



CITY OF FORT SASKATCHEWAN AGENDA

Regular Council Meeting Tuesday, June 27, 2017 – 6:00 P.M. Council Chambers – City Hall

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| 6:00 P.M. | 1. Call to Order | Mayor Katchur |
| | 2. Approval of Minutes of June 13, 2017 Regular Council Meeting | (attachment) |
| | 3. Delegations | |
| | <i>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.</i> | |
| | 4. Presentation | |
| (10 min.) | 4.1 Legalization of Cannabis and Cannabis Products – Bills C-45 and C-46 | Robert Stephenson
(attachment) |
| | 5. Unfinished Business | |
| | 5.1 Council Remuneration and Expense Procedure | Robert Stephenson
(attachment) |
| | 6. New Business | |
| | 6.1 Gymnastics Feasibility Study | Barb Shuman /
Stephen Slawuta,
RC Strategies +
PERC
(attachment) |
| | 6.2 Sponsorship, Naming Rights and Advertising Policy GOV-013-C | Barb Shuman
(attachment) |
| | 6.3 Electronic Meeting Management | Robert Stephenson
(attachment) |
| | 6.4 Project Management Process Review | Grant Schaffer
(attachment) |
| | 6.5 Capital Project Update – 2017 | Grant Schaffer
(attachment) |
| | 7. Bylaws | |
| | 7.1 Bylaw C13-17 – Amend Land Use Bylaw C10-13 – Include Kennel as a Discretionary Use in the C5 – Fort Mall Redevelopment District Regulations – 1 st reading | Dean McCartney
(attachment) |

7.2 Bylaw C14-17 – Off-Site Levy Bylaw – 1st reading

Grant Schaffer
(attachment)

8. **Notice of Motion**

8.1 Free Access to Transfer Station for Local Non-Profit Groups

Coun. Bossert
(attachment)

9. **Points of Interest**

10. **Councillor Inquiries**

11. **Adjournment**



**CITY OF FORT SASKATCHEWAN
MINUTES**

REGULAR COUNCIL

Tuesday, June 13, 2017 - 6:00 p.m.
Council Chambers – City Hall

Present:

Members of Council:

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

Administration:

Troy Fleming, Acting City Manager
John Dance, General Manager, Corporate Services
Brenda Rauckman, General Manager, Community & Protective Services
Brenda Molter, Director, Legislative Services
Jeremy Emann, Chief Financial Officer
Barb Shuman, Director, Recreation Services
Dean McCartney, Acting Director, Planning & Development
Wendy Kinsella, Director, Corporate Communications
Reade Beaudoin, Digital Media Coordinator
Sheryl Exley, Recording Secretary

1. Call to Order

Mayor Katchur called the regular Council meeting of June 13, 2017 to order at 6:00 p.m.

2. Approval of Minutes of May 23, 2017 Regular Council Meeting

R108-17 MOVED BY Councillor Hennig that the minutes of the May 23, 2017 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

Mark Tanasichuk and Jason Fjeldheim, representing TAG Developments were in attendance to speak in favour of Council supporting TAG's request to defer off-site levy payments for Fort Industrial Estates.

Howard Johnson was in attendance to speak in favour of the proposed amendment to Procedure Bylaw C1-16 and to express a concern regarding the Residential Property Rebates.

Brett Cox, Friends of the Fort Saskatchewan Traders was in attendance to speak in favour of Council delaying the decision to have an Alberta Junior Hockey League team in Fort Saskatchewan, until after the October 16, 2017 Aquatic Vote.

Dave McGarva, Fort Saskatchewan Junior Rebels Lacrosse was in attendance to support having an Alberta Junior Hockey League in Fort Saskatchewan, however he did not support the residential property rebates.

4. Presentations

4.1 Fort Saskatchewan Public Library Update

Renetta Peddle, Chair, Fort Saskatchewan Public Library Board and Michele Feser, Library Director were in attendance to present an update on the Fort Saskatchewan Public Library's activities, programs, and services.

