"> ■ Telemetry devices utilized currently include handheld proximity guns, as well as vehicle mounted devices that have the ability to capture meter reads. ■ Handheld reads can take a couple of weeks to obtain, but radio reads can be delivered in several days. ■ Estimates are used if no actual read detected. ■ Only actionable interactions on a meter (e.g. replacement, repair) are captured by the work order system, there is no additional interaction tracking. ■ Meters are assessed (and replaced) after two consecutive billing periods of an identified meter malfunction, if the problem is not rectified. |
| Town of High Level | <ul style="list-style-type: none"> ■ Vehicle mounted device captures reads in 5 hours. ■ Software creates routes, capture meter reads, and is transferred to a billing system. ■ Estimates are used if no actual read detected. ■ Paper system is used to track meter interactions. |
| City of Leduc | <ul style="list-style-type: none"> ■ Utilizes an online read collection system that pulls meter readings from centralized towers on the 19th of every month. ■ Meters are changed every 20 years. ■ Maintenance is managed manually. A new asset management system is being implemented over the next couple of years. ■ A special test is performed 6 to 7 times a year (after software updates) to ensure the validity of the invoiced amounts in a 'test' environment; this assists in catching issues before invoices are sent out. |
| City of Medicine Hat | <ul style="list-style-type: none"> ■ Water, gas, and electric consumption information is submitted electronically to various towers throughout the City. ■ The municipality is divided into 20 sections called cycles. Each cycle is read on a different day of each month. The utility bill is calculated, printed and mailed to the resident 5 to 7 working days after the meters are read. As a result, the time of the month the bill is received will depend on where the resident is located in the City. ■ While the readings are highly accurate, occasions may arise when a reading is unable to be gathered and an estimate is used. |
| Overall Observations <ul style="list-style-type: none"> ■ There are a variety of billing practices in use – most generate monthly invoices which are system generated ■ Majority of meter reading is automated, rather than requiring the use of handheld devices | |

5.4 Resource Management

| | |
|---|---|
| Leading Practice | <p>Radio Frequency Read systems that automatically capture and upload information from continuous network monitoring provides proactive analytics that reduce the need for reports and manual reviews.</p> <p>This also increases the likelihood of capturing a leak before it results in unusually high consumption levels and provides effective consumption monitoring from a customer perspective. This pro-active approach assists in the reduction of customer complaints.</p> |
| City of Fort Saskatchewan | <ul style="list-style-type: none"> ■ A detailed manual review process is undertaken to ensure consistency and accuracy of meter reads and consumption levels ■ A single staff performs the meter reading and consumption process, however other staff are cross-trained, to provide assistance if required. |
| Town of High Level | <ul style="list-style-type: none"> ■ The detailed consumption data from R900 meter technology reduces the need for extensive manual review. ■ A single staff performs the meter reading and consumption process, however other staff are cross-trained, to provide assistance if required. |
| City of Leduc | <ul style="list-style-type: none"> ■ Billing software includes a check for abnormal consumption amounts, including any strange pluses / minuses in the account's activity. ■ There are two full time staff that work in the consumption allocation process (for all utilities), with a third resource on call if needed. ■ Utilities are managed together, there is no separate staff for each utility |
| City of Medicine Hat | <ul style="list-style-type: none"> ■ Detailed consumption data managed by the system provides advanced analytics and reduces the need for manual review. ■ System is used for multiple utility services and bills for electric, gas, water, sewer, solid waste and recycling. ■ There is a staff of 10 that perform operations from meter reading, consumption reflected on invoicing, payments and reporting processes, along with systems support. |
| <p>Overall Observations</p> <ul style="list-style-type: none"> ■ System generated checks are a common method used to identify anomalies in metering consumption, etc. ■ Municipalities have begun to consolidate their utility metering and consumption processes into a single functional unit to utilize common systems and staff to deliver | |

5.5 Customer Services Capabilities

| | |
|---|---|
| Leading Practice | <p>Leaks and water losses occur in any water system, but appropriate technology can help municipalities and residents reduce the potential for unauthorized water losses.</p> <p>AMI/AMA technology can utilize 'logger' devices deployed on main water valves or consumer homes, which can detect leaks through acoustic vibrations.</p> <p>AMA software can provide real-time customer notifications of leak conditions, as well as provide consumption information, which can reduce overall consumption. This helps to pro-actively prevent disputes from occurring</p> |
| City of Fort Saskatchewan | <ul style="list-style-type: none"> ■ Resident will call to register complaints or receive consumption information. ■ Online access is available to view customer accounts. |
| Town of High Level | <ul style="list-style-type: none"> ■ Technology installed in meters gathers consumption data for a 90 day period which can be shown to a customer and used to resolve disputes. ■ Technology also has leak detection capabilities; staff are able to proactively rectify leaks by system monitored accounts and notifications to a resident. |
| City of Leduc | <ul style="list-style-type: none"> ■ Uses online payment services for utilities. ■ An online system provides staff with the ability to monitor consumption anomalies and leaks, pro-actively mitigating potential costly accidents. |
| City of Medicine Hat | <ul style="list-style-type: none"> ■ Administers meter data management program, allowing for proactive and analytic solutions from the meter reading data collected. ■ An online service allows for customers to pay utilities online, view their hourly / daily consumption, and submit meter readings through a portal. ■ A system captures data through a service order functionality. This system manages and tracks all aspects of work performed for customers. |
| Overall Observations | |
| <ul style="list-style-type: none"> ■ Municipalities have begun to offer customer portals for consumption readings, billings and payments | |

6 Recommendations

Based on our assessment and the data analysis completed, we found no issues that would create a situation where the City has made an error and a residential account has been overbilled for consumption.

However, during the course of our review a number of opportunities were presented to us. The following outlines the recommendations that we believe the City should consider to improve its water meter and consumption processes, controls and customer service.

Additional Testing of Subsequent Billing Periods

As our review of controls was limited to a single billing period, the City should consider **conducting additional testing** of subsequent billing periods to confirm the effectiveness of its estimate processes.

Implement a Customer Inquiry System

Currently the City does not have a system for collecting data or tracking customer interactions, including complaints about high bills / consumption. As a result, there is currently no complete record of accounts that may have disputed bills in the past.

As such, the City should consider implementing a system that would assist it to record customer inquiries, including complaints. This type of technology would allow the City to better record actions taken to address the inquiry, provide an automated work flow and enable a resident to view the status of their inquiry as it is resolved or addressed.

Report Utilization

The City should work on configuring its systems to generate reports that would alleviate the need to complete manual reviews of consumption and utility levy's.

Diamond should be configured to generate high / low consumption reports. Currently, the parameters of the reports are not configured properly to do this; as a result a large number of accounts (approximately 80 to 90% of all accounts), which does not currently add any value into the review process. If these parameters were defined to reflect the accounts with actual outliers, this could reduce the time involved in the manual review and reasonability check process, as well as reduce the potential for accounts to be mistakenly overlooked.

Diamond should be configured to identify utility levy anomalies. Currently, the Accounting Clerk manually reviews the utility levies for abnormal amounts. To provide assistance in this process, reports should be calibrated identifying outliers.

Strengthen Controls

As a result of our findings for the controls that we observed and tested (see section 3.1 and 3.2), KPMG recommends the following modifications:

- Review of report by another team member: The water metering and consumption processes are performed by a single Accounting Clerk (excluding the field work completed by the Operators).

A significant amount of time is invested in manual review processes. The majority of these reviews are subject to reasonability tests, contingent upon one individual to apply them consistently. Once an Accounting Clerk has addressed all of necessary accounts on a report used to flag anomalies, a clean report should be given to another team member for their review. The addition of another review by an additional staff could help to ensure consistency and confirm the accuracy of the reasonability check processes.

- Tracking of reviews by Accounting Clerk: A recurring theme among the processes observed is that there is a lack of tracking completion of several processes. The City's processes have been designed to minimize errors, but have not been designed with a view of documenting their completion. This lack of paper-trail in a process could be addressed through a "control checklist" that the City could complete during each metering and billing cycle. This checklist would help to:
 - Act as a reminder and tracker to support task tracking.
 - Act a record of tasks performed to facilitate teaching the duties to another employee.
 - Act as an item that can be reviewed by a Supervisor or another team member to provide oversight to the Accounting Clerk's role.

Frequency of Meter Readings and Invoiced Consumption

The City should consider a change to the frequency in its meter readings and invoiced consumption. Currently readings and invoices are completed on a bi-monthly basis, while other municipalities are completing meter readings on a more frequent basis and invoicing their residents on a monthly basis. While this is not expected to address potential overstatements of consumption as reflected in invoices, it will allow the City to more proactively monitor consumption patterns and address disputes closer to when they may occur.

Metering Technology

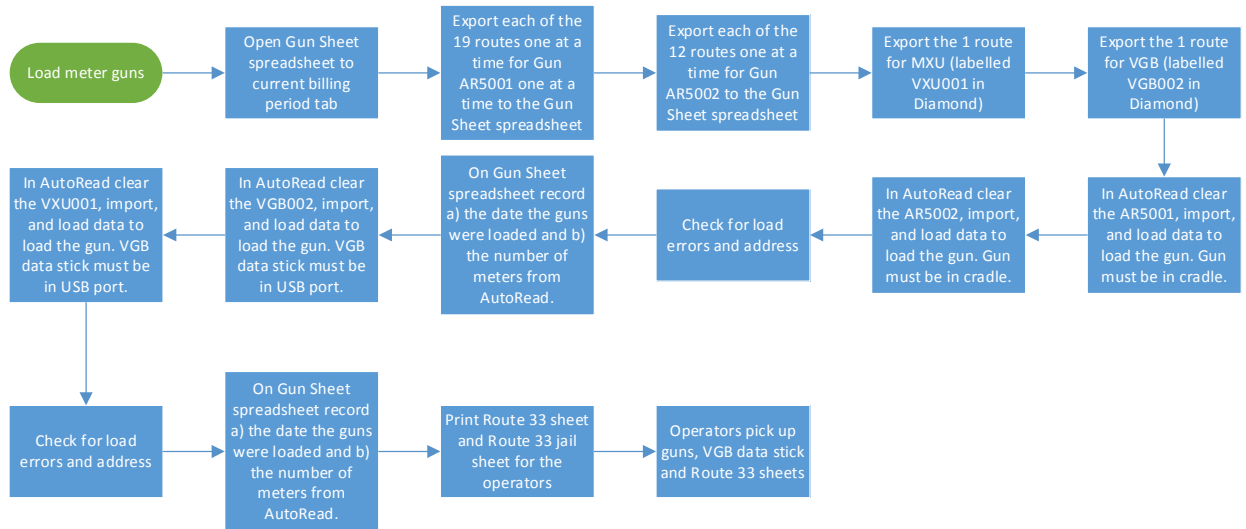
Based on the scan of other jurisdictions, it appears that the City's metering technology may not be optimal. The City may wish to consider what if any changes it could make to reduce the use of manual processes (e.g. handheld guns) and increase the use of system-driven processes and automated radio frequency readings.

Documentation of Policies and Processes

The City should **document its policies and processes** to calculate consumption estimates. This should include guidance on the estimate in relation to a resident's mean consumption.

Appendix 1 Process Maps

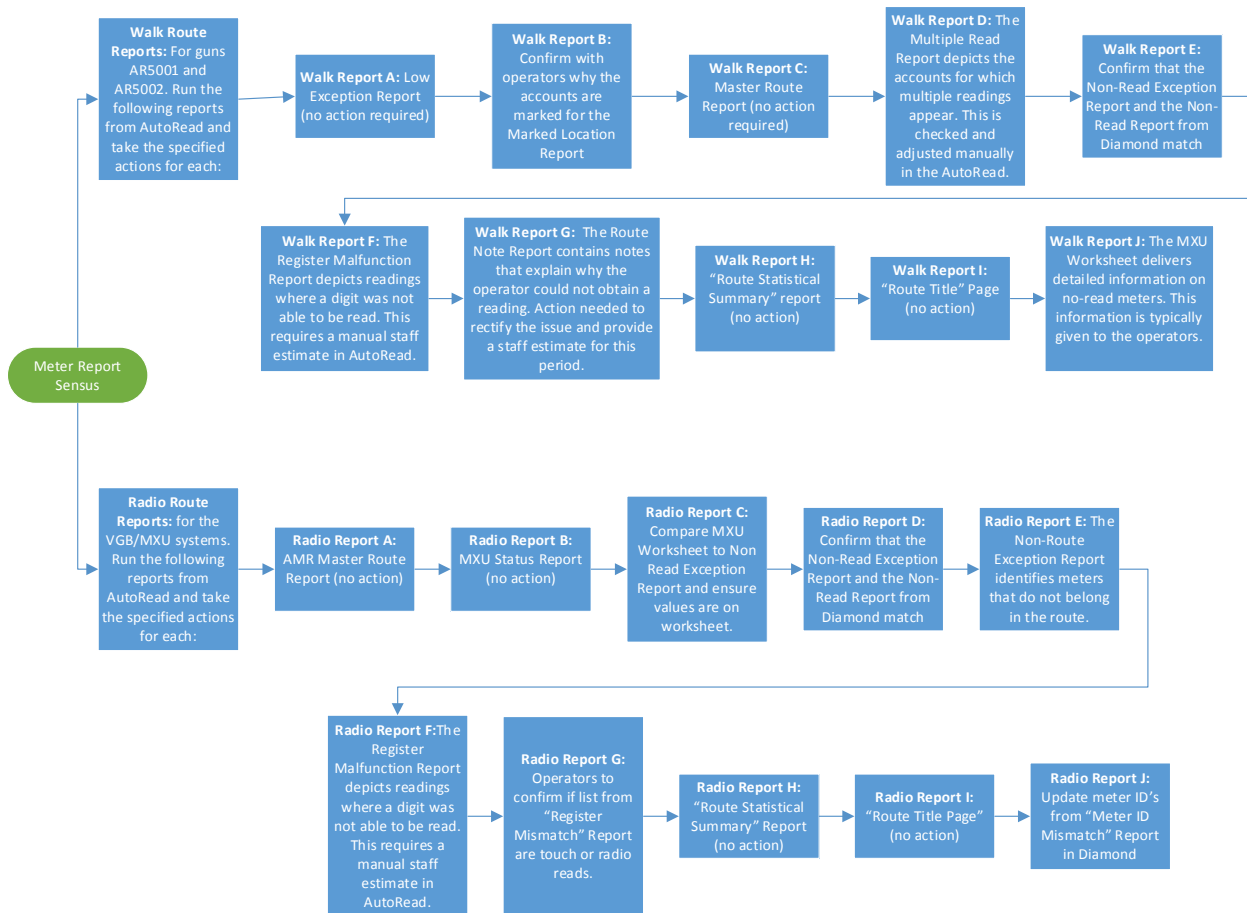
Load Meter Guns



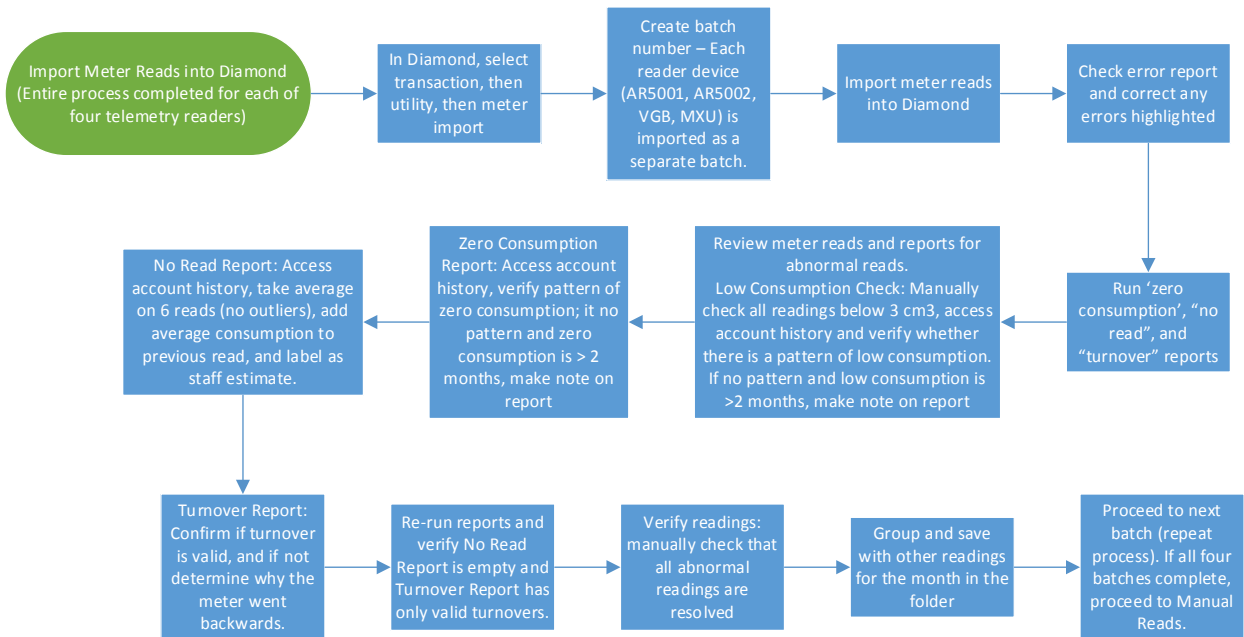
Unload Meter Guns



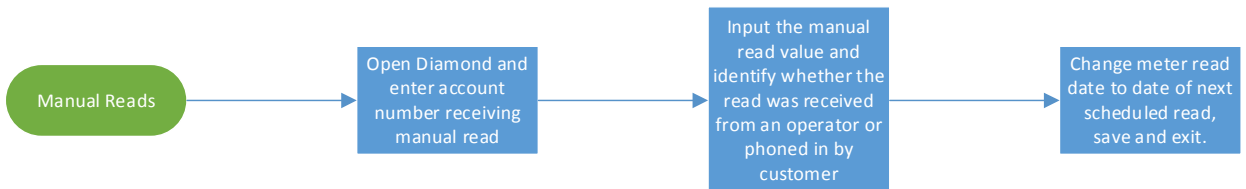
Sensus Meter Reports



Import Meter Reads into Diamond



Manual Reads



Generate Utility Levy



Appendix 2 Documents Reviewed

■ Metering Information System Manual (AutoRead) Documents

- Section 1 Introduction
- Section 2 Before Using AutoRead
- Section 3 Elements of the Process Routes Screen
- Section 4 Handheld Process Routes
- Section 5a Vehicle Process Routes
- Section 5b Procedures for Loading Vehicle Routes
- Section 6a Process Routes Functions
- Section 6b Loading and Reading Process Flow Chart
- Section 7 Additional Route Processing Options and Details
- Section 8 Polling Devices
- Section 9 Reports
- Section 10 Troubleshooting Incorrect Meter IDs

■ Process Overview Documents

- Generate Utility Levy Active
- Importing Meter Reads into Diamond
- Loading Guns
- Manual Reads
- Meter Reports Sensus
- Unload Meter Guns
- Billing System Information (Diamond)

■ Process / System Reports

- Gun Sheet 2016
- AMR Master Route Report VGB
- MXY Worksheet Report VGB
- Non Read Exception Report VGB
- Non Route Exception Report VGB
- Route Statistical Summary Report VGB
- Route Title Page VGB
- VGB Jan / Feb 2016 No Reads Report
- VGB Jan / Feb 2016 Turnover Report
- VGB Jan / Feb 2016 Zero Consumption Report
- VGB Meter Read Jan Feb 2016

■ Data

- 2014 2015 Meter Repairs
- 2015 Water Commission Purchase
- Bulk Water Consumption
- COFS 7 Year Metered
- Meter Inventory as of Jan 15/2016
- Meter Replacement from Jan 1 / 2008 – Jan 15 / 2016
- New Water Consumption Levy Report
- U_Levy Service Code Report
- W075 Consumption Report
- W075 Utility Service History Detail Account
- WMF Consumption Report

- WMF Utility Service History Detail Account
- Diamond No Read Reports for AR5001,AR5002, VGB, MXU for the following dates:
 - August 2015
 - December 2015
 - June 2015
 - October 2015
- Diamond No Actual Read Report for the following dates:
 - December 2015
 - June 2015
 - August 2015

Individuals Interviewed

As part of our data gathering, we obtained process information and materials from the following individuals:

- Accounting Clerk II – Utilities
- Utility Services Manager
- Billing Clerk
- General Manager
- Director, Infrastructure Management
- Chief Financial Officer

www.kpmg.ca

© 2016 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

This document has been prepared by KPMG LLP ("KPMG") for the internal use of the City of Fort Saskatchewan ("Client") pursuant to the terms of our engagement agreement with Client dated November 23, 2015 (the "Engagement Agreement"). KPMG neither warrants nor represents that the information contained in this document is accurate, complete, sufficient or appropriate for use by any person or entity other than Client or for any purpose other than set out in the Engagement Agreement. This document may not be relied upon by any person or entity other than the City, and KPMG hereby expressly disclaims any and all responsibility or liability to any person or entity other than Client in connection with their use of this document.

The results of this assessment are not meant to constitute an audit or opinion on the part of KPMG. The findings are for the use of Client only. All analysis and assessments are based on information provided by the Client. KPMG has relied on the information provided, and makes no warranties or guarantees as to the completeness or accuracy of the information provided.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.



CITY OF FORT SASKATCHEWAN

Food Gatherers Society Land Lease Request

Purpose:

To provide Council with the information requested at the March 8, 2016 regular Council Meeting regarding options for the use of the land at 9901 – 90 Street by the Food Gatherers Society.

Background:

On February 13, 2015, the City of Fort Saskatchewan received a letter from the Food Gatherers Society requesting that the City lease the land adjacent to the current RCMP Detachment at 9901-90 Street to them for \$1.00 per year. No action was taken at that time.