4.2 Fort Saskatchewan Skateboard Society

Joseph Weipert, President, Fort Saskatchewan Skateboarding Society was in attendance to provide an update on the proposed Fort Saskatchewan Skateboard Park and the Society's fundraising efforts for the project. Mr. Weipert advised that the Fort Saskatchewan Skateboarding Society is requesting financial assistance from the City to fund the balance needed for the project.

Mayor Katchur called a short recess at 6:55 p.m.

The regular Council meeting reconvened at 7:00 p.m.

5. Unfinished Business

5.1 Residential Property Rebates – Implementation Strategy

Presented by: Jeremy Emann, Chief Financial Officer

R109-17

MOVED BY Councillor Randhawa that Council direct Administration to provide Council with a surplus policy, and a comprehensive report on the historical staff surplus and possible mitigation strategies with a report to be presented at the July 10, 2017 regular Council meeting.

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

CARRIED UNANIMOUSLY

5.1 Council Remuneration and Expense Policy and Procedure

Presented by: Brenda Molter, Director, Legislative Services

R110-17 MOVED BY Councillor Garritsen that Council adopt Council Remuneration and Expenses Policy GOV-009-C.

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

CARRIED UNANIMOUSLY

MOVED BY Councillor Garritsen that Council amend Council Remuneration and Expenses Procedure GOV-009-C by deleting Section 3.8(b).

Councillor Garritsen withdrew his motion.

R111-17 MOVED BY Councillor Garritsen that Council adopt Council Remuneration and Expenses Procedure GOV-009-C.

R112-17 MOVED BY Councillor Garritsen that Council refer the Council Remuneration & Expense Procedure GOV-009-C back to Administration to review the impact of removing 3.8(b), including other applicable sections in the Procedure relating to collecting remuneration and per diems for board and committee meetings held before or after 4:30 p.m., and further that this item be brought back to the June 27, 2017 regular Council meeting.

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 7:43 p.m.

The regular Council meeting convened at 7:49 p.m.

6. New Business

6.1 Alberta Junior "A" Hockey League Team Relocations to Fort Saskatchewan

Presented by: Barb Shuman, Director, Recreation Services

R113-17 MOVED BY Councillor Blizzard that Council delay the decision on the request from the Friends of the Traders until after the results of the Aquatic Vote on October 16, 2017 are known.

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

CARRIED UNANIMOUSLY

6.2 Deferral of Off-Site Levy Payments for Fort Industrial Estates Stage 6

Presented by: Dean McCartney, Acting Director, Planning & Development

R114-17 MOVED BY Councillor Garritsen that Council direct Administration to amend Development Agreement DA-2009-02, Schedule F-5, clause 4(b) from December 31, 2016 to December 31, 2018, which approves a deferral of off-site levy payments in accordance with Bylaw C1-14 3(h)(iv).

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

Against: Arjun Randhawa, Ed Sperling

CARRIED

7. Bylaws

None.

8. In-Camera

R115-17 MOVED BY Councillor Hennig that Council move in-camera at 8:32 p.m. to discuss the following matters that falls within one of the exceptions to disclosure in Division 2 of Part 1 of the Freedom of Information and Protection of Privacy Act (FOIP).

- a) Purchase or Lease of Land - Section 23(1), Local Public Body Confidences
- b) High Performance Sports Field Naming Rights - Section 24(1)(c), Advice from Officials

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

CARRIED UNANIMOUSLY

R116-17 MOVED BY Councillor Hennig that Council return to open session at 9:23 p.m.

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

CARRIED UNANIMOUSLY

R117-17 MOVED BY Councillor Garritsen that Council approve a Fort Saskatchewan based company, as sponsor for naming rights for the High Performance Sports Field, as per the report presented during the June 13, 2017 in-camera Council meeting.

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

CARRIED UNANIMOUSLY

9. Notice of Motions

9.1 Purchase or Lease of Land

Councillor Hennig's Notice of Motion regarding the purchase or lease of land had no further action.

9.2 Amend Procedure Bylaw C1-16

R118-17

MOVED BY Councillor Sperling that Council direct Administration to bring back amendments to Procedure Bylaw C1-16, Section 12.7 to state: During a Council meeting the Chair shall invite members of the public to speak to any matter that is considered relevant to the City of Fort Saskatchewan. The speaker shall be granted a maximum of 5 minutes to speak to an item, followed by clarifying questions of Council. In the event that all persons who expressed an interest to speak cannot be heard within the allotted 30 minutes at the beginning of the Council meeting they will be invited to attend the next Council meeting. Dialogue that pertains to a public hearing shall only be heard during the public hearing portion of the Council meeting.

In Favour: Arjun Randhawa, Sheldon Bossert, Ed Sperling

Against: Gale Katchur, Frank Garritsen, Stew Hennig, Birgit Blizzard

DEFEATED

Councillor Bossert gave notice that he will introduce the following motion at the June 27, 2017 regular Council meeting:

"That Administration be directed to present Council with a report for the implementation of granting registered Fort Saskatchewan Non-profit Societies and Organizations a card/pass authorizing free access to waste disposal privileges at the Fort Saskatchewan Waste Transfer Station."

10. Points of Interest

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

11. Councillor Inquiries

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

12. Adjournment

The regular Council meeting of June 13, 2017 adjourned at 9:54 p.m.

Mayor

Director, Legislative Services

CITY OF FORT SASKATCHEWAN

Legalization of Cannabis and Cannabis Products Bills C-45 and C-46

Purpose:

To provide Council information on the work that is underway to prepare the City of Fort Saskatchewan for the impending legalization of cannabis and cannabis products.

Background:

In the 2015 Federal Election, the Liberal Party of Canada promised that they, if elected, would work toward the legalization of cannabis and cannabis products. The Canadian Government followed through with this election promise by introducing two Bills, C-45 and C-46, in the House of Commons on April 13, 2017.

The Bills amend the *Controlled Drugs and Substances Act*, the *Criminal Code of Canada* and several other acts to legalize access to cannabis and cannabis products as well as to create additional offenses for violations of the new regulatory framework in Canada.

General provisions of the Bills:

1. Will permit the national use and possession of up to 30 grams of legally produced cannabis for personal recreational use by adults.
2. Adults will be allowed to grow up to 4 cannabis plants per household.
3. Possession will be limited to individuals over 18 years of age, although provinces may elect to further restrict the age limit similar to alcohol.
4. Selling or providing cannabis to minors would be a criminal offence.
5. Products that would appeal to minors are prohibited.
6. Cannabis products will not be permitted to be sold through self-service displays or vending machines.
7. Protection for public health through product safety and quality requirements.
8. It will provide for the legal production of cannabis.
9. Enhance public awareness of the health risks associated with cannabis.

The Federal Government is working with the provinces to establish the framework where cannabis and cannabis products will be distributed and sold. The Bills are expected to become law on July 1, 2018 after receiving Royal Assent.

Provincial Impacts:

As the legislation has not yet been passed, there is uncertainty on how the provinces will be impacted, or how they will act on these changes.

The provinces will be responsible, either partially or completely for the following:

1. impaired driving;
2. product (cultivation and processing);
3. public health;
4. education;
5. taxation;

6. workplace health and safety;
7. distribution and wholesaling;
8. retail model;
9. retail location and rules;
10. regulatory compliance; and
11. public consumption.

The Alberta Government is currently engaging in consultation with the public to gather opinions on how the Provincial Government should proceed.

Impacts to Fort Saskatchewan:

It is difficult to fully assess how Fort Saskatchewan will be impacted by these changes. The legislation has not yet been passed and the direction the Province takes will have significant impact on how the City proceeds. General areas that have been identified as falling to municipalities include:

1. education;
2. taxation;
3. retail location and rules;
4. public consumption;
5. land use/zoning;
6. enforcement; and
7. revising existing municipal bylaw, and documents to align with the new legislation.

The specifics of each section are unknown at this time.