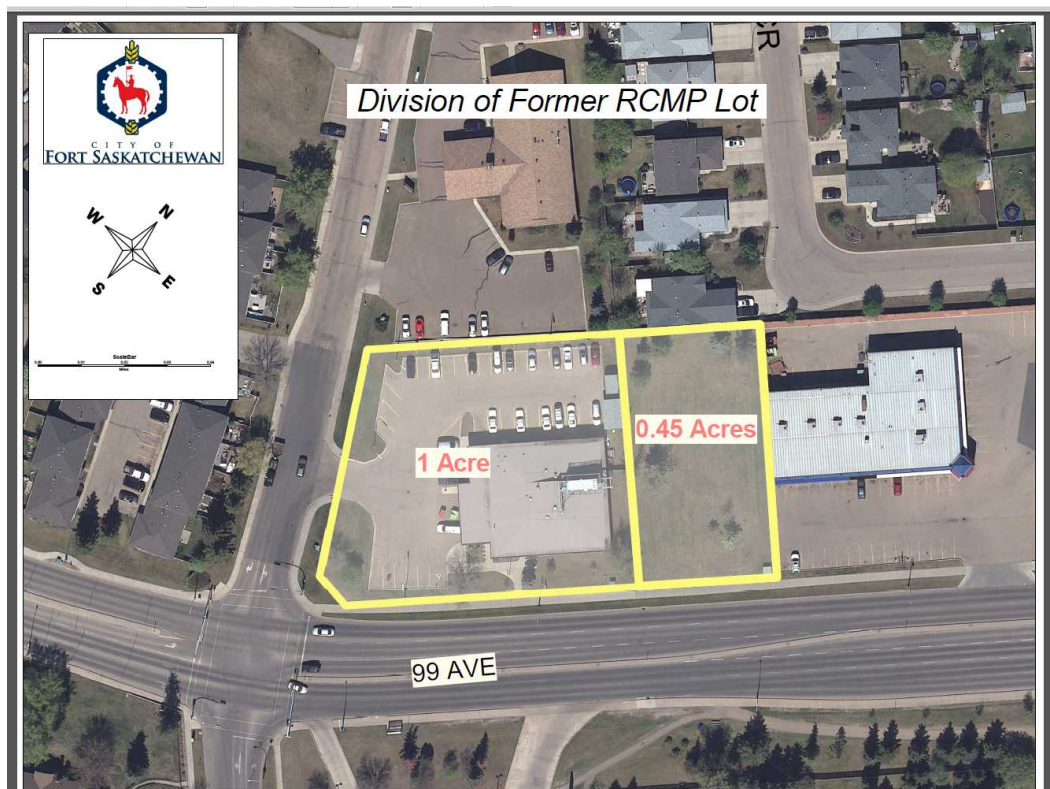
In May of 2015, Administration had discussions with the Food Gatherers Society regarding the use of the site in question to be used in a partnership with Habitat for Humanity. This idea did not move ahead as the project was deemed not feasible by Habitat for Humanity.

On March 8, 2016, Council passed the following motion:

“That Administration be directed to research and provide Council with information for providing the land at 9901-90 Street (Lot 7, Plan 932 3415) in Fort Saskatchewan to the Food Gatherers Society by the end of June 2016.”

Description:

The land in question at 9901-90 Street (Lot 7, Plan 932 3415) is directly adjacent to the current facility being leased by the Families First Society.

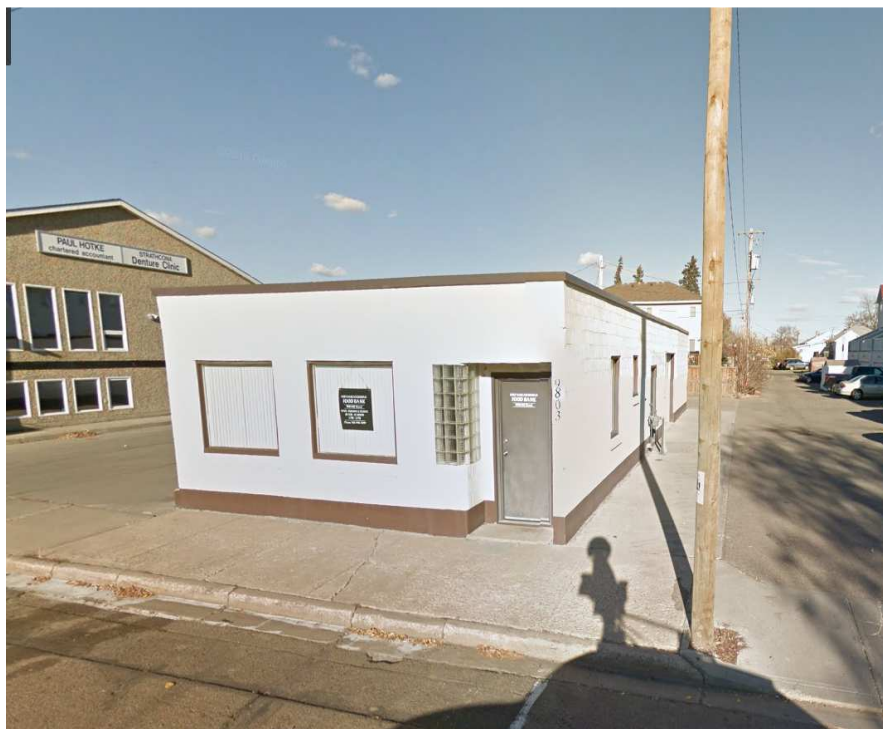


The site in question is part of a larger lot that includes the Families First Society facility. As such, a subdivision would have to be undertaken if the City were ever to consider selling the land. The portion of the site that would have the potential for redevelopment is roughly 0.45 acres. Using an assumed market value of \$500,000 per acre (estimated from the land appraisal done on the old hospital lands) would put the estimated market value of this land at \$225,000.

The current zoning on the land is PS (Public Service) which is a suitable definition for use by a non-profit service provider.

Analysis

The Food Gatherers Society is currently in a facility located at 9803 - 102 Street. The Society has stated several times that their current facility prevents them from being able to fully serve the needs of the community and as such, they have been undertaking an extended effort to find a new building that has a greater storage capacity and is better suited for their administrative and customer service needs.



It is important to remember that while the Food Gatherers Society provides a valuable service to the community, they are an independent not-for-profit society. The City is not obligated to provide assistance financially or through an in-kind contribution. The financial requirements of purchasing land and constructing a facility have been a barrier to the Food Gatherers Society in addressing their facility capacity issues. The Society is fully funded by donations and grants and has no regular revenue sources.

There are a few different options that could be considered should Council decide to facilitate the Food Gatherers Society in their search and acquisition for a new facility:

1. Allow the Food Gatherers Society to undertake the search for a solution to their facility capacity issues.

This would essentially be considered a status quo option. The benefit is that it does not require public financial or in-kind support. The risk is they may not be able to find any solutions and this request will simply keep coming back to Council for consideration. In addition, continued community growth and a slow economy continue to put pressure on the need for this service in the community. Insufficient facilities will soon limit their ability to meet the demand that exists.

2. Lease the land at a market rate.

Discussions with the Food Gatherers Society, and an analysis of their financial statements show that they do not have the ability to make a substantial payment for ongoing operating costs beyond utilities and basic operating costs. An ongoing market lease would be estimated to be around \$1,000.00 per month (land only), which would be in addition to all facility related operating costs that society would be required to pay.

3. Lease the land for \$10.00 per year and allow the Food Gatherers Society to construct a facility on the land.

This solution would be similar to the arrangement with the Boys and Girls Club. The benefits are that the City would retain full ownership and control of the land. The risk is that the Food Gatherers Society would then proceed to build a permanent facility on the land, which would leave the City in a position where the land has no current or future use for City operations. The City would retain all of the liabilities and responsibilities associated with land ownership and the lease agreement.

4. Sell the land at market rates.

It is unlikely that the Food Gatherers Society can afford to pay for the land, in addition to construct a full facility.

5. Land Swap

The City could grant the site to the Food Gatherers Society in exchange for their current site. The current value of the Food Gatherers facility is assessed at \$120,000. Demolition of the current facility could cost \$50,000 at a minimum and could be as high as \$100,000 if there is hazardous materials in the building. This will leave the Food Gatherers Society with no assets with which to start their fundraising campaign. In addition, the Food Gatherers Society would then be responsible for all costs associated with land ownership such as property taxes, snow clearing, and landscaping.

6. Land Grant

The City would grant the land to the Food Gatherers Society. Administration would negotiate a land transfer that has a restrictive covenant on title that ensures the land ownership would revert back to the City in the event that the land is no longer needed by the Food Gatherers Society. The City would then be free of the legal responsibilities of land ownership and the Food Gatherers Society will have an asset with which they can use to contribute toward the construction of their new facility. This arrangement is not desired by the Food Gatherers Society as the land has very little value (with the restrictive covenant in place) and still leaves the Society with the operating costs of the land including property taxes, snow clearing, and landscaping. This arrangement is also challenging because there is an existing lease in place on the property, which would put the City in two different legal arrangements on a piece of land where cross-access agreements would have to be negotiated. The City could also grant ownership of the adjacent property to address that inconsistency, but that would be against

the express wishes of the Families First Society who prefer to maintain the current level of municipal support received by the City.

7. Facility Partnership

The City could construct a neighborhood level community centre on the site and lease space within the facility to the Food Gatherers Society in addition to constructing space for other community needs such as meeting room and programming space, not-for-profit lease space, and market rate leased space. This would have an impact on the City's ability to move ahead with the priorities listed in the Recreation Facilities and Parks Master Plan Update and was not noted as a community priority during the public engagement process for that plan.

Legal Arrangement

It is the preference of the Food Gatherers Society that option 3 (Lease the land for \$10.00 and construct a facility) be chosen as their needs are similar to those of the neighboring Families First Society. The lease agreement in place with the Families First Society includes the following level of service from the City:

- Lease commitment of \$1.00 per year
- Facility maintenance
- Parking lot snow clearing
- Capital lifecycle replacement
- Legal/Lease costs

A potential lease agreement with the Food Gatherers Society would differ in that the City is only leasing the land and the facility would still be owned by the Food Gatherers Society. As such, facility maintenance and capital lifecycle replacement would be the responsibility of the building owner. There would still be operating costs for snow clearing and minor administrative support to the City, which would be added to the budget in the year that the facility is constructed.

Conclusion

If Council wishes to provide support to the Food Gatherers Society, it is the recommendation of Administration that the City lease the land to the Food Gatherers Society for \$10.00 per year and allow them to construct a facility on the property. This fits with the precedent that was set for the Families First Society who leased the adjacent facility for a nominal fee annually. In addition, any other arrangement is likely not feasible from a financial perspective and will result in the situation where this matter continues to be an issue for the City in the years ahead.

Plans/Standards/Legislation:

City of Fort Saskatchewan Strategic Plan Corporate Strategic Plan:

- 3.3 Promote Sustainability through infill development.
- 4.3 Continue to develop and maintain strong relationships with our neighboring municipalities and civic organizations.

Financial Implications:

The general financial implications for the City are not significant with respect to operations. Generally, the cost implications are related more with the lost opportunity cost to the City if the land were to be sold (roughly \$200k) or leased out privately. Since there is no facility to lease on the land, there is likely no value.

The City will be taking on another lease arrangement, which has administrative implications and will need to continue to negotiate the details of the lease prior to approving the construction of a facility on the property.

Alternatives:

1. That Council not designate the 0.45 acre north-eastern section of vacant land at 9901 - 90 Street (Lot 7, Plan 932 3415) for the Food Gatherers Society (Status Quo – no motion required).
2. That Council designate the 0.45 acre north-eastern section of vacant land at 9901 - 90 Street (Lot 7, Plan 932 3415) in Fort Saskatchewan for the use of the Food Gatherers Society for the purposes of constructing a new Food Bank facility; and
 - a) direct Administration to lease the 0.45 acre north-eastern section of vacant land at 9901 - 90 Street (Lot 7, Plan 932 3415) in Fort Saskatchewan to the Food Gatherers Society for \$10.00 per year for a minimum period of 10 years, or
 - b) direct Administration to subdivide and sell the 0.45 acre north-eastern section of vacant land at 9901 - 90 Street (Lot 7, Plan 932 3415) to the Food Gatherers Society for \$10.00, or
 - c) direct Administration to sell the 0.45 acre north-eastern section of vacant land at 9901 - 90 Street (Lot 7, Plan 932 3415) to the Food Gatherers Society at less than market value. (Amount to be specified by Council).

Attachments:

Request Letter dated February 13, 2015 from the Food Gatherers Society.

File No.:

| | | |
|-----------------------|--|--------------------|
| Prepared/Approved by: | Troy Fleming General Manager, Infrastructure & Community Services) | Date: May 4, 2016 |
| Reviewed by: | Kelly Kloss City Manager | Date: May 4, 2016 |
| Submitted to: | City Council | Date: May 10, 2016 |



Fort Saskatchewan Food Gatherers Society
Box 3404
Fort Saskatchewan, AB T8L 2T3

February 13, 2015

Legislative Services
City of Fort Saskatchewan
10005 - 102 Street
Fort Saskatchewan, AB T8L 2C5

Dear Mayor & Council:

Please accept this letter for the Fort Saskatchewan Food Gatherers Society to have a delegation at one of the February or March Regular Council meetings.

We wish to make a formal request to ask Council to consider leasing to us the green space land adjacent to the current RCMP detachment for \$1.00/year for an unlimited period of time with permission to build a new home for the Food Bank.

We currently serve approximately 125 plus families per month in Fort Saskatchewan who are unable to provide food for their families, plus provide for the annual Christmas Hamper Campaign. Given the increased volume of families being served by the Food Bank, we have considerable space constraints and require a new home.

We are in the process of developing a building campaign, however we recognize that we cannot afford to buy land and build a building. In reviewing the number of other non-profit groups with similar leases, we believe this request is fair and reasonable and would have no financial impact on the City.

In evaluating the land available, this property would be our first choice given it will be adjacent to Families First new location.

Please contact me at 780-719-3010 to make the necessary arrangements and if necessary to have staff meet with us in advance of the presentation.

Respectfully,

Marlene Leroux
Chairperson

CITY OF FORT SASKATCHEWAN

Solid Waste Collection Service Levels

Motion:

That Council approve the residential solid waste collection service levels outlined in Appendix 3 as attached to the Council report dated May 4, 2016, with the new waste collection program to commence in the spring of 2018.

Purpose:

This report provides information on a new proposed service level for the collection of residential solid waste, including the addition of a separate organics stream, change in collection frequency and change in collection method. The presentation will focus on the analysis and regional comparison of the recommended service level, implementation options and cost impacts.

Background:

The curbside waste program currently includes the manual collection of garbage and recycling on a weekly basis. No volume restrictions exist and all customers pay a flat rate.

Pilot Project

Infrastructure Management has piloted 3-stream automated collection from April 2014 to the present. Performance of the pilot was reviewed in 2015. A service level review and cost analysis was conducted in 2016. Details are available in Appendix 1.

Approximately 1,000 households participated in this pilot program. Customer feedback and review of the pilot provided several key lessons, including:

- Residents would use an organics collection service, increasing the diversion rate.
- Carts would be accepted if concerns about size, storage, and placement are addressed.
- More communication and information is necessary to help residents adapt to the carts and make best use of the organics service.

Regional Comparison

To meet provincial and regional diversion targets while mitigating landfill cost increases, most communities in the Capital Region have an organics collection program. To mitigate increasing collection costs, automated pick-up and reduced garbage collection frequency have become a common practice. A service level summary for regional comparators is available in Appendix 2.

New Service Level

Overall, the new service level aims at improving the City's diversion rate through collection of separated organics and resident education programs. Service level recommendations have been made based on pilot project feedback, best practices research and program consistency within the region.

Proposed service level changes are:

- Add the collection of a separate organics stream (weekly in summer, bi-weekly in winter).
- Reduce collection frequency for garbage (bi-weekly, year-round).
- Provide carts compatible with automated pick-up for garbage and organics.

A service level chart is available in Appendix 3.

Implementation Timelines

Administrative, legal and logistical work must be completed ahead of cart delivery. Contract templates and bylaws must be updated. Communication and community education plans need to be developed and put into action. Vendors must be procured and staff must be recruited.

Contractor procurement will begin upon approval of a service level. The launch date of a new service will depend on when resources are made available to complete other related work.

Option 1: Spring 2018

- Additional resources would be built-in to the 2017 budget and be funded from utility rates.
- A draft bylaw and communications framework would be developed using existing resources in 2016 and fully developed in 2017.
- An 18-month time frame would be available for communications and logistics planning to ensure a smooth program launch.
- Potential rate increases would be divided over two years to avoid spikes.
- Contract would include an additional year of conventional waste collection. Minor adjustments to the existing pilot program area may also be necessary.
- Provision of alternate options for disposal of organic waste may be necessary for residents wanting to divert their household/food-waste organics.

Option 2: Spring 2017

- Additional, unbudgeted resources would be required to be approved immediately in 2016 to complete work including bylaw development and initiating the communications process.
- Diversion of organic waste would begin earlier.

Plans/Standards/Legislation:

Community Sustainability Plan (2014)

Principal C –Stewardship of the Environment, Principal D – Using our Resources Wisely
Priority E – Urban Resources

- Diverting organic waste allows for value-added use the material and reduces adverse long-term impacts on landfills.
- Use of carts deters pests, reduces spillage from bags, and improves collection efficiency.

Too Good to Waste

Alberta Environment, October 2007

Alberta Capital Region Integrated Waste Management Plan

Capital Region Waste Minimization Advisory Committee, April 2013

Alberta Urban Municipalities Association “Working Together Toward Zero Waste” Initiative

Waste Sort, Survey and Equipment Evaluation

City of Fort Saskatchewan (Advanced Enviro Engineering Ltd.), July 2015

Waste Collection Service Level Review, Cost Analysis and Program Implementation Study

City of Fort Saskatchewan (Tetra Tech EBA Inc.), April 2016

Financial Implications:

Administration recently reviewed cost estimates provided by the consultant. Revised costs do not consider adjustments to the current solid waste collection contract. Contractor procurement is scheduled for fall 2016.

Capital

Cart purchasing (14,800 carts)
2017: \$950,000

Operating

One-Time Costs (Cart delivery, bylaw review, workstation)
2017: \$25,000
2018: \$50,000
Total: \$75,000

On-Going Costs (Staffing, supplies & materials, marketing, transfer to reserve)
2017: \$200,000
2018: \$285,000
Total: \$485,000

A 2018 new service launch would require new resources to be included in the 2017 budget, to be funded from utility rates. A 2018 launch would also enable utility rates to be gradually adjusted over the two year implementation period.

A 2017 new service launch would require additional unbudgeted resources in 2016. These costs would lead to an operational budget shortfall.

The overall financial impact on solid waste rates is estimated to be up to \$5 per month per household.

Internal Impacts:

Additional staffing resources are required in order to implement these changes. Resources will provide overall solid waste collection program leadership and coordination, administrative support, customer support, and education. Communication with residents will be enhanced using interactive and face to face communications delivered with the support of summer students.

The program implementation time is estimated to be 8 - 10 months. This means that resources must be in place 10 - 12 months prior to the program launch date, to accommodate advance work.

Alternatives:

1. That Council approve the recommended residential solid waste collection service levels, with new waste services starting in the spring of 2018.
2. That Council approve the recommended residential solid waste collection service levels, with new waste services starting in the spring of 2017. An additional Council motion will be required: *"That Council amend the 2016 budget to include new 2017 costs associated to the Solid Waste Collection Program, i.e. \$950,000 in capital and \$225,000 in operating."*
3. That Council direct Administration to maintain existing solid waste collection service levels.

Recommendation:

That Council approve the residential solid waste collection service levels outlined in Appendix 3 as attached to the Council report dated May 4, 2016, with the new waste collection program to commence in the spring of 2018.

Attachments:

Appendix 1 – “Waste Collection Service Levels Review” – Tetra Tech EBA Inc., April 2016

Appendix 2 – Regional Comparison

Appendix 3 – Recommended Residential Service Levels Summary

File No.:

| | | |
|---------------|--|--------------------|
| Prepared by: | Bradley McDonald Manger, Utility Services | Date: May 4, 2016 |
| Approved by: | Troy Fleming General Manager Infrastructure & Community Services | Date: May 5, 2016 |
| Reviewed by: | Kelly Kloss City Manager | Date: May 5, 2016 |
| Submitted to: | City Council | Date: May 10, 2016 |

Waste Collection Service Level Review, Cost Analysis and Program Implementation Study: Recommendations



PRESENTED TO
City of Fort Saskatchewan

APRIL 13, 2016
ISSUED FOR USE
FILE: SWM.SWOP03018

EXECUTIVE SUMMARY

The City of Fort Saskatchewan (the City) retained Tetra Tech EBA Inc. (Tetra Tech) to review the City's solid waste collection programs. The objective of the project is to assess alternative options that optimize curbside waste collection programs, with a particular focus on residential curbside services, to ensure cost efficiency and high participation and diversion rates. The primary objectives were to identify optimal collection scenarios and model related costs, determine strategies to promote diversion, and provide the City with recommendations for future policies and programs based on the analysis.

Background

The City of Fort Saskatchewan's residential solid waste program includes weekly curbside collection of garbage and co-mingled ('blue-bag') recycling. The curbside collection system has achieved a diversion rate of approximately 21%. Additional service includes front-load collection of waste and co-mingled recycling from multi-unit residential properties, year-round transfer station operation and annual events for toxic round-up, and Christmas tree and large-item collection. Yard and garden debris are processed on-site at the transfer station.

The City also administers an exclusive franchise agreement for waste collection from the institutional, commercial, and light industrial (ICI) sector. ICI sector customers make arrangements with the franchise contractor based on a "menu" with rates controlled through the franchise agreement.

The City launched a pilot project in 2014 that tested automated collection and source-separated organics for 1,000 single family homes.

Results from the pilot indicate that Fort Saskatchewan could achieve diversion rates above 50% (with the potential to reach 70% in the longer term) by adding a curbside organics stream that includes food scraps and yard debris. Up to 45% of mixed municipal solid waste (MSW) comprises compostable organics and approximately 30% of recyclables are still in the waste stream. By capturing a significant percentage of the organics still in the garbage and improving the capture of recyclables, these ambitious targets are reachable. Experience from other jurisdictions across Canada has demonstrated that switching to every-other-week (EOW) garbage collection will further improve participation in recycling and source-separated organics programs, driving increased diversion rates.

Service Level Recommendations

As part of the City's service review and evaluation, Tetra Tech developed a series of technical memorandums (TM) to support recommendations for future policy and program development. This report draws on key information, analysis and evaluation from each of these TMs to summarize overall program recommendations, presented in Table A.

Table B provides a list of TMs; a summary of each TM follows the table. For more detailed information about the analysis supporting the following recommendations, including additional context, cost breakdowns and assumptions, please refer to the relevant TM.

Table A: Service Level Recommendations

| # | Phase 1: Single Family Residential Service Level Recommendations |
|----|---|
| 1 | Provide a Curbside Collection Organics Program for Yard Debris and Food Scraps |
| 2 | Implement Every-Other-Week (EOW) Garbage Collection |
| 3 | Establish Automated Collection for Garbage and Organics |
| 4 | Offer Variable Fees Based on Cart Size – Pay As You Throw |
| 5 | Maintain the Transfer Station and Offer Peak Season Curbside Set Out (bags) to Manage Excess Organics |
| 6 | Maintain the Transfer Station to Manage Excess Garbage |
| 7 | Maintain Manual “Blue-Bag” Recycling Collection |
| | Phase 2: Multi-unit and Non-residential Recommendations |
| 8 | Coordinate with Multi-unit Sites to Launch Organics Collection |
| 9 | Launch a City Buildings Organics Collection |
| 10 | Launch (light) Industrial, Commercial and Institutional (ICI) Sector Organics Collection |

Procurement Structure & Implementation Schedule

To streamline administration and provide the most competitive bids, it is recommended that the City put out two separate external collection and processing requests for proposals (RFPs):

1. Collection, Processing and Disposal for both the Residential and Commercial Sectors
2. Collection and Processing/Disposal for the Transfer Station

It is further recommended that proponents be given an option to bid a combination of front-load service only, curbside service only, or both.

Prior to launching a new service level, the City’s waste by-law requires updating. As well, communications strategies must be developed and logistics must be determined to ensure a successful transition. It is anticipated that most of the work leading up to a launch can be completed in 2016 and with a target launch date of mid-spring 2017.

Study Overview

Table B: List of Tech Memos

| Tech Memo | Description |
|-----------|--|
| TM 1 | Regional service level review and evaluation. |
| TM 2 | Service level costs and rate analysis. |
| TM 3 | Strategies for promoting diversion in multi-unit properties. |
| TM 4 | Cart storage in options in higher density residential areas. |
| TM 5 | Compost operations description and evaluation. |

In TM 1, the service level review compared five jurisdictions: Leduc, Spruce Grove, Sherwood Park, Whitehorse (similar-size community with an automated program and comparable cold weather challenges), and Cowichan Valley Regional District (similar-sized community on Vancouver Island with very high diversion rates). It highlighted regional trends and best practice in similar-sized jurisdictions. The review included metrics such as number of material streams, frequency of collection, size of containers, choice of different sized container options, use of pay as you throw (PAYT) incentives and diversion rates being targeted and achieved.

Based on this review, the TM 2 cost analysis developed a number of possible collection scenarios for the City's 7,403 households by varying different factors. Factors included automated versus manual collection, two or three streams (i.e., with and without organics collection) and weekly or every-other-week collection. A model was built to assess capital and operating costs of the scenarios by calculating expected tonnages of each material stream and the operating costs of collecting these materials (based on tonnages, size of trucks, number of stops, labour requirements, fuel, etc.). Additionally, a future sensitivity analysis was conducted by looking at how disposal and processing costs will vary over time.

TM 3 and TM 4 were developed concurrently to focus on two of the City's major challenges related to residential collection of organic material, namely: working with multi-unit properties to roll-out new diversion programs and infrastructure and ensure high capture levels; and ensuring that townhome and duplex residents included in higher density areas of the curbside program have sufficient space to store carts on non-collection days.

A review of operations, TM 5, was also conducted to assess the current cost of processing yard waste at the transfer station and to examine how existing operations would work in conjunction with a residential curbside organics program. The study looked at local needs for yard and garden debris and food scraps processing and considered the cost of different program options.

The analysis and evaluation from the five previous TMs was built into a summary of proposed recommendations, presented in this final report as follows:

Section 1.0, Service Level Recommendations, includes the estimated cost of implementing the recommended curbside program, recommendations for multi-unit and ICI organics collection, and anticipated staffing requirements for delivering these programs.

Section 2.0, Procurement Structure, provides supporting information on the recommended request for proposal structure.

Section 3.0, Implementation Schedule, provides a high level schedule with key milestones identified to plan and launch service level recommendations for the spring of 2017.

TABLE OF CONTENTS

| | |
|--|-----------|
| EXECUTIVE SUMMARY | I |
| 1.0 SERVICE LEVEL RECOMMENDATIONS | 1 |
| 1.1 Estimated cost of program options | 4 |
| 1.2 Staffing and Resource Requirements..... | 5 |
| 2.0 PROCUREMENT STRUCTURE..... | 7 |
| 3.0 IMPLEMENTATION SCHEDULE | 8 |
| 4.0 LIMITATIONS OF REPORT | ii |

LIST OF TABLES IN TEXT

| | |
|--|----|
| Table A: Service Level Recommendations..... | ii |
| Table B: List of Tech Memos | ii |
| Table 1: City of Fort Saskatchewan Curbside Program Recommendation | 1 |
| Table 2: Collection Costs Summary | 5 |
| Table 3: Schedule for Roll-Out..... | 8 |

APPENDIX SECTIONS

| | |
|------------|---------------------------------|
| Appendix A | Technical Memorandums |
| Appendix B | Tetra Tech's General Conditions |

1.0 SERVICE LEVEL RECOMMENDATIONS

This section provides a summary of service level recommendations based on the analysis conducted for each of the TMs. Improved collection recommendations for Council are also provided in bold at the end of each subsection.

Table 1: City of Fort Saskatchewan Curbside Program Recommendation

| Stream | Frequency | Collection Type | Rate Structure |
|-----------|---|-----------------------------|-----------------------------|
| Garbage | Every-Other-Week (EOW) | Automated – 240/120 L carts | Variable based on cart size |
| Organics | Weekly (Apr to Nov) EOW (Nov to Apr) | Automated – 240/120 L carts | Included in fixed rate |
| Recycling | Weekly | Manual – Blue-Bag | Included in fixed rate |

Service Level Recommendations

Recommendation 1: Provide Curbside Organics Collection Program for Yard Debris and Food Scraps

Food scraps (and other household organics such as paper towels, food soiled paper) and yard and garden debris together make up over 40% of municipal solid waste by weight in jurisdictions without an organics program. Yard waste can be significantly reduced through practices such as mulch-mowing and home composting. Separation of remaining yard debris (primarily leaves) and food scraps is the best way to achieve diversion targets and reduce costs of garbage disposal.

Under Fort Saskatchewan's current waste management system residents who do not home compost can take grass clippings and yard debris to the Transfer Station. The pilot cart program tested the collection of food scraps and yard waste, i.e., 'co-mingled' organics. Options for a citywide organics program are as follows:

- Weekly collection of co-mingled food scraps and yard debris (i.e., an expansion of the pilot program).
- Weekly collection of food scraps and limited separate collection of yard debris (e.g., a bag program during spring and fall clean-up). Additional yard debris is accepted at the Recycle and Transfer Station.
- Weekly collection of food scraps and no yard debris collection. Yard debris is accepted for drop-off at the Transfer Station.

Co-mingled collection of yard debris and food scraps offers the greatest opportunity for diversion and is consistent with organics programs in neighbouring jurisdictions. Although there are a high number of residents voluntarily bringing yard debris to the Transfer Station already, pilot results showed that residents who were previously disposing of yard waste in the garbage were quick to fill the cart with yard debris, demonstrating that they are keen to participate in a curbside organics diversion program. To maximize cost efficiency while supporting increased diversion, the City can provide residents with cart size options for residents to choose depending on how much yard waste they produce.

Recommendation 2: Implement Every-Other-Week Garbage Collection

The emerging Canadian norm is a three-stream program with weekly organics and recycling service, and every other week (EOW) garbage. In order to increase diversion and offset the cost of a third collection route many Capital Region municipalities – including Leduc, Sherwood Park and St. Albert – have an EOW garbage collection schedule. A local exception is Spruce Grove who has introduced source-separated organics but maintained a weekly garbage collection service. At an industry-wide level, the switch to EOW garbage collection alongside implementing organics collection has been credited with a significant decrease in the amount of garbage generated (between 30% and 40%), and an increase in the quantity of organics collected (between 40% and 80%). Cost modelling shows that EOW garbage can realize savings of 3% to 8% compared with weekly three stream collection.

Recommendation 3: Establish Automated Collection for Garbage and Organics

Automated collection improves collection efficiency. The primary financial gain is due to the number of households that can be serviced per hour per crew member. Automated collection can service more households per hour with one staff member, hiring can occur from a broader pool of the workforce, there are improvements in safety, and lower injury rates for automated collection. Fully automated collection trucks can have a larger total load capacity, allowing them to service more households before the truck becomes full.

Pilots in municipalities in British Columbia and Alberta have shown that automated collection increases resident participation in diversion programs. Post pilot surveys have demonstrated a high level of support for carts from the majority of residents who find them easy to manoeuvre and appreciate the benefit of a waste receptacle supplied and maintained by the City. Good quality carts are also more durable and can be amortized over ten years.

Recommendation 4: Offer Variable Fees Based on Cart Size – Pay As You Throw

Pay as you throw (PAYT) incentives are commonly used in combination with cart service. PAYT is an incentive based collection approach where customers are charged for collection and disposal services based on the amount of garbage discarded (i.e., based on the size of cart selected by the resident).

Regardless of fee structure, the City should offer residents two cart sizes to choose from as it provides residents with a degree of control over their collection system and supports easier storage. In the pilot survey, residents expressed a strong desire to have alternative options. This can be done by providing a standard cart size with the option to adjust the size after a grace period, and using a tiered fee schedule to further encourage diversion. Common cart size options are: 120 L and 240 L. (For comparison, typical garbage cans are 80 L or 120 L and standard garbage bags are 75 L.)

Recommendation 5: Maintain Transfer Station and Offer Peak Season Curbside Set out (Bags) to Manage Excess Organics

Seasonal peaks can be managed by encouraging residential use of the Transfer Station and/or through additional bag set outs. In many North American jurisdictions, kraft bags are used since they are voluminous, can be easily composted along with the material therein, and reinforce messaging for residents around what is compostable. The industry trend is moving away from clear plastic bag use for yard debris given that an extra step is required to remove the bags prior to composting, but it ultimately depends on what a processing facility is willing to accept and will be determined by the collection contractor. Education efforts to encourage mulch-mowing, home composting and food scraps and yard debris separation will help to support cost effective diversion more successfully than by limiting curbside collection.

The yard debris drop-off service and composting operation at the Transfer Station will remain a necessary part of the system. Some residents will still need to drop-off excess amounts especially at peak times. Approximately 500 tonnes of yard debris is brought to the facility by local landscaping contractors who also need to access a

drop-off depot. With an organics curbside program in place, yard debris drop-offs should decrease by about 40% to 60% resulting in decreased processing costs. It will then be feasible to sell or make use of the entire batch of compost produced in a given year.

Recommendation 6: Maintain the Transfer Station to Manage Excess Garbage

Based on outcomes from surrounding jurisdictions and industry best practices, it is expected that a majority of resident garbage will be managed through one primary curbside cart and optimizing diversion options available at curbside as well as through the Recycling Depot. It is also important to have options for managing occasional excess garbage resulting from special events, renovation or other. To accommodate these circumstances, it is recommended that residents dispose of their extra waste at the Recycle and Transfer Station for a fee. For those with ongoing excess garbage due to special circumstances (e.g. health issues or other), the use of a second cart is recommended.

Recommendation 7: Maintain Manual “Blue-Bag” Recycling

Although Canada-wide the industry standard for recycling is switching over to blue carts, municipalities in the Capital region predominantly have “Blue-bag” recycling programs. Manual “Blue-bag” remains popular among neighbouring jurisdictions as it reduces the need to store a third cart and also the overall on-street cart footprint on collection day. Additionally, it is easier for haulers to identify contamination during collection. Residents who prefer to toss items into a rigid container instead of bags can continue to use their own can or box, if properly labeled. To accommodate manual recycling collection, the hauler’s flexibility is slightly reduced and a separate truck may be required, which could increase costs. A bag-based system may also reduce participation and diversion rates as compared with cart collection.

Recommendation 8: Coordinate with Multi-unit Sites to Launch Organics Collection

The City is somewhat unusual in that multi-unit properties are included under the City-managed waste collection contract, instead of as part of the commercial franchise, which tends to be the norm for municipalities in Alberta. As a result, the City is able to provide a uniform level of waste and recycling collection service for multi-unit residents, and can ensure that organics collection options are available in the future. This additional level of oversight means that the City can directly influence diversion rates more easily than in the commercial sector.

Multi-unit residential properties have some inherent challenges with respect to designing and implementing waste diversion programs; building types and space restrictions, tenant profiles, high resident turnover and socio-economic challenges all need to be considered. Diversion rates usually reflect these challenges and are generally considerably lower than for single family households in the same jurisdiction. That said, several jurisdictions in western Canada have had considerable success with multi-unit organics collection and it is an important sector to bring online for increased diversion and consistent service offerings across the municipality.

To help ensure program success and overcome potential barriers to rolling out organics collection to multi-unit properties it is recommended to:

- Secure personnel to develop and deliver an implementation strategy as well as a detailed work plan and provide individual support to building managers in the run up to the launch, during the roll-out and in the following months.
- Develop an implementation plan including: communicating the new by-law to building managers; creating a timeline for delivering organics containers and starting the service; and developing a guide for building managers (bin placement and grouping, and resources for communicating with tenants).

It is advised that the multi-unit organics collection program roll-out take place after the curbside residential program roll-out. A phased approach will ensure that the City's resources are not pulled in too many different directions and provides the opportunity to maintain momentum while incorporating lessons learned.

Recommendation 9: Launch a City Building Organics Collection Pilot

The City has an opportunity to led by example by introducing organics collection in City buildings, thereby demonstrating commitment to increasing diversion rates. It is recommended that once the single family residential roll-out is launched, that the City continue to expand organics collection in its' own buildings to showcase best practices, and quantify diversion results from public facilities that are representative of the ICI sector.

Recommendation 10: Launch Institutional, Commercial, and (light) Industrial (ICI) Sector Organics Collection

Once the new residential program is established, the institutional, commercial and light industrial (ICI) sector represents an important opportunity for future diversion initiatives. The ICI sector contributes a large amount to the overall volume of waste produced, and diversion rates tend to lag behind the residential sector. Although mandated organics collection programs are not common in the capital region, municipal influence of commercial collection is occurring across Canada both as a result of regulatory measures and voluntary initiatives. As an example of a leading edge program, in Metro Vancouver, BC, the 2015 organics disposal ban includes the commercial sector; businesses that do not have organics collection programs can be fined indirectly by the government through their hauling company. Successful programs are often instigated with regulatory tools and benefit from start-up resources to provide technical assistance and training.

If the City chooses to maintain ICI collection under a separate franchise agreement (as it is currently), organics collection should continue to be provided as an option. However, without a regulatory tool to make organics collection mandatory the service will remain expensive—there is currently no economy of scale since only a small number of businesses use the service. Alternately, if the City linked the residential and commercial collection contracts under a common franchise (see Section 2.0) then the same contractor will deliver cart-based organics collection to residences and businesses. This will enable the contractor to offer commercial clients a better rate.

1.1 ESTIMATED COST OF PROGRAM OPTIONS

A financial assessment model was built to estimate the collection and processing costs for eight different scenarios. Each scenario in the assessment model was compared to the current cost of collection – i.e. the status quo scenario. The status quo along with the recommended scenario is presented in Table 2 below.

The primary financial elements in the model include:

- Capital Costs – collection trucks and carts;
- Operational costs – labour, truck maintenance, fuel, cart administration, overhead and contractor mark-up;
- Disposal and processing costs – net tipping/processing for all waste streams based on current fees: garbage – \$72 per tonne; recycling – \$60 per tonne; and organics – \$47 per tonne.

Table 2: Collection Costs Summary

| Collection Costs | 2-stream Manual | 3-stream Automated Manual Recycling | Difference in Monthly Fees |
|---|---------------------|--|----------------------------|
| | Status quo | Weekly – Recycling and Organics EOW – Garbage | |
| Estimated total program costs (monthly) | \$24 to \$26 | \$24 to \$29 | \$0-5 |

Costs associated with collection of a third stream and purchasing carts will be significantly offset by:

- savings from higher diversion i.e. lower tipping fees compared with organics processing;
- greater efficiency from automated collection; and
- a modified collection schedule in the case of EOW garbage and (seasonal) organics.

While a third material stream adds to overall collection costs, the cost differential of organics processing compared with tipping garbage results in savings as more material is diverted to the organics stream. Conversion to EOW garbage collection compounds savings through reduced collection costs and higher diversion rates. The relative value of these savings will increase overtime as the cost of garbage disposal increases faster than the cost of organics processing.

Additional staffing will be needed to manage the new program including an operations staff person and a Waste Reduction Coordinator. These long-term resource requirements are included in the cost table above. In addition to these annual costs the new program will have one off launch costs associated with logistics, communications, and community outreach, estimated at \$190,000 to \$250,000 (or an estimated \$25 to \$34 per household). This is not included in the monthly price noted in the above table.

A number of assumptions were used in order to model the estimated collection costs of each scenario. For example, expected diversion rates for different service level options and collection efficiency for manual versus automated collection. Assumptions are based on industry norms. It is important to note that data from the assessment model is based on current operations, data from the pilot study, and research from a number of other municipalities that use automated collection and service levels. Actual costs will depend on private waste haulers responding to the request for proposals (RFP), who will make similar assumptions for routing efficiency, capital cost requirements and operational and collection costs. Prices will vary depending on their existing fleet (and spare capacity), and potentially escalating fees related to labour, transportation and tipping fees. As a result of these unknowns, the monthly cost upper limit for the new collection program were set conservatively.

The shift to collecting organics at curbside will actively support an increase in diversion and help to mitigate future cost increases related to rising cost of garbage disposal.

1.2 STAFFING AND RESOURCE REQUIREMENTS

The launch of a residential organics program and the switch to automated collection will be a significant change to the City's collection services. Additional staff support, both full-time and temporary, will be needed in order to manage the various aspects of program launch, ongoing support, and future program planning. Longer term staffing requirements include a Waste Reduction Coordinator and an operations staff person to manage the cart inventory. The responsibilities of these staff are:

- **Waste Reduction Coordinator:** A staff position dedicated to ensuring residents use the program properly to optimize diversion and guarantee seamless operations is critical to program success. During program launch the coordinator will oversee communications and outreach, field residents' calls, and conduct door to door engagement with residents. After the initial launch, the coordinator will continue to manage the program including cart inventory and resident outreach and technical support. Once the single family program is established the coordinator will also manage the launch of organics collection in multi-unit and City buildings and act as an advisory resource for building managers. The coordinator will be the City's community and regional liaison and will provide up-to-date information on industry best practice back to the utility department. Creating a long-term coordinator position would ensure that the City has someone to take responsibility for ongoing program management, community education and outreach, and planning for future initiatives.
- **Operations staff:** an operations staff position will be needed on a long-term basis to manage the cart inventory on a day to day basis. Their role will be to manage, maintain and refurbish inventory, deliver and tag new and replacement carts for residents, and locate missing carts. This person will also provide a support role to the coordinator in providing feedback to residents, providing field observations to the coordinator, and contract standards enforcement.

In addition to the longer term requirements, short-term resources will be needed during the program launch. Specifically, these will include:

- Communication strategy development and implementation (e.g. key message development, materials design);
- Outreach staff to go door to door and speak to residents about the new program;
- A small team of operations staff (or a contractor) to deliver carts; and,
- Temporary support staff to answer the phone to residents who have questions about the new program.

The one-time cost of launching a new program, including logistics and communication, will need to be priced on a cost per household basis. The City should budget an estimated \$25 to \$34 per household, which is equivalent to approximately \$190,000 to \$250,000.

2.0 PROCUREMENT STRUCTURE

It is recommended that the City put out two separate RFPs:

1. Collection, Processing and Disposal for both the Residential and Commercial Sectors
2. Collection and Processing/Disposal for the Transfer Station

Previous solid waste contracts were tendered for five years with an option to renew. It is recommended that for the new waste contracts Fort Saskatchewan retain contractors through a RFP process whereby the successful proponent will be invited to enter into negotiations with the City. It is also recommended that longer contract periods are considered, ideally seven years. To ensure flexibility, this time frame could be split into a shorter term (e.g. five years) with options to renew to the full seven years. New trucks are generally amortized over a seven year period so this will enable contractors to bid more competitively.

Currently the City has four contracts: 1) Residential Collection (curbside and multi-unit buildings); 2) Transfer Station Collection; 3) Disposal and Processing (residential and transfer station); and 4) Commercial Franchise. The first three are currently with Progressive Waste Solutions and the commercial franchise belongs to GFL Environmental.

Currently the residential and commercial franchises are managed by two different haulers under entirely separate agreements. Tetra Tech recommends that these are combined into one RFP where haulers are invited to provide pricing for A) residential collection, B) commercial collection, and C) the two combined. This relatively unique streamlining option is available to the City because of the way ICI collection is currently handled (i.e. through a franchise agreement).

Combining the collection contracts in this way will allow smaller players who only have front-load trucks to bid on the commercial contract while opening up the possibility of one larger hauler bidding on both together which delivers economies of scale and potentially better overall pricing. The City will then have the option of selecting one hauler for both, or depending on the outcome of the evaluation, hire two separate contractors and maintain the status quo with one hauler managing the residential contract and another the commercial franchise.