Topic/Outcomes:

In light of the changes coming forward regarding how cannabis products are handled, the City has created a task force consisting of representatives from several departments who are reviewing developments. Some of the areas that each department is monitoring are listed below:

People Services:

Occupational Health & Safety: Drug and Alcohol Policy will be reviewed and updated as necessary to reflect the changes.

The Return to Work Process and modified duties are reviewed on a case by case basis.

The City's accommodation practices will be review and updated as necessary.

Planning & Development:

Land Use Bylaw amendments being reviewed:

- Co-location of other items with cannabis sales is being reviewed.
- An assessment of appropriate permit fees will commence once more information is known.
- Appropriate land use approaches in regards to zoning.
- Buffer from sensitive uses.
- Building Inspector training and required changes.

Economic Development:

Given the current information, the Business Licence Fee should not be changed.
Business Licences should not be used as a disincentive, they are a useful tool to gather information.
The Development Permit is where many issues would be more appropriately addressed.

Legislative Services:

The possible development of a Smoking Bylaw as a tool for enforcement.
Agreements and leases that the City is a party to may need revisions representing changes to legislation.
The impact in regards to any landlord/tenant relationships.
The use of cannabis products on City lands.

Protective Services:

Detection of impairment.
Education on the risks associated with the cannabis: School Resource Officer and Drug Abuse Resistance Education (D.A.R.E.).
Staffing capacity in regards to training and enforcement (RCMP and Municipal Enforcement).

FCSS:

Education:

- Senior Liaison – appropriate public education.
- Youth Coordinator (Prevent Alcohol & Risk-Related Trauma in Youth – PARTY Program) - framing the education in terms of harm reduction and short and long-term impacts of smoking.

Potential to mental health and staff capacity.
Education on community garden use and their prohibitions (i.e. you cannot use the community gardens to grow cannabis).

Communications:

The development of a unified and cohesive internal and external communications plan that aligns all departments.

Culture:

Preparation and impending change to Canada Day celebrations and other outdoor events.
Permitting of events.
Outdoor sites and how they will be managed.

Next Steps:

Administration will continue to update Council as additional details regarding the legalization of cannabis become available.

File No.:

Prepared by:	Robert Stephenson Senior Legislative Officer	Date: June 16, 2017
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Approved by:	Brenda Molter Director, Legislative Services	Date: June 20, 2017
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Reviewed by:	Troy Fleming Acting City Manager	Date: June 21, 2017
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Submitted to:	City Council	Date: June 27, 2017
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CITY OF FORT SASKATCHEWAN

Council Remuneration & Expense Procedure

Motions:

1. That Council adopt Council Remuneration & Expenses Procedure GOV-009-C.
2. That Council repeal the City Council Remuneration Policy GOV-009-C.
3. That Council repeal the City Council Remuneration Procedure GOV-009-C.
4. That Council repeal the Travel and Expense Claims Policy FIN-012-C.

Purpose:

That Council be presented with information on the impacts of removing any timeline references relating to the payment of remuneration and expenses.

Background:

Following Council direction, an administrative review of the City Council Remuneration Policy and Procedure, and Travel and Expense Claims Policy was conducted. The recommended approach to address challenges and gaps that exist with the current policies was to proceed with one dedicated policy and procedure. At the June 13, 2017 meeting, the Council Remuneration & Expense Policy GOV-009-C was adopted.

When the Council Remuneration & Expense Procedure was presented for adoption, comments were received related to eligible remuneration and per diems regarding the timeline before and after 4:30 p.m. The following motion was approved:

That Council refer the Council Remuneration & Expense Procedure – GOV-009-C back to Administration to review the impact of removing 3.8(b), including other applicable sections in the Procedure relating to collecting remuneration and per diems for board and committee meetings held before or after 4:30 p.m., and further that this item be brought back to the June 27, 2017 regular Council meeting.

The Procedure has been modified based on the comments received at the meeting. The revised Procedure (Appendix A), as well as the original Procedure (Appendix B) presented at the June 13 meeting have both been attached to this report for comparison purposes.