A separate RFP will be prepared for the Transfer Station, which is primarily roll-off containers with separated recycling streams.

In order to simplify the RFP process and contract management, Tetra Tech recommends that processing and disposal be combined with the collection contracts. In some instances processing and disposal fees are secured first to ensure competitive pricing and compare collection contracts on a level playing field. However, for the City it will likely be more effective to combine contracts. This will allow haulers—who often own or manage their own processing and/or disposal facilities—to provide the best overall cost, inclusive of transportation. Additionally, since the landscape for organics processing options is likely to change over the duration of the contract, it prevents the City from being locked into one contract and allows the hauler flexibility to find the best value option.

3.0 IMPLEMENTATION SCHEDULE

A high level schedule with key milestones, is presented in the table and Gantt chart below. This schedule plans for a roll-out of the residential organics and cart program in spring 2017. Initially fall 2016 had been discussed for the launch but this schedule does not provide collection contractors with sufficient time to secure collection trucks. Since automated collection is relatively new, haulers do not tend to have spare capacity within their fleet and sourcing trucks can take up to 12 months depending on how many are ordered and where they are being sourced from.

Based on previous experience working with municipalities who are preparing new collection RFPs, ensuring that there is some flex time in the schedule is critical. Aside from the timeline needed to source trucks, launching the residential program in fall 2016 would not provide sufficient buffer time to deal with details and potential unknowns in the planning process.

Table 3: Schedule for Roll-Out

| Task | Key Dates |
|--|-----------------------------|
| Residential and Commercial Contracts | |
| Council approval for program | May 2016 |
| Issue RFP for collection and disposal/processing | June 2016 |
| Receive submissions | July 2016 |
| Sign contract | July 2016 |
| Issue RFP for cart and RFID procurement | June 2016 |
| Award contract for cart and RFID procurement | July 2016 |
| By-law update | September 2016 – March 2017 |
| Residential Program Roll-Out | |
| Communications Planning | August 2016 – March 2017 |
| Curbside Cart delivery (with communications materials) | April 2017 |
| Curbside Program launch | May 2017 |
| Multi-unit program development | June – August 2017 |
| Multi-unit program launch | September 2017 |
| City Buildings Organics Program Roll-Out | |
| City buildings program launch | September 2017 |

4.0 LIMITATIONS OF REPORT

This report and its contents are intended for the sole use of the City of Fort Saskatchewan and their agents. Tetra Tech EBA Inc. (Tetra Tech) does not accept any responsibility for the accuracy of any of the data, the analysis, or the recommendations contained or referenced in the report when the report is used or relied upon by any Party other than the City of Fort Saskatchewan, or for any Project other than the proposed development at the subject site. Any such unauthorized use of this report is at the sole risk of the user. Tetra Tech's General Conditions are attached as Appendix B to this memo.

Yours sincerely,
Tetra Tech EBA Inc.



Prepared by:
Jessica Frank, M.Sc.
Program Manager
Solid Waste Practice
Direct Line: 778.945.5776
Jessica.Frank@tetrattech.com



Reviewed by:
Tamara Shulman, B.Sc.
Team Lead
Solid Waste Practice
Direct Line: 604.608.8636
Tamara.Shulman@tetrattech.com

/sy

CITY OF FORT SASKATCHEWAN

Solid Waste Collection Service Levels May 10, 2016 Regular Council Meeting

APPENDIX 2

Regional Comparison

| Municipality | Material Streams | Frequency | Collection Type | User Pays System | Diversion Rate and Targets |
|---------------|----------------------------------|--------------------------------|--------------------------|---|----------------------------|
| St. Albert | Garbage Organics Recycling | EOW Seasonal2 Weekly | Cart Cart Blue Bag | 60/120/240 L 60/120/240 L Unlimited | 65% (2014) 75% (2020) |
| Sherwood Park | Garbage Organics Recycling | EOW Seasonal2 Weekly | Cart Cart Blue Bag | 240 L 240 L Unlimited | 59% (2014) 70% (2018) |
| Leduc | Garbage Organics Recycling | EOW1 Seasonal2 Weekly | Cart Cart Blue Bag | 240 L 240 L Unlimited | 54% (2014) 65% (2020) |
| Spruce Grove | Garbage Organics Recycling | Weekly Seasonal3 Weekly4 | Cart Cart Blue Bag | 120/240 L 120/240 L Unlimited | 35% (2014) |

CITY OF FORT SASKATCHEWAN

Solid Waste Collection Service Levels May 10, 2016 Regular Council Meeting

APPENDIX 3

Recommended Residential Service Levels Summary

Individual Curbside Service

| Material Stream | Collection Frequency | Collection Method | Container Options | Rate Structure |
|----------------------------|---|----------------------------------|--|--|
| Organics | Weekly – Summer ¹ Bi-Weekly – Winter ¹ | Automated Side Load ² | <ul style="list-style-type: none"> city provided cart, two size options³ | <ul style="list-style-type: none"> included in fixed rate |
| Recyclables | Weekly | Manual | <ul style="list-style-type: none"> resident provided approved bag or can³ | <ul style="list-style-type: none"> included in fixed rate |
| Residuals (Garbage) | Bi-Weekly | Automated Side Load ² | <ul style="list-style-type: none"> city provided cart, two size options³ | <ul style="list-style-type: none"> single 120L² cart included in fixed rate variable rate for additional capacity |

Common Service

| Material Stream | Collection Frequency | Collection Method | Container Options | Rate Structure |
|----------------------------|---|----------------------------------|---|---|
| Organics | Weekly – Summer ¹ Bi-Weekly – Winter ¹ | Automated Side Load ² | <ul style="list-style-type: none"> city provided cart, two size options³ | <ul style="list-style-type: none"> included in fixed rate |
| Recyclables | As required based on site-by-site considerations | Front Load ⁴ | <ul style="list-style-type: none"> city provided bin, sized based on site limitations | <ul style="list-style-type: none"> included in fixed rate |
| Residuals (Garbage) | Bi-Weekly ⁵ | Front Load | <ul style="list-style-type: none"> city provided bin, sized based on number of units and site limitations | <ul style="list-style-type: none"> 260L/unit/month capacity in fixed rate variable rate for additional capacity |

1 The solid waste bylaw would prescribe authority to develop and update a collection standard – start and end dates for each season would be specified in the standards (e.g. weekly service April 15 to October 15)

2 Refers to use of a mechanized collection arm operated by a driver who does not typically exit the cab

3 Cart sizes and requirements for resident provided containers would be specified in the collection standards (e.g. 120L and 240L carts for garbage and organics; semi-transparent blue bag or 120L can for recycling)

4 Manual collection for recycling may be necessary where site limitations exist or other considerations warrant

5 Frequency may be increased where bi-weekly collection cannot not provide a minimum 260L/unit/month capacity

CITY OF FORT SASKATCHEWAN

Uniform Quality Management Plan

Motions:

1. That Council approve the Uniform Quality Management Plan, as presented.
2. That Council rescind the existing Quality Management Plans for Building, Electrical, Plumbing, Gas (approved October 2000), and Fire Services (approved December 2001).

Purpose:

This report is provided to Council with the final Uniform Quality Management Plan (UQMP) for their consideration and acceptance.

Background:

The City of Fort Saskatchewan is an accredited organization in the areas of building, electrical, plumbing, gas, and fire through the Safety Codes Council. This grants the City the ability to issue Safety Codes Permits, including building, electrical, plumbing, gas, and fire permits. It also allows the organization to conduct inspections in all of the five mentioned disciplines. As an accredited organization, a Quality Management Plan (QMP) is needed to establish our roles and responsibilities and to define service levels for each discipline (type of inspections required, information to be included with reporting, records retention, etc.).

The City of Fort Saskatchewan currently has five QMPs for each discipline (building, electrical, plumbing, gas, and fire). The existing QMPs were approved by Council in October 2000 and December 2001. In 2015, the City received direction from the Safety Codes Council to update the QMPs to follow the provincial uniform template. The UQMP template groups all disciplines, including Fire Services into one document.

The differences between the current and the new QMP are not substantive. Minor administrative changes have been introduced, but the type and amount of inspections required have remained the same.

Plans/Standards/Legislation:

The UQMP aligns with the Safety Codes Act and has been reviewed by the Safety Codes Council.

Internal Impacts:

Minimal additional Administrative requirements will be required under the new UQMP.

Recommendation:

1. That Council approve the Uniform Quality Management Plan, as presented.
2. That Council rescind the existing Quality Management Plans for Building, Electrical, Plumbing, Gas (approved October 2000), and Fire Services (approved December 2001).

Attachments:

Uniform Quality Management Plan

| | | |
|---------------|---|----------------------|
| Prepared by: | Janel Smith-Duguid Director, Planning & Development | Date: April 27, 2016 |
| Approved by: | Troy Fleming General Manager, Infrastructure & Community Services | Date: May 4, 2016 |
| Reviewed by: | Kelly Kloss City Manager | Date: May 4, 2016 |
| Submitted to: | City Council | Date: May 10, 2016 |

(City of Fort Saskatchewan)

Uniform Quality Management Plan

Version: January 2016

(City of Fort Saskatchewan)

Uniform Quality Management Plan

This Uniform Quality Management Plan that includes Schedule A – Scope and Administration, and Schedule B – Uniform Service Delivery Standards, has been accepted by the Administrator of Accreditation.

Administrator of Accreditation

Date



SAFETY CODES COUNCIL

UNIFORM QUALITY MANAGEMENT PLAN

TABLE OF CONTENTS

| | Page |
|--|-------------|
| Table of Contents | 1 |
| Schedule A Scope and Administration | 2 |
| Scope of Accreditation | 3 |
| Administration of the Uniform Quality Management Plan..... | 4 |
| Adherence to the Uniform Quality Management Plan | 4 |
| Policy for Personnel Training | 4 |
| Freedom of Information | 4 |
| Records Retention and Retrieval | 5 |
| Declaration of Status | 5 |
| Annual Review | 5 |
| Revisions | 5 |
| Revision Control System | 5 |
| Notices | 6 |
| Municipal Agreement | 6 |
| Schedule B Uniform Service Delivery Standards | 7 |
| Section 1: Scope of Services | 8 |
| Section 2: Performance | 8 |
| Section 3: Personnel | 8 |
| Section 4: Quality Management Plan Training | 8 |
| Section 5: Records | 9 |
| Section 6: Safety Codes Council Operating Fees | 9 |
| Section 7: Orders | 9 |
| Section 8: Alternative Solutions / Variances | 9 |
| Section 9: Compliance Monitoring | 10 |
| General | 10 |
| Permits / Permissions..... | 10 |
| Permit Applications | 10 |
| Permits | 10 |
| Permit Conditions | 11 |
| Site Inspections | 11 |
| Inspection Reports | 11 |
| Verification of Compliance | 12 |
| No-Entry Policy | 12 |
| Permit Services Report | 12 |
| Appendix A: Building Discipline | 13 |
| Appendix B: Electrical Discipline | 17 |
| Appendix C: Plumbing Discipline | 18 |
| Appendix D: Gas Discipline..... | 20 |
| Appendix E: Fire Discipline | 21 |
| Appendix F: List of Administrative Forms Available on the SCC Web Site | 27 |

Schedule A

Scope and Administration

SCOPE OF ACCREDITATION

The Municipality will administer the Safety Codes Act (SCA) including all pursuant regulations applicable to the following indicated discipline(s), within the municipal jurisdiction:

Building

- ☐ All parts of the Alberta Building Code.

Electrical

- ☐ All parts of the Canadian Electrical Code and all parts of the Code for Electrical Installations at Oil and Gas Facilities.

Plumbing

- ☐ All parts of the National Plumbing Code of Canada, applicable Alberta amendments and regulations, and Private Sewage Disposal System Regulation.

Gas

- ☐ All parts of the Natural Gas and Propane Installations Code and Propane Storage and Handling Code and applicable Alberta amendments and regulations, excluding natural and propane gas highway vehicle conversions.

Fire

Alberta Fire Code Administration: (one is mandatory)

- ☐ All parts of the Alberta Fire Code except for those requirements pertaining to the installation, alteration, and removal of storage tank systems for flammable liquids and combustible liquids regulated under the Alberta Fire Code.

Fire Investigations: (mandatory)

- ☐ Cause, origin, and circumstance determination.

Fire Prevention Programs: (optional)

- ☐ Public education.

- ☐ Fire pre-plans

- ☐ Other (list) _____

ADMINISTRATION OF THE (City of Fort Saskatchewan) UNIFORM QUALITY MANAGEMENT PLAN

Adherence to the Uniform Quality Management Plan

The City of Fort Saskatchewan herein referred to as “The Municipality” is responsible for the administration, effectiveness, and compliance with this Uniform Quality Management Plan (UQMP) that includes Schedule A – Scope and Administration and Schedule B - Uniform Service Delivery Standards.

The Municipality will provide services under Schedule B – Uniform Service Delivery Standards through their own staff or one or more accredited agencies. When providing services through an agency(s), the Municipality will contract with the agency(s) to provide services in accordance with Schedule B – Uniform Service Delivery Standards. The Municipality is responsible for monitoring the contracted agency’s compliance with Schedule B – Uniform Service Delivery Standards.

The Municipality recognizes that the Safety Codes Council (SCC) or its representative may review/audit for compliance to this UQMP and will give full cooperation to the SCC or its representative in business related to the administration of the SCA including the conduct of reviews/audits. The Municipality will implement the recommendations of the reviewer/auditor.

The Municipality will encourage and maintain an atmosphere that supports objective and unbiased decisions. All Safety Codes Officers (SCOs) working in the Municipality have the ability and opportunity to make decisions relative to compliance monitoring independently, without undue influence of management, appointed or elected officials.

The Municipality, in the event that it ceases to administer the SCA for any new thing, process, or activity under the SCA, retains responsibility for services provided under the SCA while accredited, including the administration and completion of services for permits issued.

The Municipality recognizes that failure to follow this UQMP may result in suspension or cancellation of the Municipality's accreditation.

Policy for Personnel Training

The Municipality will ensure that SCOs of the Municipality attend updating seminars required by the SCC to maintain current SCO certification.

Freedom of Information

The Canadian Charter of Rights and Freedoms applies to all activities undertaken in the administration of this Quality Management Plan. The Freedom of Information and Protection of Privacy Act applies to all information and records relating to, created, or collected under this UQMP.

Records Retention & Retrieval

The Municipality will retain the files of all projects including those where an accredited agency(s) was involved, for at least three (3) years or in accordance with the Municipality's record retention policy, whichever is greater. Such files will be available at the Municipality's office. Files where an accredited agency was involved are the property of the Municipality and will be returned to the Municipality within a reasonable time after completion of the services, or upon request.

Declaration Of Status

The SCOs, staff, officers, and accredited agency(s), whether employed, retained or otherwise engaged by the Municipality will not participate in any safety codes administration, inspection, or investigation of properties or fires where they may have pecuniary interest.

Annual Review

Internal reviews will be carried out annually by the QMP Manager or the Manager's delegate to evaluate whether or not compliance of the Quality Management Plan is being achieved. At the conclusion of the internal review, the QMP Manager will provide, to the Safety Codes Council, a letter of QMP compliance that has been signed by the municipality's executive authority. The letter must be comprised of all findings of the review including any successes, areas for improvement and the methodology used to achieve improvement or correction as it relates to the approved Quality Management Plan.

This is a mandatory requirement and failure to comply may result in cancellation or suspension of a municipalities' accreditation designation. All findings for the annual internal reviews are due to the Safety Codes Council **no later than the last day of March of the following year that is being reviewed.**

Revisions

Revisions to this UQMP may only be made to the Scope and will only be made by the Chief Administrative Officer responsible for this UQMP. A Resolution from the Municipal Council will be included with a revision. The SCC must approve any change in the UQMP.

Revision Control System

The Municipality will ensure its SCOs have ongoing access to a copy of this UQMP and contracted accredited Agencies are provided with a copy of this UQMP and any amendments.

The Municipality will maintain a registry of the SCOs and Agency(s) that have been provided with a copy of this UQMP and amendments. The Municipality will immediately distribute copies of approved amendments to all registered holders of this UQMP.

Notices

Any correspondence in regards to this UQMP will be forwarded to:

Director of Planning & Development Services

fortplanning@fortsask.ca

Quality Management Plan Manager

E-mail address

City of Fort Saskatchewan

10005 102 Street

Name of Municipality

Address of Municipality

780-992-6198

780-992-6180

Phone number of Municipality

Fax number of Municipality

Municipality Agreement

In accordance with Council Resolution #_____ of May 10, 2016 the City of Fort Saskatchewan hereby provides agreement and signature to this UQMP.

Signature of Chief Administrative Officer

Signature of Chief Elected Official

Kelly Kloss, City Manager

Mayor Gale Katchur

Name & title of Chief Administrative Officer

Name & title of Chief Elected Official

Schedule B

Uniform Service Delivery Standards

Section 1: Scope of Services

The Uniform Service Delivery Standards establishes responsibilities and minimum performance criteria for providing compliance monitoring services under the SCA including:

- code advice,
- permit issuance,
- plans examinations,
- site inspections,
- site investigations,
- alternative solutions/variances,
- orders,
- verification of compliance,
- identification and follow-up of deficiencies and unsafe conditions,
- collection and remittance of SCC fees,
- issuance of Permit Services Reports, and
- maintaining files and records.

Section 2: Performance

The Municipality will:

- perform the services in an effective and timely manner,
- endeavour to work co-operatively with the owner and/or the owner's representative(s) to achieve compliance with the SCA and applicable Regulation(s),
- perform the services with impartiality and integrity, and
- provide services in a professional and ethical manner.

Section 3: Personnel

The Municipality will:

- employ persons knowledgeable about the applicable codes, standards and regulations, relative to the services it provides,
- employ SCOs who are certified and designated at an appropriate level to provide compliance monitoring and investigations relative to service levels the Municipality provides, and
- maintain a registry of all SCOs they employ, their level(s) of Certification, and Designation of Powers.

Section 4: Quality Management Plan Training

The Municipality will:

- train its SCOs and other involved staff in the requirements of this UQMP, and
- maintain the training records on the employee's file.

Section 5: Records

The Municipality will maintain a file system for all the records associated with performing the services including:

- permit applications and permits,
- plans, specifications, and other related documents,
- plans review reports,
- inspection reports,
- investigation reports,
- verifications of compliance,
- Alternative Solutions / Variances,
- Orders,
- Permit Services Reports, and
- related correspondence and/or other relevant information.

Section 6: SCC Operating Fees

The Municipality will collect the SCC operating fee for each permit issued under authority of the SCA, and remit those fees to the SCC in the manner and form prescribed by the SCC.

Section 7: Orders

Will be issued and served in accordance with the SCA, the Administrative Items Regulation, and SCC policy. Orders will be in the format provided on the SCC web site: www.safetycodes.ab.ca. Upon compliance with an Order, a notice of compliance will be provided to the person(s) to whom the Order was served and to the SCC.

Section 8: Alternative Solutions / Variances

Will be issued in accordance with the SCA and SCC policy. An Alternative Solution / Variance will be in the format directed by the SCC (available on the SCC web site: www.safetycodes.ab.ca).

A SCO may issue an Alternative Solution / Variance from a code or referenced standard if the SCO is of the opinion that the Alternative Solution / Variance provides approximately equivalent or greater safety performance than that prescribed by the code or standard.

A request for Alternative Solution / Variance must be made in writing and include support documentation. A SCO will only make a decision respecting an Alternative Solution / Variance after having thoroughly researched the subject matter.

A copy of an Alternative Solution / Variance issued will be provided to the:

- owner,
- contractor if applicable,
- SCC, and
- the Municipality's file.

Section 9: Compliance Monitoring

General

The Municipality will monitor compliance through a program of permit issuance, plans examination (when applicable), site inspection, and follow-up inspections or verification of compliance; using appropriately certified and designated SCOs to provide compliance monitoring in accordance with the SCA and associated codes and standards.

Permits / Permissions

The Municipality will collect all information required by the SCC to be collected as part of each permit application.

Permit Applications

Permit Applications will include the following information:

- name of the issuing Municipality,
- permit discipline type,
- date of application,
- applicant's name, address, and phone number,
- contractor's name, address, and phone number,
- owner's name, address, and phone number,
- project location by legal description, civic address, and municipality,
- description of the work,
- state the use or proposed use of the premises,
- a Freedom of Information and Protection of Privacy Act (FOIPP) statement that meets the requirements of FOIPP as per the following example:

“The personal information provided as part of this application is collected under the Safety Codes Act and the Municipal Government Act and in accordance with the Freedom of Information and Protection of Privacy Act. The information is required and will be used for issuing permits, safety codes compliance verification and monitoring and property assessment purposes. The name of the permit holder and the nature of the permit is available to the public upon request. If you have any questions about the collection or use of the personal information provided, please contact the municipality.”

- any other information the SCO or permit issuer considers necessary.

Permits

Permits will include the following information:

- a permit number or other unique identifier that has been assigned by the permit issuer to the undertaking,
- the date on which the permit is issued,
- the name of the owner and the person to whom the permit has been issued,
- where the undertaking is to take place,
- a description of the undertaking or portion of the undertaking governed by the permit, and
- contain any other information that the permit issuer considers necessary
- issuer's name, signature, and designation number,.

Permit Conditions

A permit may contain terms and conditions that include but not limited to:

- permission be obtained from the SCO before occupancy or use of the construction, process or activity under the permit,
- the date on which the permit expires,
- a condition that causes the permit to expire,
- the period of time that the undertaking may be occupied, used or operated,
- setting the scope of the undertaking being permitted,
- setting the qualifications required of the person responsible for the undertaking and/or doing the work,
- an identification number or label to be affixed to the undertaking,
- requirement to obtain the approval of a safety codes officer before any part of the building or system is covered or concealed.

Site Inspections

An SCO will inspect:

- to determine if the use, occupancy, sites or work complies with the SCA and relevant codes and standards, permits, and conditions,
- within the time frames noted in the discipline specific sections of this UQMP,
- in a timely fashion (endeavour to inspect within 2 working days and will not exceed 5 working days, when contacted for a required inspection unless otherwise noted in this UQMP),
- at the stage(s) indicated in the discipline specific sections of this UQMP, and
- all work or occupancy(s) in place at the time of the inspection.

The Municipality may, at their discretion, extend the time frame for a required site inspection(s) by documenting in the file:

- the reason for the extension, and
- the new time frame or date for conducting the inspection(s).

Inspection Reports

A SCO will, for each inspection required by this UQMP, complete an inspection report noting:

- permit number and file number (if applicable),
- discipline,
- municipality name and date,
- owner name, address, and phone number,
- contractor name, address, and phone number,
- legal description, address (if applicable), and municipality,
- stage(s) of work being inspected,
- a description of the work in place at the time of inspection,
- all observed deficiencies (any condition where the work is incomplete, or does not comply with the SCA or an associated code or regulation and in the opinion of the SCO is not an unsafe condition),
- all observed unsafe conditions (any condition that, in the opinion of a SCO, could result in property loss, injury, or death, and is not a situation of imminent serious danger),
- all observed situations of imminent serious danger and the action taken by the SCO to remove or reduce the danger, and
- name, signature, and designation number of the SCO conducting the inspection.

The Municipality will, for each required inspection:

- provide copies of Inspection Reports to the permit applicant, contractor, and Municipality's file; and if requested to the owner, project consultant, architect, or consulting engineers, and

- follow-up on noted deficiencies or unsafe conditions through re-inspection(s) (or at the discretion of the SCO, a verification of compliance may be accepted in lieu of an on-site reinspection).

Verification of Compliance

A SCO may, at their discretion, accept a verification of compliance (reasonable assurance provided from a third party that work complies):

- as follow-up to deficiencies or unsafe conditions noted on a site inspection, or
- in lieu of a site inspection when permitted in this UQMP (eg. labelled mobile home siting, minor residential improvements).

An SCO, when accepting a verification of compliance, will document the information to the permit file including:

- identification of the document as a verification of compliance,
- permit number and discipline,
- name and title of the person who provided the verification of compliance and how it was provided (i.e. written assurance, verbal assurance, site visit by designate, etc.),
- date accepted by the SCO, and
- signature and designation number of the SCO.

No-Entry Policy

When a SCO is unable to gain entry to a site for a required inspection, the SCO will leave a notification on-site in a visible location, or forward notification to the Owner or permit applicant (as appropriate), advising of the inspection attempt and requesting that the Municipality be contacted to arrange for the site inspection.

If the Municipality does not receive a response within 30 days of notification, the Municipality will mail the Owner or permit applicant (as appropriate), a second notification requesting that the Municipality be contacted within 30 days to arrange for a site inspection.

If the Municipality is not contacted within 30 days of the second notification, the inspection stage may be considered a “no-entry” and counted as the required interim or final inspection.

Permit Services Report

The Municipality will issue a Permit Services Report:

- within 30 days of completing the compliance monitoring services as required in this UQMP (completion of compliance monitoring services means; after the final or only required inspection, after acceptance of a verification of compliance in lieu of an inspection when permitted, or after compliance with the no-entry policy with respect to the final or only required inspection),
- to the Owner (the Owner, for the purposes of this UQMP means, in order of preference; the Owner of the project at the time the permit was purchased, at the time the compliance monitoring services were provided, or at the time the Permit Services Report was issued).

The Municipality will not issue a Permit Services Report or close a file if there is an unsafe condition, until such time as the unsafe condition is corrected.

The Municipality will, for administrative purposes, consider the file closed when the Permit Services Report is issued, however:

- will reactivate the file if any further activity related to the permit is initiated within 30 days, and
- may reactivate the file at any time.

APPENDIX A: BUILDING DISCIPLINE

Building Permits

The Municipality will, **prior** to permit issuance:

- obtain three complete sets of construction documents as outlined in the Alberta Building Code (ABC),
- obtain any letters or schedules required to be provided by the ABC,
- conduct a preliminary review of the construction documents to determine if professional involvement is required or if there are any potentially significant code compliance issues, and
- obtain documents with the seal and signature of a registered architect and/or professional engineer(s), when required by the ABC.

Construction Document Review

The Municipality will, not more than 15 days after permit issuance:

- complete a review of the construction documents in accordance with the requirements of the ABC,
- prepare a Plans Review Report,
- provide the Plans Review Report to the permit applicant, contractor, and Municipality's file; and if requested, to the owner, project consultant, architect, or consulting engineers, and
- provide one set of construction documents to the permit applicant for retention and review at the project site, and retain one set on the Municipality's file.

Compliance Monitoring on Projects requiring Professional Involvement

The Municipality will collect and maintain on file, required schedules and/or a letter(s) of compliance from the professional architect or engineer when a part or parts of the building require a professional architect or engineer.

The Municipality will collect and maintain on file all schedules and letters of compliance required in accordance with the ABC when full professional architect and/or engineer involvement is required for the work covered under a permit.

Building Site-Inspections

A SCO will conduct site inspections at the stages indicated in the following tables:

Site Inspection Stages for Part 9 Buildings Not Requiring Full Professional Involvement

| Type Of Project | Type of Building & Major Occupancy | Minimum # of Inspections | Inspection Stage (NOTE: inspect all work in place at time of inspection) |
|--|---|--------------------------|--|
| New Construction OR Alteration, addition, renovation, reconstruction, change of occupancy, (with a value of work of more than \$20,000) | Single & Two Family Dwellings (Group C) | 3 | <ul style="list-style-type: none"> complete foundation (prior to backfill) AND <ul style="list-style-type: none"> solid or liquid fuelled appliance(s) & framing (prior to covering up with insulation and vapour barrier) AND <ul style="list-style-type: none"> final, including HVAC completion within 365 days of permit issuance. Insulation and vapour barrier (prior to drywall) will be provided as an optional service |
| New Construction OR Alteration, addition, renovation, reconstruction, change of occupancy, (with a value of work of more than \$20,000) | Multi-family Residential, Townhouses, Small Apartments (Group C) | 3 | <ul style="list-style-type: none"> complete foundation (prior to backfill) AND <ul style="list-style-type: none"> solid or liquid fuelled appliance(s) & framing (prior to covering up with insulation and vapour barrier) AND <ul style="list-style-type: none"> final, including fire alarm and HVAC completion (within 365 days of permit issuance). Insulation and vapour barrier (prior to drywall) will be provided as an optional service |
| New Construction OR Alteration, addition, renovation, reconstruction, change of occupancy, (with a value of work of more than \$20,000) | Business & Personal Services, Mercantile, Med. & Low Hazard Industrial (Group D, E, F2, F3) | 2 | <ul style="list-style-type: none"> complete foundation (prior to backfill) OR <ul style="list-style-type: none"> framing, structure (prior to insulation and vapour barrier) AND <ul style="list-style-type: none"> final, including HVAC completion (within 365 days of permit issuance) <p>* NOTE: Any of these site inspections may be combined when it's reasonable to do so, and if site conditions permit.</p> |
| Alteration, addition, renovation, reconstruction, change of occupancy, (with a value of work of \$20,000 or less) OR Other types of permits not covered in this table. | All types of Part 9 Buildings (Group C, D, E, F2, F3) | 1 | <ul style="list-style-type: none"> final (within 180 days of permit issuance) framing, structure (prior to insulation and vapour barrier) will be provided as an optional service |

Site Inspection Stages for Part 3 Buildings Not Requiring Full Professional Involvement

| Type Of Project | Major Occupancy | Minimum # of Inspections | Inspection Stages (NOTE: inspect all work in place at time of inspection) |
|--|------------------|--------------------------|--|
| New Construction OR Alteration, addition, renovation, reconstruction, change of occupancy (with a value of work more than \$20,000) | A, B, C, D, E, F | 3 | <ul style="list-style-type: none"> *foundation AND *framing, structure AND *final (within 365 days of permit issuance) <p>* NOTE: Any of these site inspections may be combined when it's reasonable to do so, and if site conditions permit.</p> |
| Alteration, addition, renovation, reconstruction, change of occupancy (with a value of work \$20,000 or less) OR Other types of permits not covered in this table | A, B, C, D, E, F | 2 | <ul style="list-style-type: none"> framing, structure (prior to insulation and vapour barrier) AND final (within 365 days of permit issuance) |

Site Inspection Stages, Part 9 or Part 3 Buildings Requiring Full Professional Involvement

| Type Of Project | Major Occupancy | Minimum # of Inspections | Inspection Stages (NOTE: inspect all work in place at time of inspection) |
|---|------------------|--------------------------|--|
| New Construction OR Alteration, addition, renovation, reconstruction, change of occupancy (value of work more than \$20,000) | A, B, C, D, E, F | 2 | <ul style="list-style-type: none"> interim inspection at approximately the mid-term of the work AND final (within 365 days of permit issuance) |
| Alteration, addition, renovation, reconstruction, change of occupancy (value of work \$20,000 or less) OR Other types of permit not covered in this table. | A, B, C, D, E, F | 2 | <ul style="list-style-type: none"> framing, structure (prior to insulation and vapour barrier) AND final (within 180 days of permit issuance) |

Site Inspection of labelled mobile home siting, and minor residential improvements including detached garages, decks, or basement renovations will consist of at least one site inspection within 180 days of permit issuance, or at the discretion of the SCO, consist of a completed Verification of Compliance.

Site Inspection of Part 10 buildings will consist of at least one on-site inspection at the final set-up stage within 180 days of permit issuance.

Site Inspection of Solid or Liquid Fuelled Heating Appliances (under separate permit) will consist of at least one on-site inspection, prior to covering, within 180 days of permit issuance.

Site Inspection of Mechanical, Heating, or Ventilation Systems (under separate permit) will consist of at least one on-site inspection at the completion stage, prior to covering, within 120 days of permit issuance.

Site Inspection for Demolition permits (under separate permit) will be at the discretion of the SCO responsible for permit issuance for single family dwellings and their accessory buildings, and will consist of at least one on-site inspection prior to demolition for all other buildings.

Site Inspection of Non-flammable Medical Gas Piping Systems will be at the discretion of the SCO

responsible for permit issuance. The SCO will follow up all ABC deficiencies identified by the testing Agency, to ensure compliance.

APPENDIX B: ELECTRICAL DISCIPLINE

Electrical Permits

The Municipality will issue Electrical Permits.

Construction Document Review

A SCO may, as a condition of the permit, require the permit applicant to submit construction documents (including plans and specifications) describing the work for any proposed electrical installation.

Electrical Site-Inspections

A SCO will conduct site inspections at the stages indicated in the following table:

Site Inspections for Electrical Installations

| Type of Project | Minimum # of Inspections | Inspection Stages (NOTE: inspect all work in place at time of inspection) |
|---|--------------------------|--|
| Public Institutions, Commercial, Industrial, Multi-Family Residential (with value of work over \$4000) | 2 | <ul style="list-style-type: none">rough-in inspection (prior to cover-up) AND <ul style="list-style-type: none">final inspection (within 365 days of permit issuance) |
| Public Institutions, Commercial, Industrial, Multi-Family Residential (with value of work \$4000 or less) | 1 | <ul style="list-style-type: none">final inspection (within 90 days of permit issuance) |
| Single Family Residential or Farm Buildings under a Contractor Permit (with value of work over \$500) | 2 | <ul style="list-style-type: none">completed rough-in inspection (prior to cover-up) AND <ul style="list-style-type: none">final inspection (within 180 days of permit issuance) |
| Single Family Residential or Farm Buildings under a Homeowner permit (with value of work over \$500) | 2 | <ul style="list-style-type: none">completed rough-in inspection (prior to cover-up) AND <ul style="list-style-type: none">final inspection (within 365 days of permit issuance) |
| Single Family Residential or Farm Buildings under a Contractor or Homeowner permit (with value of work \$500 or less) | 2 | <ul style="list-style-type: none">completed rough-in inspection (prior to cover-up) AND <ul style="list-style-type: none">final inspection (within 90 days of permit issuance) |
| Skid Units, Relocatable Industrial Accommodation, Manufactured Housing, Oilfield Pump-jacks, Temporary Services | 1 | <ul style="list-style-type: none">final inspection (within 90 days of permit issuance), including all additional wiring for Relocatable Industrial Accommodation and Manufactured Housing |
| Annual Permit (for minor alterations/additions conducted on one site) | 2 | <ul style="list-style-type: none">mid-term inspection AND <ul style="list-style-type: none">final inspection (within 60 days of expiry of permit) |

APPENDIX C: PLUMBING DISCIPLINE

Plumbing Permits

The Municipality will issue Plumbing permits.

Construction Document Review

A SCO may, as a condition of the permit, require the permit applicant to submit construction documents (including plans and specifications) describing the work for any proposed plumbing installation.

Plumbing Site-Inspections

A SCO will conduct site inspections at the stages indicated in the following table:

Site Inspections for Plumbing Installations

| Installation Type | Minimum # of Inspections | Plumbing Installation Stage (NOTE: inspect all work in place at time of inspection) |
|--|--------------------------|--|
| Public Institutions, Commercial, Industrial, Multi-Family Residential (with more than 10 fixtures) | 2 | <ul style="list-style-type: none">rough-in below grade prior to covering OR <ul style="list-style-type: none">rough-in above grade prior to covering AND <ul style="list-style-type: none">final completion (within 365 days of permit issuance) |
| Public Institutions, Commercial, Industrial, Multi-Family Residential (with 10 fixtures or less) | 2 | <ul style="list-style-type: none">rough-in below grade prior to covering OR <ul style="list-style-type: none">rough-in above grade prior to covering AND <ul style="list-style-type: none">final completion (within 180 days of permit issuance) |
| Single Family Residential or Farm Buildings under a Contractor Permit (with more than 5 fixtures) | 1 | <ul style="list-style-type: none">completed rough-in below grade OR <ul style="list-style-type: none">completed rough-in above grade prior to covering (within 180 days of permit issuance) |
| Single Family Residential or Farm Buildings under a Homeowner permit (with more than 5 fixtures) | 2 | <ul style="list-style-type: none">completed rough-in below grade (prior to covering) AND <ul style="list-style-type: none">final completion (within 365 days of permit issuance) |
| Single Family Residential or Farm Building (with 5 fixtures or less) | 1 | <ul style="list-style-type: none">final completion (within 90 days of permit issuance) |

Permits for Private Sewage Disposal Systems

The Municipality will issue permits for Private Sewage Disposal System installations.

Permit Issuance for Private Sewage Disposal Systems

The Municipality will, **prior** to permit issuance require the permit applicant to provide all relevant installation details including:

- a site plan,
- the expected volume of sewage per day,
- the criteria used to determine the expected volume of sewage per day,
- description and details of all sewage system treatment and effluent disposal component(s),
- details of the method(s) used to determine the soil effluent loading rate, including the results of the method(s) and who they were conducted by, and the depth to the water table if less than 2.4 m from ground surface,

and

- require a Plumbing Group B SCO to complete a review of the information for compliance with the requirements of the Private Sewage Disposal System regulations.

Private Sewage Disposal System Site Inspections

A Plumbing Group B SCO will:

- conduct a minimum of one site inspection during installation, or
- if unable to conduct the inspection during installation, note the reason on file and conduct a final inspection within 30 days of permit issuance.

APPENDIX D: GAS DISCIPLINE

Gas Permits

The Municipality will issue Gas Permits.

Construction Document Review

A SCO may, as a condition of the permit, require the permit applicant to submit construction documents (including plans and specifications) describing the work for any proposed gas installation.

Gas Site-Inspections

A SCO will conduct site inspections at the stages indicated in the following table:

Required Site Inspections for Gas Installations

| Installation Type | Minimum # of Inspections | Gas Installation Stages (NOTE: inspect all work in place at time of inspection) |
|---|--------------------------|---|
| Public Institutions, Commercial, Industrial, Multi-Family Residential (more than 400,000 BTU) | 2 | <ul style="list-style-type: none">rough-in AND <ul style="list-style-type: none">final completion (within 365 days of permit issuance) |
| Public Institutions, Commercial, Industrial, Multi-Family Residential (400,000 BTU or less) | 1 | <ul style="list-style-type: none">rough-in OR <ul style="list-style-type: none">final completion (within 180 days of permit issuance) |
| Single Family Residential or Farm Buildings under a Contractor Permit | 1 | <ul style="list-style-type: none">final completion (within 180 days of permit issuance) |
| Single Family Residential or Farm Buildings under a Homeowner permit | 1 | <ul style="list-style-type: none">final completion (within 365 days of permit issuance) |
| Temporary Heat Installations (under separate permit) | 1 | <ul style="list-style-type: none">final inspection (within 90 days of permit issuance) |

APPENDIX E: FIRE DISCIPLINE

General

The Municipality will provide Alberta Fire Code services that include but are not limited to:

- code advice including but not limited to:
 - new construction under the Alberta Fire Code,
 - building upgrade programs,
 - Fire Safety Plan, development and implementation,
 - storage of dangerous goods, and
 - tire storage,
- plans examinations including but not limited to:
 - new construction under the Alberta Fire Code,
 - building upgrade programs,
 - residential secondary suites, and
 - Fire Safety Plans with emphasis to addressing the risk to occupied residential buildings,
- permit / permission issuance,
 - fireworks purchase, possession, handling, and discharge, and
- compliance monitoring site inspections for,
 - construction addressed in the Alberta Fire Code,
 - Fire Safety Plan practices with emphasis to addressing the risk to occupied residential buildings,
 - post-occupancy of facilities identified in the following Fire Code Compliance Inspection chart, and
 - special or other activities addressed in the Alberta Fire Code or at the discretion of the Fire SCO,
- Occupant Load Certificates for,
 - assembly occupancies, and
 - other occupancies at the discretion of the SCO,
- Alternative Solutions / Variances issuance,
- Orders and their enforcement,
- Verification of Compliance,
- no-entry advisory,
- Permit Services Report,
- identification and follow-up of deficiencies and unsafe conditions,
- collection and remittance of SCC fees, and
- maintaining files and records.

Fireworks

The Municipality will, prior to issuing permission:

- respecting the purchase, possession, handling, discharge, fire or set-off; obtain from the applicant written confirmation that the person:
 - will conduct activities in accordance with safe practices outlined in the Alberta Fire Code,
 - is of at least 18 years of age, and
- respecting sales, obtain from the owner of the retail business, written confirmation that the business:
 - holds a valid municipal business license or confirmation of ownership of the business when the municipality does not require business to hold such license,
 - employees handling fireworks for sale are of at least 18 years of age,
 - manufacturers instructions are posted at the sales location and provided with each sale,
 - record of each sale is retained for examination by the Fire SCO, and
 - stores fireworks in conformance with Part 3 of the Alberta Fire Code.

Fire Code Compliance Inspections

For the purpose of ensuring compliance with the SCA, a SCO may, at the discretion of the SCO, carry out an inspection for anything, process, or activity to which this Act applies. In addition, inspections will be conducted in accordance with the following schedule.

| Activity / Project | Type of use, occupancy, sites, or work | Inspection Frequency Range (May be by occupancy or individual unit) |
|---|--|--|
| Fire Safety Plan implementation and practices | All new construction, alteration, addition, renovation, reconstruction, or removal | <ul style="list-style-type: none"> ○ 1 site inspection where a risk to occupied residential building(s) has been identified |
| Compliance Inspections | Special Events or Sites | <ul style="list-style-type: none"> ○ On request or complaint |
| | Group A, Division 1 Assembly | <ul style="list-style-type: none"> ○ Once every 6 months |
| | Group A, Division 2 Assembly | <ul style="list-style-type: none"> ○ Once every 12 months |
| | Group A, Division 3 Assembly | <ul style="list-style-type: none"> ○ Once every 12 months |
| | Group A, Division 4 Assembly | <ul style="list-style-type: none"> ○ Once every 12 months |
| | Group B, Division 1 Care or Detention | <ul style="list-style-type: none"> ○ Once every 6 months |
| | Group B, Division 2 Care or Detention | <ul style="list-style-type: none"> ○ Once every 6 months |
| | Group C Residential – 1 to 5 family | <ul style="list-style-type: none"> ○ On request or complaint |
| | Group C Residential – 5 to 12 family | <ul style="list-style-type: none"> ○ Once every 12 months |
| | Group C Residential – 12 to 25 family | <ul style="list-style-type: none"> ○ Once every 12 months |
| | Group C Residential – 25 and more family | <ul style="list-style-type: none"> ○ Once every 12 months |
| | Group D | <ul style="list-style-type: none"> ○ Once every 12 months |
| | Group E | <ul style="list-style-type: none"> ○ Once every 12 months |
| | Group F, Division 1 | <ul style="list-style-type: none"> ○ Once every 6 months |
| | Group F, Division 2 | <ul style="list-style-type: none"> ○ Once every 6 months |
| | Group F, Division 3 | <ul style="list-style-type: none"> ○ Once every 6 months |

| | |
|---------------------------|---|
| “On request or complaint” | means the process as defined by municipal operational policy. |
| “Once every month” | means a specific day is set which shall apply in each month for each occupancy or site to be inspected. An inspection conducted within 7 days of this set date is deemed to have met with the quantitative intent of this UQMP. |
| “Once every 6 months” | means a specific day is set which shall apply in each 6th month for each occupancy or site to be inspected. An inspection conducted within 30 days of this set date is deemed to have met with the quantitative intent of this UQMP. |
| “Once every 12 months” | means a specific day is set which shall apply in each 12th month for each occupancy or site to be inspected. An inspection conducted within 60 days of this set date is deemed to have met with the quantitative intent of this UQMP. |
| “Once every 24 months” | means a specific day is set which shall apply in each 24th month for each occupancy or site to be inspected. An inspection conducted within 60 days of this set date is deemed to have met with the quantitative intent of this UQMP. |

Fire Investigations

Investigations will be conducted by a Fire SCO to determine the cause, origin, and circumstance of every fire in which a person dies or suffers injury that requires professional medical attention or in which property is damaged or destroyed. The results of each investigation will be reported to the Fire Commissioner in accordance with the Administrative Items Regulation. A Fire SCO may arrange for any additional municipal, law enforcement, agency, or other resources as required to assist in an investigation including representatives from the Fire Commissioner’s Office. In the event of a fire resulting in a death or where arson is suspected, the investigation will include immediate notification to the Alberta Fire Commissioner’s Office.

Fire Investigations will include the following information:

- file number,
- location of fire,
- date of fire,
- date of investigation,
- building / property use,
- cause of fire,
- origin of fire,
- value of loss,
- name and designation number of SCO conducting the investigation,
- comments, and
- date of completion/sign off.

Fire Investigations will utilize the applicable forms/reports as provided on the SCC web site:
www.safetycodes.ab.ca.

Fire Prevention Programs

Fire prevention programs will include but are not limited to public awareness and consultative services orientated to assisting one or more of the following:

- individuals,
- business, and
- industry

in understanding and providing effective Fire Safety Plans.

The Municipality will support and provide one or more but is not limited to the following educational programs annually:

- school curriculum,
- minority focused programs,
- seniors programs,
- community education, and
- other programs such as but not limited to:
 - Risk Watch (an injury prevention program),
 - Getting to Know Fire (fire educator lesson plans),
 - Seniors Fire Safety Programs,
 - Juvenile Firesetter Intervention Program,
 - Fire Smart, and
 - Shelter-in-Place.

**APPENDIX F: List Of Administrative Forms Available On
The SCC Web Site:**
www.safetycodes.ab.ca

1. Order
2. Alternative Solution / Variance
3. Request for Alternative Solution / Specific Variance
4. Model Fire Safety Plan
5. Fire Investigation Reports (samples)
 - a. Voluntary Consent to Search and/or Seizure
 - b. To Obtain a Warrant to Enter a Private Dwelling Place to Conduct a Fire Investigation
 - c. Casualties
 - d. Witness Statement
 - e. Physical Evidence
 - f. Sketches
 - g. Structure Fires
 - h. Motor Vehicle Fires
 - i. Wildland Fires
 - j. All Fires
 - k. Incident Investigation Field Notes
 - l. Insurance Information
 - m. Release From Responsibility
 - n. Records / Documents
6. Application for Designation of Powers
7. Sample Permits (SCA & non-SCA)
8. Sample Permission forms

CITY OF FORT SASKATCHEWAN

Business Licence Bylaw C9-16

Motions:

1. That Council give first reading to Business Licence Bylaw C9-16.
2. That Council give second reading to Business Licence Bylaw C9-16.
3. That Council provide unanimous consent to proceed with third and final reading of Business Licence Bylaw C9-16.
4. That Council give third reading to Business Licence Bylaw C9-16.

Purpose:

To modernize and enhance the Business Licence Bylaw through:

1. Increased use of simplified and plain language.
2. Improved alignment with other municipal bylaws, as well as provincial and federal legislation.
3. Correction of spelling and grammatical errors.

History:

In 2005, Council approved Bylaw C20-05 to license and control businesses within the City of Fort Saskatchewan. Business licensing allows the City to establish regulations for business, captures valuable data to measure economic growth, and provides businesses with a legitimizing document that demonstrates they have met municipal requirements to operate. In addition, revenue generated through business licensing is reinvested back into community beautification, Business Development Program grants, and business retention and expansion activities with community partners.

Bylaw C20-05 has become outdated and requires improvements to better address changes in legislation and changes in business practices. In addition, there are sections of the Bylaw that lack clarity and that have resulted in misinterpretation.

In order to resolve these issues, Administration completed a comprehensive review of other municipal business licensing bylaws from around the region and across the country. Consultation was done with local businesses and an open business consultation meeting was held earlier this year. Multiple municipal departments, including Planning & Development, Legislative Services, Culture, and Protective Services, have been involved in the development and review of this new Bylaw. Due to the extent of the changes, line-by-line amendments were not practical; therefore the Bylaw was reconstructed.

Changes to the Bylaw:

While numerous changes were made to the Bylaw, there are no fee increases for the primary licence types: Resident Business and Non-resident Business.

Appendix 1 provides a comprehensive summary of the proposed changes, however some of the notable Bylaw changes are:

1. New or modified definitions for the terms “advertise”, “Applicant”, “Business Premises”, “dwelling”, “Farmers’ Market”, “Garage Sale”, “Non-profit Organization”. “Public Market”, “Special Event”, “Temporary Business Licence” and “Temporary Vendor”.
2. Simplification of Business Licence types, through modification of the definition for “Resident Business” and “Non-resident Business” and removal of the “Home-based Business” type.
3. The term “Professional” has been removed from the Bylaw. Professions which are regulated under provincial legislation such as the Professional and Occupation Associations Registration Act and the Health Professionals Act are now addresses under the Exemptions section of the Bylaw.
4. The terms “Hawk” and “Peddle” have been removed from the Bylaw. The act of hawking or peddling will fall under the term Temporary Vendor.
5. Farmers’ Markets, Public Markets, and Special Events have been defined and addressed within the new Bylaw to distinguish each type of event, while accurately reflecting legislation, and facilitating the inclusion of Temporary Vendors.
6. The term “Temporary Vendor” has been introduced to identify a type of business that operates from a temporary location for a temporary period of time. Temporary Vendors will still be classified as either a Resident Business or Non-resident Business, based on where their business premises is located.
7. A Temporary Business Licence fee type will be introduced to better serve businesses which operate within the city for a period of less than 28 consecutive days per year.
8. A Business Licence will be required for each Business, rather than each Business Premises.
9. Exemptions have been expanded to include persons under 18 years of age, Garage Sales, and professions which are specifically exempt from municipal licensing by a provincial or federal statute.
10. A Business Licence must be renewed before midnight on December 31st, rather than before January 31st of the following year, in order to better align with the budget year.
11. A section detailing how notice will be provided by the City has been added.
12. Appeals will now be made to the Subdivision and Development Appeal Board rather than Council.
13. Powers of the Business Licence Inspector and the Peace Officer have been separated into separate sections to improve clarity of responsibilities.

14. A section has been added describing how a Business Licence may be cancelled, suspended, or revoked and what the outcome and consequences of each may be.
15. A section providing detail on the responsibilities of the Licensee have been added for clarity.
16. The section on enforcement now references the *Municipal Government Act* with respect to how a Peace Officer may enter a premises.
17. Persons guilty of subsequent offences within a 12 month period will now have their fines doubled.

Plans/Standards/Legislation:

The new Business Licence Bylaw will provide improved alignment with other municipal bylaws and policies, as well as provincial and federal legislation.

Financial Implications:

Amendments to the Fees & Charges Bylaw will be required. No fees will increased, however some licence types will need to be modified as follows:

1. Removal of Accessory Home Occupation fee type. Accessory Home Occupations would be included under Resident Businesses fee type. The fees for both licence types was the same, therefore the fee would remain at \$90.00/year.
2. Removal of Transient Trader/Hawker, Peddler fee type. This category currently has both a daily rate of \$100.00 and annual rate of \$300.00. It would be replaced with the "Temporary Business Licence" fee type, which would be valid for 28 days at a fee of \$100.00.

There will also be minor financial implications regarding fines. The current Business Licence Bylaw imposes a \$300.00 fine for First Offence, \$500.00 fine for Second Offence and \$1,000.00 fine for Third and subsequent offences within a period of 12 months. The new Business Licence Bylaw would impose a \$300.00 fine for First Offence and then a fine which is double the amount of the previous offence for any subsequent offences committed within a period of 12 months.

If the new Business Licence Bylaw is approved, the Fees & Charges Bylaw will be presented at a future Council Meeting to implement the proposed changes.

Recommendation:

That Council give three readings to Bylaw C9-16.

Attachments:

1. Appendix 1 - Summary of changes to Business Licence Bylaw
2. Bylaw C9-16 - New Business Licence Bylaw
3. Bylaw C20-05 - Current Business Licence Bylaw

File No.:

| | | |
|---------------|---|--------------------|
| Prepared by: | Mike Erickson Economic Development Officer | Date: May 2, 2016 |
| Approved by: | Troy Fleming General Manager, Infrastructure & Community Services | Date: May 4, 2016 |
| Reviewed by: | Kelly Kloss City Manager | Date: May 4, 2016 |
| Submitted to: | City Council | Date: May 10, 2016 |

Appendix 1

Summary of Changes to Business Licence Bylaw

1. **Advertise**

The definition of the term was updated to include advertising online, Internet, email, and on mobile devices.

2. **Applicant**

The term has been added to define a person who is applying for a licence or to renew a licence. It has been added to distinguish from a Licensee, who is person who currently holds a valid Business Licence.

3. **Business Premises**

The term has been added to define the location in which a business operates from.

4. **Dwelling**

The term was defined to reflect terminology within the Land Use Bylaw.

5. **Farmers' Market**

The term has been defined to distinguish it from a Public Market. Farmers' Markets are approved and regulated by Alberta Agriculture, Food and Rural Development.

6. **Public Market**

The term has been defined to distinguish it as a type of business which rents out stalls, on a temporary basis, to Temporary Vendors and which is not regulated by Alberta Agriculture and Rural Development.

7. **Garage sale**

The term has been defined as it was not previously. The intention in defining it is to provide a Business Licence exemption for informal, irregularly scheduled, sales of household good from a dwelling for a period of 3 consecutive days or less.

8. **Non-profit Organizations**

The definition of "Non-profit Organization" has been redefined, as Non-Profit Organizations may be exempt from Business Licence fees if they provide required documentation, such as a Confirmation of Registration, a charity registration number, or other government authorization. Non-profit Organizations include

eligible charitable organizations, service clubs, societies, religious organizations, social groups, sport associations, and other community groups.

9. **Resident and Non-resident Businesses**

The objective was to provide a very simple and clear distinction between the two types of Business Licences.

- a) Resident Businesses have been defined as having a permanent business premises within the City.
- b) Non-resident Businesses have been defined as operating within the City limits but do not have a permanent business premises within the City.
- c) Home-base Business/or Accessory Home Occupations have been removed as there is no need from a Business Licencing perspective to differentiate between a home business or a business located on a commercial property. Regulations for businesses operating in residential areas is addressed through the Land Use Bylaw when the business applies for their Development Permit.

10. **Professional**

The definition of Professional has been removed from the Bylaw. In its place, guidelines regarding exemptions for businesses and professions that are regulated under provincial and federal legislation such are now addressed.

11. **Hawker or Peddler**

These terms have been removed from the definitions and Bylaw. The act of hawking or peddling would be included in the more general term of Temporary Vendor. Temporary Vendors will require a Business Licence to operate in the City, unless they are operating under a Farmers' Market, Public Market, or Special Event.

12. **Special Event**

The term has been defined to differentiate from Public Markets and Farmers' Markets.

- a) A Special Event refers to an outdoor event held on public or private property.
- b) Organizers of a Special Event must comply with the Land Use Bylaw.
- c) Organizers of a Special Event held on City property must comply with the Land Use Bylaw and obtain a Special Event Permit.
- d) A licence for a Special Event would act as a Business Licence for the Temporary Vendors on site during the period the Special Event. The reason for this is that many vendors may only operate at one or two events per year, and a fee of \$100 or \$300 may discourage them from participating in Special Events. Consultation

indicated this may have a negative impact on organizations which host Special Events.

- e) Non-profit Organizations who operate a Special Event, would still be exempt from paying a fee for their Business Licence.

13. Temporary Business Licence

This Licence category has been established to accommodate and encourage compliance among non-resident businesses which operate within the City for a short period of time. A business may purchase multiple Temporary Business Licences throughout the year. The fee for Temporary Business Licence, which is valid for 28 days will be \$100.

14. Temporary Vendor

The term Temporary Vendor has been defined to identify a type of business that operates from a temporary location for a temporary period of time. As an example, an exhibitor or vendor at a Farmers' Market, Public Market, or Special Event, as well as door-to-door sales, fruit stands, and food trucks would fall under this definition.

15. Licences and Number of Locations

As the Business Licence Bylaw provides regulations for business and not land, a Business Licence will be required for each business a person operates rather than for each premises that a business operates at. Therefore:

- a) Registered business that operate from more than one business premises, will now only need one Licence for the business.
- b) An owner that operates multiple businesses from one business premises will now require a Business Licence for each business.

16. Exemptions

Exemptions for a Business Licence now include:

- a) Professions regulated under Professional and Occupational Associations Registration Act.
- b) Professions regulated under the Health Professions Act.
- c) Any business which is specifically exempt from municipal licensing by provincial or federal legislation.
- d) Persons under 18 years of age.
- e) Garage Sales, as long as they meet the definition of Garage Sale.

Non-profit Organizations will continue to be exempt from Business Licence fees, once they have provided proper documentation. It is the responsibility of the applicant to prove and provide proper documentation to be eligible for any exemption.

17. **Application**

Added clarification that Resident Businesses will require a Development Permit.

18. **Business Licence fees**

Now include the term “pro rata” when referring to pricing for new Licences. This payment option was available before but not mentioned in the Bylaw.

19. **Term of Licence & Renewal**

The current Business Bylaw states that a Business Licence terminates on December 31st, however payment is not required for renewal until January 31st of the following year. In order to better align with the budget year and to avoid confusion around the Business Licence expiry date and the renewal deadline, both will now fall on the same date, which is December 31st.

Licensees will be required to renew their Licence and make payment prior to December 31st at 11:59:59 PM, if they choose to continue to operate the following year. It will be the responsibility of the applicant to renew prior to expiration of their Licence. The City will continue to send out reminder notifications for renewal prior to December of the current year.

20. **Powers**

Power of the Business Licence Inspector and the Peace Officer have been separated into separate sections to improve clarity of responsibilities.

21. **Notice To Licensees**

- a) A section detailing how notice may be provided by the City has been added.
- b) Written notice may be provided either in person, by mail, or by electronic mail.

22. **Cancellation, Suspension, Revocation**

A section has been added describing how a Licence may be cancelled, suspended or revoked and what are the results and consequences are.

23. **Appeal**

Appeals will now be made to the Subdivision and Development Appeal Board rather than Council. This will align with legislation when responding to appeals.

24. **Responsibilities of the Licensee**

A section on responsibilities of the licensee has been added.

- a) Licensees are responsible for notifying the City of any changes to their location, contact information, and ownership.
- b) Licensees are ultimately responsible for the acts of their employees or agents.
- c) It is the responsibility of the licensee to renew their Licence on time.

25. **Farmers' Markets**

A new section on Farmers' Markets has been added.

- a) The operator of a Farmers' Market will be required to show proof of membership in the Alberta Farmer's Market Program.
- b) The definition of "Farmers' Market" has been changed to reflect legislation under Alberta Agriculture, Food and Rural Development.

26. **Public Market**

- a) The operator of the Public Market will be required to obtain a Business Licence.
- b) Public Market operators will be required to maintain a record of Temporary Vendors' contact information and are responsible for verifying required permits (Ex. food handling permit, liquor licences, employment agencies licence, etc.).
- c) Temporary vendors operating at the public market will not be required to have a Business Licence during the Public Market.

27. **Special Events**

A new section for Special Events has been added.

- a) Special Events are specific to outdoor events held on public or private property.
- b) The operator of a Special Event will be required to maintain a record of Temporary Vendors' contact information and are responsible for verifying required permits.
- c) Special Events held on City property will also require a Special Event – Outdoor Permit.

28. Enforcement & Fines & Penalties

- a) The section on Enforcement now references the *Municipal Government Act* with respect to how a Peace Officer may enter a premise.
- b) Persons guilty of a subsequent offence within a period of 12 months, now will receive a fine double the amount of the previous offence.
- c) Previously fines were \$300 for first offence, \$500 for second offence, \$1,000 for third and subsequent offences committed within 12 months of committing first offence.



CITY OF
FORT SASKATCHEWAN

CITY OF FORT SASKATCHEWAN

BUSINESS LICENCE BYLAW

C9-16

WHEREAS, under the provisions of the *Municipal Government Act*, a council may pass bylaws respecting Business, Business activities, and persons engaged in Business, and provide for a system of licensing including any or all of the matters listed therein;

NOW THEREFORE, the Council of the City of Fort Saskatchewan in the Province of Alberta, enacts as follows:

This Bylaw is cited as the City of Fort Saskatchewan “Business Licence Bylaw”.

1. DEFINITIONS

In this Bylaw:

- (a) “advertise” means any public notice, such as, but not limited to:
 - (i) a poster, a placard, a flyer;
 - (ii) a sign, including an inscribed board, structure, or device serving for advertising without being limited to free-standing signs, portable signs, or banners;
 - (iii) a newspaper display;
 - (iv) a television or radio announcement designed to sell goods or publicize a service or vacancy;
 - (v) an internet or email display; or
 - (vi) a display delivered to mobile devices.
- (b) “application” means a written application for a Business Licence, as provided for by this Bylaw.
- (c) “Applicant” means a person who applies for a licence or for renewal of a licence.
- (d) “Business” means:

- (i) a commercial, merchandising, or industrial activity or undertaking;
- (ii) a profession, trade, occupation, calling, or employment; or
- (iii) an activity providing goods or services;

whether or not for profit and however organized or formed, including a co-operative or association of persons.

- (e) “Business Licence” means a licence issued pursuant to this Bylaw.
- (f) “Business Licence Inspector” means a person authorized by the City Manager to carry out the provisions of this Bylaw or anyone acting on his behalf.
- (g) “Business Premises” means a store, office, dwelling, warehouse, factory, building, enclosure, yard, or other place occupied or capable of being occupied by any person for the purpose of engaging in or operating any Business.
- (h) “City” means the City of Fort Saskatchewan, a municipal corporation in the Province of Alberta, and includes the area contained within the boundaries of the City of Fort Saskatchewan where the context requires.
- (i) “City Council” means the municipal Council of the City of Fort Saskatchewan.
- (j) “City Manager” means the City Manager of the City of Fort Saskatchewan or anyone designated by the City Manager to act on their behalf.
- (k) “dwelling” means a complete building or self-contained portion of a building used by a household, containing sleeping, cooking and sanitary facilities, intended as a permanent residence and having an independent entrance either directly from the outside of the building or through a common area inside the building.
- (l) “Farmers’ Market” means a multi-vendor organization in which at least 80% of the vendors sell goods that such vendor has made, baked, or grown within Alberta, and which is currently recognized by Alberta Agriculture, Food, and Rural Development as either a “full” or “temporary” status Farmers’ Market.
- (m) “Garage Sale” means an informal, irregularly scheduled sale of miscellaneous household goods by a private individual from a dwelling for a maximum of three (3) consecutive days.
- (n) “Land Use Bylaw” means the Land Use Bylaw of the City of Fort Saskatchewan.
- (o) “Business Licence Fees” means the fees, rates and charges established for businesses in the Fees and Charges Bylaw.

- (p) “Licensee” means a person who holds a valid Business Licence issued pursuant to the provisions of this Bylaw.
- (q) “Municipal Tag” means a tag or similar document issued by the City, pursuant to the *Municipal Government Act* (MGA), for the purpose of notifying a person that an offence has been committed for which prosecution may follow.
- (r) “Non-profit Organization” means any incorporated or unincorporated organization formed for charitable purposes and not organized for profit or personal gain, including purposes which are of a philanthropic, benevolent, educational, health, humane, religious, cultural, artistic, or recreational nature.
- (s) “Non-resident Business” means a Business which operates, in whole or in part, within the City’s corporate limits, but which does not maintain a permanent Business Premises within the City’s corporate limits.
- (t) “Order” means a written order pursuant to the MGA, to remedy a contravention of this Bylaw.
- (u) “pawned goods” means receiving or taking by way of pawn, pledge, or exchange any goods for the repayment of money lent thereon.
- (v) “Peace Officer” means:
 - (i) a member of the Royal Canadian Mounted Police;
 - (ii) a special constable appointed under the *Police Act*;
 - (iii) a person who is employed or retained by the City whose duties include written authorization to issue violation tickets under the *Provincial Offences Procedure Act*; or
 - (iv) a Bylaw Enforcement Officer appointed by the City.
- (w) “person” means an individual, sole proprietorship, corporation, partnership, joint venture, co-operative or society.
- (x) “Public Market” means a Business which provides stalls, tables or space for temporary rent to Temporary Vendors who sell their goods and service directly to the public.
- (y) “Resident Business” means a Business which maintains a permanent Business Premises within the City’s corporate limits.
- (z) “Special Event” means a temporary outdoor event including, but not limited to, festivals, parades, sport, recreation, or cultural activities, which does not exceed

fourteen (14) consecutive days in duration, which would have a significant impact on the public, and which may include Temporary Vendors.

- (aa) “second-hand goods” means selling or exchanging of previously owned goods.
- (bb) “Subdivision & Development Appeal Board” (SDAB) means the Board established pursuant to the MGA.
- (cc) “Temporary Business Licence” means a Business Licence that is valid for a limit of 28 consecutive days from the date of issuance.
- (dd) “Temporary Vendor” means a Business that sells goods or services for a limited period of time from a temporary location on public or private property within the City’s corporate limits.
- (ee) “Violation Ticket” means a Violation Ticket as defined in the *Provincial Offences Procedure Act*.

2. BUSINESS LICENCE REQUIREMENTS

- (a) No person shall engage in or operate a Business in the City unless the person holds a Business Licence authorizing them to engage in or operate that Business.
- (b) A person who engages in or operates a Business at more than one location, shall only be required to hold one Business Licence.
- (c) A person who engages in or operates more than one Business shall be required to obtain a separate Business Licence for each Business.
- (d) Two or more Businesses may operate at one Business Premises, but each Business shall obtain a separate Business Licence.
- (e) Any advertising of a Business shall be deemed to be proof that the person advertising is engaging in or operating any such Business.
- (f) Proof of one transaction or offer to transact in a Business is sufficient to establish that a person is engaging in or operating a Business.

3. EXEMPTIONS

- (a) The following are exempt from obtaining a Business Licence:
 - (i) the Crown in right of Canada;
 - (ii) the Crown in right of Alberta;

- (iii) a Crown corporation;
 - (iv) the City of Fort Saskatchewan;
 - (v) an active member of an association registered under the *Professional and Occupational Associations Registration Act*;
 - (vi) a regulated member or a Business owned by a regulated member under the *Health Professions Act*;
 - (vii) a person whose Business is specifically exempt from municipal licensing by provincial or federal legislation; and
 - (viii) a person under the age of 18 providing occasional light duty services and labor as an individual.
- (b) A Non-profit Organization may apply to the Business Licence Inspector for an exemption from the Business Licence fees. All applications shall be submitted in writing and shall include the following information:
 - (i) name of the organization;
 - (ii) purpose of the organization;
 - (iii) organizational structure;
 - (iv) a Confirmation of Registration, a charity registration number, or other government authorization; and
 - (v) description of the activities that will be undertaken within the City.
- (c) Following receipt of an application under Subsection 3(b), the Business Licence Inspector may waive the Business Licence Fees in whole, or part, if the Business Licence Inspector considers that such a waiver is in the best interests of the City and its residents.
- (d) Subsection 3(b) does not relieve the Non-profit Organization from otherwise complying with the terms of this Bylaw, or any other bylaw of the City, or any other government authority.
- (e) No Business Licence is required for a Garage Sale when held at a dwelling or residential premises and when held for three (3) consecutive days or less.

- (f) The onus of proof for exemption from the provisions of this Bylaw is on the person alleging the exemption.

4. APPLICATION

- (a) Prior to issuance of a Business Licence, an Applicant shall obtain and produce for the Business Licence Inspector:
 - (i) an application in a form established by the Business Licence Inspector;
 - (ii) payment of Business Licence fees; and
 - (iii) any additional information required by the Business Licence Inspector.
- (b) Prior to issuance of a Resident Business Licence, an Applicant shall obtain and produce for the Business Licence Inspector, proof of a valid and subsisting Development Permit for the Business Premises.
- (c) An application for a new, renewal or transfer of Business Licence shall be made in writing on a form provided by the Business Licence Inspector.
- (d) A Business Licence application for any Business shall be made by the owner of the Business or an agent of the owner.
- (e) An Applicant must be at least eighteen (18) years of age.
- (f) A Business Licence does not relieve the Licensee from the obligation to obtain any other permit, licence or other approval that may be required under another Bylaw of the City or any other government authority.
- (g) A person shall not give false information in an application pursuant to the provisions of this Bylaw.

5. BUSINESS LICENCE FEES

- (a) Business Licence fees are set out in the City's Fees and Charges Bylaw.
- (b) Fees for a new Business Licence may be reduced pro rata on a quarterly basis, as set out in the Fees and Charges Bylaw.
- (c) An application for a Business Licence will not be considered by the Business Licence Inspector until the Applicant pays any required Business Licence Fees.
- (d) Unless otherwise specified in this Bylaw, Business Licence fees are not refundable.

- (e) The Business Licence Inspector may refund a Business Licence fee if the Business Licence is not issued or renewed.

6. TERM OF BUSINESS LICENCE

- (a) Every Business Licence issued under the provisions of this Bylaw shall expire at 11:59:59 PM on the 31st day of December of the year in which said Business Licence was issued, unless the Business Licence has been cancelled or forfeited earlier.

7. RENEWALS

- (a) A Licensee that fails to renew their Business Licence prior to the end of the term shall construe their Business to have ceased operation and their licence shall be deemed to be expired.
- (b) Where a Business Licence has expired and the Business is still in operation, the person is guilty of an offence under this Bylaw.
- (c) Full payment of the Business Licence fee is required for renewal.
- (d) A person whose Business Licence has expired will be required to submit a new application to obtain a Business Licence.

8. POWERS OF THE BUSINESS LICENCE INSPECTOR

- (a) The City Manager may appoint a Business Licence Inspector to carry out the provisions of this Bylaw.
- (b) If the City Manager does not appoint a Business Licence Inspector, the City Manager is deemed to be the Business Licence Inspector.
- (c) The Business Licence Inspector may delegate any duty or responsibility of the Business Licence Inspector to an employee or agent of the City.
- (d) The Business Licence Inspector shall receive and consider applications to operate a Business within the City, including the power to consult with, obtain information from, and verify information with other employees or agents of the City, other governments, government agencies, or persons.
- (e) The Business Licence Inspector shall consider each complete application.
- (f) The Business Licence Inspector shall grant a Business Licence to an Applicant if the Applicant meets the requirements of this Bylaw.

- (g) The Business Licence Inspector has the right to refuse to issue or renew a Business Licence, may suspend or revoke a Business Licence, and may impose conditions on a Business Licence for the following reasons:
 - (i) The Applicant, or Licensee, or any of his agents or employees:
 - i. furnishes false information within an application;
 - ii. furnishes false information or misrepresents any fact or circumstance to the City;
 - iii. does not meet the requirements of this Bylaw with respect to the Business Licence applied for or held;
 - iv. breaches a condition of the Business Licence;
 - v. breaches a condition of the Development Permit;
 - vi. fails to pay any fee required by this or any applicable bylaw; or
 - vii. fails to pay a fine imposed by a court for a contravention of this Bylaw.
 - (ii) in the opinion of the Business Licence Inspector, based on reasonable grounds, it is in the public interest to do so.
- (h) Subject to subsection 7 (g), the Business Licence Inspector may refuse to re-instate a revoked or suspended Business Licence if the reasons for revoking or suspending the Business Licence have not been satisfied.
- (i) The Business Licence Inspector may carry out inspections of a Business Premises to ensure the operation complies with this Bylaw.
- (j) The Business Licence Inspector may establish forms for the purpose of this Bylaw.

9. POWERS OF THE PEACE OFFICER

- (a) The City Manager may appoint a Peace Officer to enforce the provisions of this Bylaw.
- (b) The Peace Officer may carry out inspections of a Business Premises to ensure the operation complies with this Bylaw.
- (c) The Peace Office may issue a Municipal Tag, as established by this Bylaw, to any Person who is in contravention of this Bylaw.

10. NOTICE

- (a) The City may provide written notice in any case where:
 - (i) an application has been refused;
 - (ii) a Business Licence has been revoked or suspended;
 - (iii) conditions are applied to a Business Licence;
 - (iv) a Business Licence has expired; or
 - (v) payment of a Business Licence fee is required.
- (b) Written notice may be provided:
 - (i) by mail to the persons' place of business or residence, as shown on their Business Licence or application;
 - (ii) by delivery to them personally; or
 - (iii) by electronic mail as shown on their application.

11. CANCELLATION, SUSPENSION AND REVOCATION

- (a) Any Business Licence may be cancelled, on condition that a written notice is provided to the Business Licence Inspector.
- (b) Where a Licensee has cancelled their Business Licence, they shall immediately return the Business Licence and the Business may not operate until such time as a new Business Licence is issued.
- (c) A Business Licence may be immediately suspended or revoked when any required certificate, licence, permit or other document of qualification, issued by the municipal, provincial or federal government, is terminated, suspended or surrendered.
- (d) Where a Business Licence has been suspended by the Business Licence Inspector, the Licensee may not operate until such time as their Business Licence has been reinstated.
- (e) Where a Business Licence has been revoked by the Business Licence Inspector, a person may not operate until such time as a new Business Licence is issued.

12. APPEAL

- (a) A person may appeal to the SDAB in any case where a decision has been made relating to:
 - (i) an application for a Business Licence which has been refused; or
 - (ii) a Business Licence that has been revoked or suspended.
- (b) A SDAB appeal shall be made following the provisions pursuant to the MGA.

13. PROOF OF LICENCE

- (a) The onus of proving that a person has a valid and subsisting Business Licence for a Business shall be on the person alleging the Licence.

14. TRANSFER OF BUSINESS LICENCE

- (a) Unless otherwise provided herein, any subsisting Business Licence issued under this Bylaw may be transferred, upon application to the Business Licence Inspector and payment of the prescribed fees, provided that the Applicant has the required qualifications and furnishes legal documentation releasing the rights and interests of the previous owner.

15. RESPONSIBILITIES OF THE LICENSEE

- (a) A Licensee shall forthwith notify the Business Licence Inspector in writing of:
 - (i) a change in the name of the Business;
 - (ii) a change in the address or phone number of the Licensee's Business Premises;
 - (iii) a change in ownership of the Business;
 - (iv) a change in the partners of the Business if the Business Licence is issued to a partnership; or
 - (v) a change in the officers or directors of the corporation if the Licence is issued to a corporation.
- (b) A Licensee shall be responsible for producing their Business Licence upon demand by the Business Licence Inspector or a Peace Officer.

- (c) A Licensee shall be responsible for obtaining any required certificates, licences or permits legislated by the municipal, provincial, or federal governments.
- (d) A Licensee shall be responsible for the act or acts of his agents or employees in the operation of the Business in the same manner and to the same extent as though the act or acts were done by the Licensee.
- (e) A Licensee shall be responsible for renewing their Business Licence prior to the end of the term.

16. TRANSACTIONS RESPECTING PAWNED GOODS

- (a) Whenever a transaction in respect of pawned goods occurs, the following information shall be accurately recorded:
 - (i) the date and hour of the transaction;
 - (ii) the full name, date of birth, residential address, residential telephone number, physical description (including sex, age, eye colour, hair colour, height, weight, build and complexion) of the person from whom the pawned goods were acquired or received;
 - (iii) the numbers from two of the following forms of identification which confirms the name and address given:
 - i. operator's licence;
 - ii. birth certificate;
 - iii. credit card; or
 - iv. another form of identification, which would be acceptable by a chartered bank for the purpose of identifying a person for cashing a cheque.
 - (iv) a complete and accurate description of the goods, including the make, model, manufacturer's name, serial number and other distinguishing marks;
 - (v) the amount of money advanced in respect of the pawned goods; and
 - (vi) the name of the person who conducted the transaction.

- (b) Where pawned goods have been redeemed, the person who returns the goods in question shall accurately record:
 - (i) their own name and the date the goods were redeemed; and
 - (ii) the same information that is required in Section 16(a) relative to the person who has redeemed the pawned goods.
- (c) No person shall receive or conduct any transaction concerning pawned goods where it is evident that any serial number or other distinguishing marks relating thereto have been altered or obliterated in any way.
- (d) Any person who records false, misleading or inaccurate information with respect to a transaction referred to in Subsection 16(a), or who fraudulently alters, obliterates or defaces any record of such a transaction is guilty of an offence under this Bylaw.
- (e) A true copy of the record required to be made pursuant to Subsections 16(a) and 16(b) shall be made available by the person for the inspection of and pickup by any Peace Officer on each business day before 10:00 a.m. on the first business day following the day on which the relevant transaction occurred.
- (f) The record which is required to be made pursuant to Subsections 16(a) and 16(b) shall be maintained by the person in whose Business Premises the relevant transaction has taken place for a period of one (1) year from the date of the transaction.
- (g) Every person shall at all times keep posted in a conspicuous location of their Business Premises so as to be easily seen and read by persons pledging goods the following information:
 - (i) the maximum interest rate allowed federally to be taken by persons; and
 - (ii) a detailed statement as to the manner in which the interest rate charged by the person is calculated.
- (h) At any time taking any pawn or pledge, the person conducting the transaction shall deliver to the person pledging articles or goods a written or printed receipt containing:
 - (i) the day, month and year on which the pledge is due;

- (ii) the amount of money advanced thereon;
 - (iii) the interest rate charged by the person with respect to the transaction; and
 - (iv) the person's Business name and address.
- (i) No person shall:
 - (i) take any goods by way of pledge from any person under the age of eighteen (18) years;
 - (ii) receive or retain any goods or articles as pledges or pawns unless the person pledging the same accepts the receipt required by Subsection 16(h);
 - (iii) take any goods by way of pledge from any person without having first obtained from them a declaration in legible writing which they have signed stating that they are entitled to pledge the goods in question and that any other person who may have a lawful interest in those goods has given their permission for the goods to be so pledged;
 - (iv) purchase or take in pawn, pledge or exchange the receipt required pursuant to Subsection 16(h) which has been issued by any other person;
 - (v) allow a person to redeem a pawned item unless the person has first taken reasonable steps to ensure that the person redeeming the item was the same person who pawned it; or
 - (vi) take any goods by way of pledge or conduct any transaction with respect to pawned goods at any time between the hours of 9:00 p.m. and 9:00 a.m. of the following business day.
- (j) With the exception of pawned goods which are lawfully redeemed by the person who pledged them or their agent, no person shall alter, repair, forfeit, sell or dispose of, or in any way part with possession of goods which have been pledged until the expiration of forty-five (45) days from the date such goods were pledged, exclusive of the day of pledging.
- (k) Notwithstanding Subsection 16(j), if any longer period of retention has been agreed upon by the parties to the transaction in which the goods were pledged, then that period must expire before the goods can be forfeited or sold.

- (l) Notwithstanding Subsections 16(j) and 16(k), this Bylaw does not authorize the sale, disposal or forfeiture of goods, which is contrary to the operation of any other law.
- (m) No person shall, during the periods stated in Subsections 16(j) and 16(k) as the case may be, remove or permit the removal of any pawned goods from the Business Premises where they were originally acquired.
- (n) All pawned goods on the Business Premises of a person shall be kept separate and apart from any other merchandise and no person shall intermix or allow the intermixture of pawned goods with other merchandise until such time that the periods stated in Subsections 16(j) and 16(k) as the case may be, have expired.
- (o) Every person shall, during the normal business hours, permit the Business Licence Inspector, Peace Officer or authorized person to examine any goods, which have been pawned, or any of the records or books, which are pursuant to this Bylaw, required to be kept in relation to the Business of the person.

17. TRANSACTIONS RESPECTING SECOND-HAND GOODS

- (a) A person who acquires or receives second-hand goods for re-sale shall accurately record the following information:
 - (i) the date and hour of the acquisition, purchase, or exchange;
 - (ii) the full name, date of birth, residential address, residential telephone number, physical description (including sex, age, eye colour, hair colour, height, weight, build and complexion) of the person from whom the second-hand goods were acquired;
 - (iii) the numbers from two of the following forms of identification which confirms the name and address given:
 - i. operator's licence;
 - ii. birth certificate;
 - iii. credit card; or
 - iv. another form of identification, which would be acceptable by a chartered bank for the purpose of identifying a person for cashing a cheque.

- (iv) a complete and accurate description of the second-hand goods, including the make and model of the item, the manufacturer's name, any serial number, and other distinguishing marks which may appear thereon;
 - (v) the amount paid or exchanged in respect of the second-hand goods; and
 - (vi) the name of the person who conducted the transaction.
- (b) No person shall alter, repair, forfeit, sell or dispose of or in any way part with possession of second-hand goods for a period of at least forty-five (45) days from the date of acquisition, exclusive of the date the second-hand goods were acquired.
- (c) All second-hand goods located upon the Business Premises of a person shall be kept separate and apart from any other merchandise and no person shall intermix or allow the intermixture of second-hand goods with any other merchandise until such time that the period stated in Subsection 17(b) has expired.
- (d) No person shall receive or conduct any transaction concerning second-hand goods where it is evident that any serial number or other distinguishing marks relating thereto have been altered or obliterated in any way.
- (e) Any person who records false, misleading or inaccurate information with respect to a transaction referred to in Subsection 17(a) or who fraudulently alters, obliterates or defaces any record of such a transaction is guilty of an offence under this Bylaw.
- (f) A true copy of the record required to be made pursuant to Subsection 17(a), shall be made available by the person for the inspection of and pickup by any Peace Officer on each business day before 10:00 a.m. on the first business day following the day on which the relevant transaction occurred.
- (g) The record which is required to be made pursuant to Subsection 17(a) shall be maintained by the person in whose Business Premises the relevant transaction has taken place for a period of one (1) year from the date of the transaction.
- (h) No person shall take any second-hand goods from any person under the age of eighteen (18) years.
- (i) Every person shall, during normal business hours, permit the Business Licence Inspector, Peace Officer or authorized person to examine any goods, which have been purchased, or any of the records or books, which are pursuant to this Bylaw, required to be kept in relation to the Business of the person.

- (j) The provisions of Clause 17 do not apply to second-hand goods donated for the purpose of re-sale to raise funds for a Non-profit Organization.

18. FARMERS' MARKETS

- (a) The Business responsible for operating a Farmers' Market shall submit to the Business Licence Inspector proof of membership in the Alberta Approved Farmers' Market Program administered by Alberta Agriculture and Rural Development.
- (b) A Business Licence for a Business operating a Farmers' Market is valid for Temporary Vendors operating within the Farmers' Market, while the Farmers' Market is in operation.

19. PUBLIC MARKETS

- (a) The Business responsible for operating a Public Market shall obtain a valid Business Licence.
- (b) A Business Licence for a Business operating a Public Market is valid for Temporary Vendors operating within the Public Market, while the Public Market is in operation.
- (c) The Business responsible for operating a Public Market shall obtain and keep a written record of each Temporary Vendor's:
 - (i) legal Business name;
 - (ii) owner's address;
 - (iii) owner's name;
 - (iv) owner's phone number; and
 - (v) required certificates, licences and permits legislated by municipal, provincial, or federal governments.

20. SPECIAL EVENTS

- (a) A Business operating a Special Event which is held outdoors on public property shall comply with the Land Use Bylaw and obtain all necessary permits, including, but not limited to a Special Event – Outdoor Permit.

- (b) A Business operating a Special Event which is held outdoors on private property shall comply with the Land Use Bylaw and obtain all necessary permits.
- (c) A Business Licence for a Business operating a Special Event is valid for Temporary Vendors operating within the Special Event while the Special Event is in operation.
- (d) A Business operating a Special Event shall obtain and keep a written record of each Temporary Vendor's:
 - (i) legal Business name;
 - (ii) owner's address;
 - (iii) owner's name;
 - (iv) owner's phone number; and
 - (v) required certificates, licences and permits legislated by the municipal, provincial, federal governments.

21. ENFORCEMENT

- (a) Any person who is in contravention of this Bylaw is guilty of an offence.
- (b) In the case of an offence that is of a continuing nature, a contravention constitutes a separate offence in respect of each day, or part of a day, on which it continues and a person guilty of such an offence is liable to a fine in an amount that is established by this Bylaw for each such day, or part of a day.
- (c) For the purpose of this Bylaw, an act or omission by an employee or agent of a person is deemed also to be an act or an omission of the person, if the act or omission occurred in the course of the employee's employment with the person, or in the course of the agent exercising the powers or performing the duties on behalf of the person under their agency relationship.
- (d) When a corporation commits an offence under this Bylaw, every principal, director, manager, employee or agent of the corporation who authorized the act or omission that constitutes the offence, or assented to, or agreed to, or participated in the act or omission that constitutes the offence, is guilty of the offence.
- (e) If a partner in a partnership is guilty of an offence under this Bylaw, each partner in that partnership who authorized the act or omission that constitutes the offence,

or assented to, or agreed to, or participated in the act or omission that constitutes the offence, is guilty of the offence.

- (f) A Licensee shall permit a Peace Officer to enter and inspect any Business Premises, as specified in section 542 of the MGA, for the purpose of determining compliance with this Bylaw.

22. FINES AND PENALTIES

- (a) Any person who is in contravention of this Bylaw is guilty of an offence and is subject to receive a Municipal Tag in the amount of \$300.00 for the first offence.
- (b) A person who is guilty of a subsequent offence within a period of twelve (12) months is subject to receive a Municipal Tag or Violation Ticket, which is double the amount of the previous offence.
- (c) A person who is guilty of an offence, upon summary conviction in provincial court, is subject to a penalty not to exceed ten thousand dollars (\$10,000.00), exclusive of costs for breach thereof, or in a case of non-payment of the fine, or for the imprisonment of not more than six months for non-payment of a fine, as per the MGA.
- (d) If in the event, during prosecution for an offence, proof of a valid Business Licence is required, the person charged with the offence shall bear the burden of responsibility to provide proof that they were in possession of a valid Business Licence at the time of the offence.
- (e) In a prosecution for a contravention of this Bylaw against engaging in or operating a Business without a Business Licence, proof of one transaction in the Business or that the Business has been advertised is sufficient to establish that a person is engaged in or operates a Business.

23. INTERPRETATION

- (a) If any portion of this Bylaw is declared invalid by a court of competent jurisdiction, the invalid portion must then be severed and the remainder of the Bylaw is deemed valid and enforceable.
- (b) All references in this Bylaw will be read with such changes in number and gender as may be appropriate, and references shall be read as a corporation or partnership, and pronouns shall be deemed to not be gender specific.

- (c) The insertion of headings is for convenience of reference only and shall not be construed so as to affect the interpretation or construction of this Bylaw.
- (d) Wherever the provisions of this Bylaw are, or are deemed to be in at variance with each other, the more restrictive of the two provisions shall apply.
- (e) Any reference in this Bylaw to provisions of statute, rules or regulations, shall be deemed to include references to such provisions as amended, modified or re-enacted from time to time.
- (f) Nothing in this Bylaw relieves any person from compliance with any other bylaw or applicable federal or provincial law, regulation or enactment.

24. EFFECTIVE DATE

- (a) This Bylaw becomes effective upon third and final reading, and has been duly signed.

25. REPEAL OF BYLAWS

- (a) Upon third reading of Bylaw C9-16, Bylaw C20-05 and all amendments thereto are hereby repealed.

READ a first time in Council this day of A.D. 2016.

READ a second time in Council this day of A.D. 2016.

READ a third time in Council this day of A.D. 2016.

Mayor

Director, Legislative Services

Date Signed: _____



CITY OF FORT SASKATCHEWAN

BUSINESS LICENSE BYLAW

C20-05

NOW THEREFORE, the Council of the City of Fort Saskatchewan in the Province of Alberta, in an open meeting of Council, enacts as follows:

CITATION

1. This Bylaw is cited as the Business License Bylaw.

DEFINITIONS

2. In this Bylaw,

- (a) "advertise" means any public notice, such as, but not limited to:

- (i) a poster,
- (ii) a placard,
- (iii) a flyer,
- (iv) a sign, including an inscribed board, structure or device serving for advertising without being limited to free-standing signs, portable signs or banners,
- (v) a newspaper display, or
- (vi) a television or radio announcement designed to sell a product or publicize a service, or vacancy;

- (b) "application" means a written application for a business license as provided for by this Bylaw;

- (c) "business" means:

- (i) a commercial, merchandising or industrial activity or undertaking,
- (ii) a profession, trade, occupation, calling or employment, or
- (iii) an activity providing goods or services

whether or not for profit and however organized or formed, including a co-operative or association of persons;

- (d) "business license" means a license issued pursuant to this Bylaw;

- (e) "business license inspector" means a person authorized by the City Manager to carry out the provisions of this Bylaw or anyone acting on his behalf;

- (f) "business premises" means a store, office, warehouse, building, enclosure, yard or other place occupied, or capable of being occupied for the purpose of carrying on a business;

- (g) "charitable or non-profit organization or society" means a person acting for charity or in the promotion of general social welfare and includes:

- (i) a religious society or organization,
- (ii) a service club,
- (iii) a community, veteran's or youth organization,

- (iv) a social, sport or fraternal organization or club, or
- (v) a society established under the *Societies Act*, R.S.A., 2000, c.S-14;
- (h) "City" means the City of Fort Saskatchewan;
- (i) "City Council" means the municipal Council of the City of Fort Saskatchewan;
- (j) "City Manager" means the City Manager of the City of Fort Saskatchewan or anyone designated by the City Manager to act on his behalf;
- (k) "Development Authority" means a person appointed as the development authority pursuant to the provisions of the Land Use Bylaw;
- (l) "Fees and Charges Bylaw" means the fees, rates and charges established by City Council and that are applicable to the municipal services provided by the City;
- (m) "hawk or pedal" means selling goods or services:
 - (i) house to house, or business to business by a merchant who does not have a permanent place of business in the municipality, or
 - (ii) on the streets or elsewhere, other than at a building that is his permanent place of business, but does not include selling:
 - (a) meat, fruit, or other farm produce that has been produced, raised, or grown by the merchant, or
 - (b) fish of the merchant's own catching;
- (n) "home based business" means a business operated in a dwelling by a person who occupies the dwelling as a private residence;
- (o) "Land Use Bylaw" means the Land Use Bylaw of the City of Fort Saskatchewan;
- (p) "licensee" means a person holding a valid and existing business license issued pursuant to the provisions of this Bylaw;
- (q) "Manager" means the Manager of the Planning and Public Works Department of the City or anyone designated by the Manager of Planning and Public Works to act on his behalf;
- (r) "merchant" means a person, or his designate, whose occupation is the purchase and sale of goods or services;
- (s) "non-resident business" means any business which does not have a permanent office or place of business in the City of Fort Saskatchewan;
- (t) "pawned goods" means receiving or taking by way of pawn, pledge, or exchange any goods for the repayment of money lent thereon;
- (u) "peace officer" means:
 - (i) a member of the Royal Canadian Mounted Police,
 - (ii) a special constable appointed under the *Police Act* RSA 2000, c.P-17,
 - (iii) a person who is employed or retained by the City whose duties include written authorization to issue violation tickets under the *Provincial Offences Procedure Act*, RSA 2000 c.P-34, or
 - (iv) a Bylaw Enforcement Officer appointed by the City of Fort Saskatchewan;
- (v) "person" means an individual, sole proprietorship, corporation, partnership, joint venture, co-operative or society;
- (w) "professional" means a member of a registered association;

- (x) "registered association" means a professional or occupational association registered under the *Professional and Occupational Associations Registration Act* RSA 2000 c.P-26;
- (y) "resident business" means a business with a permanent office or place of business situated in either a commercially or industrial zoned district of the City and does not include a transient trader;
- (z) "secondhand goods" means selling or exchanging of previously owned goods;
- (aa) "transient trader" means any person who does not maintain a regular or permanent place of business within the City.

APPOINTMENT, POWERS AND DUTIES OF THE BUSINESS LICENSE INSPECTOR

- 3. (1) The City Manager may appoint a business license inspector to carry out the provisions of this Bylaw.
- (2) If the City Manager does not appoint a business license inspector, the Manager is the business license inspector.
- (3) The business license inspector may delegate any duty, or responsibility, of the business license inspector to an employee or agent of the City.
- (4) The business license inspector shall receive and consider applications to operate a business within the City including the power to consult with, obtain information from, and verify information with other employees or agents of the City, other governments, government agencies, or persons.
- (5) The business license inspector shall consider each complete application.
- (6) Notwithstanding Subsection 3(5), the business license inspector shall grant a business license to an applicant if the applicant meets the requirements of this Bylaw.
- (7) The business license inspector may impose conditions on business licenses and has the right to refuse an application.
- (8) The business license inspector has the right to revoke or suspend a business license immediately if:
 - (a) the information contained within an application is deemed to be false,
 - (b) a business license fee remains outstanding as of midnight on the 31st day of January in the year in which the license is valid, or
 - (c) fines or penalty fees are not paid within thirty (30) days of the date in which the fine or penalty is levied.
- (9) Subject to Subsection 3(8), the business license inspector shall refuse to re-instate a revoked or suspended business license if the reasons for revoking or suspending the business license have not been satisfied.
- (10) The business license inspector may carry out inspections of a business premise to ensure the operation complies with this Bylaw.

APPOINTMENT, POWERS AND DUTIES OF A PEACE OFFICER

- 4. (1) The City Manager shall appoint a peace officer to enforce the provisions of this Bylaw.
- (2) The peace officer may carry out inspections of a business premise to ensure the operation complies with this Bylaw.

BUSINESS LICENSE REQUIREMENTS

- 5. (1) No person shall engage in or operate a business in the City unless the person holds a business license authorizing the person to engage in or operate that business.
- (2) Any advertising of a business shall be deemed to be prima facie proof of the fact that the person advertising is carrying on or operating any such business.

- (3) A person who engages in or operates one or more businesses in the same building, either separately or together shall purchase a business license for each business.
- (4) A person who engages in or operates a business at more than one location shall purchase a separate business license for each location.

BUSINESS LICENSE APPLICATION

6.
 - (1) Applications for a business license, for renewal of a business license, or for a transfer of a business license shall be made in writing on a form to be provided by the business license inspector.
 - (2) An application for a business license for any business shall be made by the owner of the business or the representative of the owner.
 - (3) A business license, if issued, shall be null and void if payment for the business license was made by means of a non-negotiable document.
 - (4) Every applicant for a business license must be at least eighteen (18) years of age.
7.
 - (1) A business license applicant, subject to the provisions of the Land Use Bylaw, shall obtain and produce for the business license inspector, written approval from the Development Authority before a business license will be issued. This provision shall not apply for the annual renewal of a business license.
 - (2) A business license does not relieve the business license holder from the obligation to obtain any other permit, license or other approval that may be required under another Bylaw of the City or any other government authority.

TERM OF BUSINESS LICENSE

8.
 - (1) Every business license issued under the provisions of this Bylaw shall terminate at midnight on the 31st of December of the year in which said business license was issued unless the business license has been sooner cancelled or forfeited.
 - (2) Any business license may be cancelled providing a written notice is provided to the business license inspector.
 - (3) Business license renewals shall be paid in full prior to midnight on the 31st day of January, of the year in which the existing business license expires.
 - (4) Failure to make payment for the renewal of a business license by midnight on the 31st day of January of the year in which the business license expires shall construe the business license as being cancelled.

TRANSFER OF BUSINESS LICENSE

9.
 - (1) Unless otherwise provided herein, any subsisting business license issued under this Bylaw may be transferred, upon application to the business license inspector and payment of the prescribed fee, provided that the applicant has required qualifications and furnishes legal documentation releasing the rights and interests of the previous owner.
 - (2) A business license issued for a home based business shall become null and void if the said applicant relocates the business to a subsequent residential premise.

BUSINESS LICENSE FEES

10.
 - (1) No person shall carry on or operate any business within or partly within the City without first paying the business license fee as outlined in the Fees and Charges Bylaw.
 - (2) The licensee is not entitled to a refund for a cancelled, suspended, revoked or surrendered business license.
 - (3) Where a business license has not been renewed pursuant to Subsection 8(3) of this Bylaw, and the business is still in operation, the licensee is guilty of an offence under this Bylaw.

- (4) Where a business license has been paid by means of a non-negotiable document, an additional fee as outlined in the Fees and Charges Bylaw shall be levied in addition to the regular fee.

EXEMPTION FROM BUSINESS LICENSE FEES

11. (1) The following are excluded from paying the fee for a business license:
 - (a) the Crown in right of Canada,
 - (b) the Crown in right of Alberta,
 - (c) a Crown corporation,
 - (d) the City of Fort Saskatchewan, or
 - (e) a professional
- (2) A charitable or non-profit organization may apply to the business license inspector for an exemption from the business license fee set out in the Fees and Charges Bylaw.
- (3) An application under Subsection 11(2) shall be submitted in writing to the business license inspector and shall include the following information regarding the charitable organization or the non-profit organization:
 - (a) the name,
 - (b) the corporate structure,
 - (c) the registered charity number or other government authorization,
 - (d) the nature of the business,
 - (e) a description of the activities that will be undertaken within the City, and
 - (f) a description of how the proceeds will be used to advance its goals.
- (4) Following receipt of an application under Subsection 11(2), the business license inspector may waive the business license fee in whole, or part, if the business license inspector considers that such a waiver is in the best interests of the City and its residents.
- (5) The business license inspector may establish policies that guide the circumstances under which the business license inspector will waive a business license fee.
- (6) A waiver under Subsection 11(4) does not relieve the charitable or non-profit organization from otherwise complying with the terms of this Bylaw or other approval that may be required under another Bylaw of the City or any other government authority.

POSTING OF BUSINESS LICENSE

12. Every business license issued under this Bylaw shall be made out and delivered to the licensee who shall post the business license in a conspicuous place in his business premises and whenever required by the business license inspector or peace officer, the licensee shall produce said business license for inspection purposes. Persons failing to post the said business license shall be guilty of an offence under this Bylaw.

INSPECTION

13. (1) Any premises or place in respect of which a business license has been issued under the provisions of this Bylaw shall be subject to inspection by the business license inspector, peace officer, or authorized person.
- (2) Any person who, after demand for inspection has been made by the business license inspector, peace officer or authorized person, refuses admittance to the premises or place of which said person has charge or control, or obstructs the business license inspector, peace officer or authorized person shall be guilty of an offence under this Bylaw.

TRANSACTIONS RESPECTING PAWNED GOODS

14. (1) Whenever a transaction in respect of pawned goods occurs the following information shall be accurately recorded:
- (a) the date and hour of the transaction,
 - (b) the full name, date of birth, residential address, residential telephone number, physical description (including sex, age, eye colour, hair colour, height, weight, build and complexion) of the person from whom the pawned goods were acquired or received,
 - (c) the numbers from two of the following forms of identification which confirms the name and address given:
 - (i) operator's license,
 - (ii) birth certificate,
 - (iii) credit card, or
 - (iv) another form of identification, which would be acceptable by a chartered bank for the purpose of identifying a person for cashing a cheque,
 - (d) a complete and accurate description of the goods, including the make, model, manufacturer's name, serial number and other distinguishing marks,
 - (e) the amount of money advanced in respect of the pawned goods, and
 - (f) the name of the person who conducted the transaction.
- (2) Where pawned goods have been redeemed, the merchant who returns the goods in question shall accurately record:
- (a) their own name and the date the goods were redeemed, and
 - (b) the same information that is required in Section 14(1)(b) relative to the person who has redeemed the pawned goods.
- (3) No merchant shall receive or conduct any transaction concerning pawned goods where it is evident that any serial number or other distinguishing marks relating thereto have been altered or obliterated in any way.
- (4) Any merchant who records false, misleading or inaccurate information with respect to a transaction referred to in Subsection 14(1) or 14(2), or who fraudulently alters, obliterates or defaces any record of such a transaction is guilty of an offence under this Bylaw.
- (5) A true copy of the record required to be made pursuant to Subsections 14(1) and 14(2) of this Section shall be made available by the merchant for the inspection of and pickup by any peace officer on each business day before the hour of ten o'clock (10:00 a.m.) in the forenoon on the first business day following the day on which the relevant transaction occurred.
- (6) The record which is required to be made pursuant to Subsections 14(1) and 14(2) shall be maintained by the merchant in whose business the relevant transaction has taken place for a period of one (1) year from the date of the transaction.
- (7) Every merchant shall at all times keep posted in a conspicuous location of his premises so as to be easily seen and read by persons pledging goods the following information:
- (a) the maximum interest rate allowed by the statutes of Canada to be taken by merchants, and
 - (b) a detailed statement as to the manner in which the interest rate charged by the merchant is calculated.
- (8) At any time taking any pawn or pledge, the merchant conducting the transaction shall deliver to the person pledging articles or goods a written or printed receipt containing:
- (a) the day, month and year on which the pledge is due,

- (b) the amount of money advanced thereon,
 - (c) the interest rate charged by the merchant with respect to the transaction, and
 - (d) the merchant's business name and address.
- (9) No merchant shall:
- (a) take any goods by way of pledge from any person under the age of eighteen (18) years,
 - (b) receive or retain any goods or articles as pledges or pawns unless the person pledging the same accepts the receipt required by Subsection 14(8),
 - (c) take any goods by way of pledge from any person without having first obtained from them a declaration in legible writing which they have signed stating that they are entitled to pledge the goods in question and that any other person who may have a lawful interest in those goods has given their permission for the goods to be so pledged,
 - (d) purchase or take in pawn, pledge or exchange the receipt required pursuant to Subsection 14(8) which has been issued by any other merchant,
 - (e) allow a person to redeem a pawned item unless the merchant has first taken reasonable steps to ensure that the person redeeming the item was the same person who pawned it, or
 - (f) take any goods by way of pledge or conduct any transaction with respect to pawned goods at any time between the hours of nine (9) p.m. and nine (9) a.m. of the following business day.
- (10) With the exception of pawned goods which are lawfully redeemed by the person who pledged them or his agent, no merchant shall alter, repair, forfeit, sell or dispose of, or in any way part with possession of goods which have been pledged until the expiration of forty-five (45) days from the date such goods were pledged, exclusive of the day of pledging.
- (11) Notwithstanding Subsection 14(10), if any longer period of retention has been agreed upon by the parties to the transaction in which the goods were pledged, then that period must expire before the goods can be forfeited or sold.
- (12) Notwithstanding Subsections 14(10) and 14(11), this Bylaw does not authorize the sale, disposal or forfeiture of goods, which is contrary to the operation of any other law, including the common law.
- (13) No merchant shall, during the periods stated in Subsections 14(10) and 14(11) as the case may be, remove or permit the removal of any pawned goods from the business premises where they were originally acquired.
- (14) All pawned goods on the business premises of a merchant shall be kept separate and apart from any other merchandise and no merchant shall intermix or allow the intermixture of pawned goods with other merchandise until such time that the periods stated in Subsections 14(10) and 14(11) as the case may be, have expired.
- (15) Every merchant shall, during the normal business hours, permit the business license inspector, peace officer or authorized person to examine any goods, which have been pawned, or any of the records or books, which are pursuant to this Bylaw, required to be kept in relation to the business of the merchant.

TRANSACTIONS RESPECTING SECONDHAND GOODS

15. (1) A merchant who acquires or receives secondhand goods for re-sale shall accurately record the following information:
- (a) the date and hour of the acquisition, purchase, or exchange,
 - (b) the full name, date of birth, residential address, residential telephone number, physical description (including sex, age, eye colour, hair colour, height, weight, build and complexion) of the person from whom the secondhand goods were acquired,

- (c) the numbers from two of the following forms of identification which confirms the name and address given:
 - (i) operator's license,
 - (ii) birth certificate,
 - (ii) credit card, or
 - (iv) another form of identification, which would be acceptable by a chartered bank for the purpose of identifying a person for cashing a cheque,
 - (d) a complete and accurate description of the secondhand goods, including the make and model of the item, the manufacturer's name, any serial number, and other distinguishing marks which may appear thereon,
 - (e) the amount paid or exchanged in respect of the secondhand goods, and
 - (f) the name of the merchant who conducted the transaction.
- (2) No merchant shall alter, repair, forfeit, sell or dispose of or in any way part with possession of secondhand goods for a period of at least forty-five (45) days from the date of acquisition, exclusive of the date the secondhand goods were acquired.
 - (3) All secondhand goods located upon the business premises of a merchant shall be kept separate and apart from any other merchandise and no merchant shall intermix or allow the intermixture of secondhand goods with any other merchandise until such time that the period stated in Subsection 15(2) has expired.
 - (4) No merchant shall receive or conduct any transaction concerning secondhand goods where it is evident that any serial number or other distinguishing marks relating thereto have been altered or obliterated in any way.
 - (5) Any merchant who records false, misleading or inaccurate information with respect to a transaction referred to in Subsection 15(1) or who fraudulently alters, obliterates or defaces any record of such a transaction is guilty of an offence under this Bylaw.
 - (6) A true copy of the record required to be made pursuant to Subsection 15(1) shall be made available by the merchant for the inspection of and pickup by any peace officer on each business day before the hour of ten o'clock (10:00 a.m.) in the forenoon on the first business day following the day on which the relevant transaction occurred.
 - (7) The record which is required to be made pursuant to Subsection 15(1) shall be maintained by the merchant in whose business the relevant transaction has taken place for a period of one (1) year from the date of the transaction.
 - (8) No merchant shall take any secondhand goods from any person under the age of eighteen (18) years.
 - (9) Every merchant shall, during normal business hours, permit the business license inspector, peace officer or authorized person to examine any goods, which have been purchased, or any of the records or books, which are pursuant to this Bylaw, required to be kept in relation to the business of the merchant.
 - (10) The provisions of this Clause 15 do not apply to secondhand goods donated for the purpose of re-sale to raise funds for a charitable cause.

REVOCATIONS OR SUSPENSIONS

- 16. (1) When any required certificate, authority, license or other document of qualification issued by the Government of Canada, or the Government of the Province of Alberta is terminated or surrendered, any business license issued pursuant to this Bylaw is immediately null and void and shall be considered as being revoked.
- (2) Where a business license is revoked, the licensee shall immediately return the business license to the City and the business shall not operate until such time as a new business license is issued.

- (3) Where a business license is suspended, the licensee may resume operation when the business license is reinstated.

APPEALS

17. (1) A person may appeal to City Council in every case where:
- (a) an application for a business license has been refused, or
 - (b) a business license has been revoked or suspended.
- (2) An appeal shall be made by the applicant within thirty (30) days after such refusal, revocation or suspension.
- (3) All appeals shall be made in writing addressed to the Manager.
- (4) The Manager shall present the appeal to City Council at the next available Council Meeting for Council's decision.
- (5) City Council, after hearing the appeal, may:
- (a) direct a business license be issued or reinstated;
 - (b) direct a business license be issued or reinstated with conditions;
 - (c) uphold the refusal, revocation or suspension of a business license on the grounds, which appear just and reasonable.
- (6) A decision of City Council in respect of an appeal under this section shall be final and binding.

ENFORCEMENT

18. (1) Any person who is in contravention of this Bylaw is guilty of an offence and subject to receive a violation ticket as follows:

| Offence | Penalty |
|---|----------|
| First Offence | \$ 300 |
| Second Offence (provided offence is committed within twelve (12) months of committing first offence) | \$ 500 |
| Third and subsequent offences (provided offence is committed within twelve (12) months of committing first offence) | \$ 1,000 |

- (2) Any person who commits an offence may pay the specified penalty indicated on the violation ticket, in which case the person will not be prosecuted in court for the offence.
- (3) Any person who violates any provision of this Bylaw shall be liable, upon summary conviction before a magistrate in the City of Fort Saskatchewan, to a penalty not exceeding Ten Thousand dollars (\$10,000), exclusive of costs, for breach thereof or in case of non-payment of the fine and costs to imprisonment for any period not exceeding six (6) months.
- (4) Any person found guilty of an offence and the conduct that gives rise to the offence involves the non-payment of a fee that remains unpaid, the court shall, in addition to any fine, impose a penalty equivalent to the amount of the unpaid fee.
- (5) In the case of an offence that is of a continuing nature, a contravention constitutes a separate offence in respect of each day, or part of a day, on which it continues and a person guilty of such an offence is liable to a fine in an amount that is established by this Bylaw for each such day, or part of a day.
- (6) If in the event, during prosecution for an offence, proof of a valid and subsisting business license is required, the person charged with the offence shall bear the burden of responsibility

to provide proof that he was in possession of a valid and subsisting business license at the time of the offence.

- (7) In a prosecution for a contravention of this Bylaw against engaging in or operating a business without a business license, proof of one transaction in the business or that the business has been advertised is sufficient to establish that a person is engaged in or operates the business.

GENERAL

19. (1) Each section of this Bylaw shall be read and construed as being separate and severable from each other section. Furthermore, should any section or part of this Bylaw be found to have been improperly enacted for any reason, then such section or part shall be regarded as severable from the rest of this Bylaw and the Bylaw remaining after such severance shall be effective and enforceable.
- (2) Wherever the singular, plural, masculine, feminine or neuter is used throughout this Bylaw the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires the provisions hereof.
- (3) The insertion of headings is for convenience of reference only and shall not be construed so as to affect the interpretation or construction of this Bylaw.

ENACTMENT

20. (1) Bylaw No. C20-05 shall come into force and have effect January 1, 2006.
- (2) Bylaw No. C14-95, and all amendments thereto, is hereby repealed.

READ a first time in Council this 22nd day of November A.D. 2005.
READ a second time in Council this 13th day of December A.D. 2005
READ a third time in Council this 13th day of December A.D. 2005

| CITY OF FORT SASKATCHEWAN | | | |
|---------------------------|--------------|-----------|-------|
| APPROVED | | DATE | INIT. |
| Clt. & Legal Svcs. | Legal & Form | Nov 23 05 | BS |
| Dep't. | Contract | Nov 23 05 | W |
| City Mgr. | Principal | Nov 23 05 | W |



Mayor



Director, Legislative Services

Date Signed: December 14, 2005