The following provisions taken from the Procedure have been highlighted to indicate the revisions proposed, and to address the impacts of those references to remuneration and per diems, either before or after 4:30 p.m.

Revised Section:

2.2.b Councillor base remuneration for activities include:

- i. participation in all Council and Council committee meetings ~~after 4:30 p.m.~~;
- ii. participation in all meetings for boards, committees, or commissions ~~after 4:30 p.m.~~ where the Councillor has been appointed by Council;
- v. attendance at community functions where the Councillor has been invited to attend, and is acting in an official capacity ~~(if prior to 4:30 p.m., per diems may apply).~~

Removed Section:

- 3.3 ~~Per diems are intended to reimburse Councillors for daytime events prior to 4:30 p.m., which may take them away from their regular place of employment.~~

New Section:

- 3.7 Councillors shall be eligible to receive per diems for attendance at Council meetings, or board, committee, and commission meetings where Councillors have been appointed by Council, when the meeting is 6 hours or longer in length.

Revised Section:

- 3.9 Per diems shall not be paid for attendance at the following:
- a. any Council and Council committee meetings, unless 6 hours or longer in length ~~after 4:30 p.m.;~~
 - b. participation in any meetings for boards, committees, or commissions where the Councillor has been appointed by Council, unless 6 hours or longer in length ~~and which are held after 4:30 p.m.;~~

In summary, removing the references to 4:30 p.m. would prohibit Councillors from claiming per diems for Council and Council committee meetings, or board, committee, and commission meetings (unless 6 hours in length).

Should Council support the changes which have been made to the revised Procedure, to provide additional clarification the following indicates which boards, committees, and commissions would be eligible to collect per diems. With exception to the Subdivision & Development Appeal Board, all other organizations are external.

- Alberta Capital Region Wastewater Commission (*daytime meetings*)
- Assessment Review Board (*daytime meetings*)
- Capital Region Assessment Services Commission (*daytime meetings*)
- Capital Region Board (*daytime meetings*)
- Capital Region Northeast Water Services Commission (*daytime meetings*)
- Subdivision & Development Appeal Board (*typically daytime meetings; per diems eligible as per the Subdivision & Development Appeal Board Bylaw C21-15*)

Next Steps:

1. Adopt the Council Remuneration & Expense Procedure – GOV-009-C;
2. Upon adoption of the Procedure, the City Council Remuneration Policy and Procedure – GOV-009-C should be repealed; and
3. As Council-related information has been extracted from the Travel and Expense Claims Policy - FIN-012-C, this Policy should also be repealed. As a replacement, the Employee Business Expense Policy and Procedure – FIN-012-A (Appendix E), would approved as administrative documents.

Recommendation:

That Council adopt Council Remuneration & Expense Procedure, repeal City Council Remuneration Policy and Procedure – GOV-009-C, and Travel and Expense Claims Policy – FIN-012-C.

Attachments:

1. Appendix A – Revised Council Remuneration & Expense Procedure – GOV-009-C
 2. Appendix B – Council Remuneration & Expense Procedure – GOV-009-C
 3. Appendix C – City Council Remuneration Policy – GOV-009-C
 4. Appendix D – Travel and Expense Claims Policy – FIN-012-C
 5. Appendix E – Employee Business Expense Policy & Procedure – FIN-012-A
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Prepared by: Brenda Molter
Director, Legislative Services

Date: June 19, 2017

Reviewed by: Troy Fleming
Acting City Manager

Date: June 19, 2017

Submitted to: City Council

Date: June 27, 2017

COUNCIL
PROCEDURE



GOV-009-C

REVISED
COUNCIL REMUNERATION & EXPENSES

Date Issued: _____, 2017

Responsibility: City Council

Current Revision: _____, 2017

Cross Reference:
• Council Remuneration & Expense Policy
GOV-009-C

PURPOSE

To provide direction on the processes related to payment of remuneration and per diems, and the reimbursement of eligible expenses for members of Council. Members of Council are not expected to subsidize the operations of the City, or provide benefit to themselves or members of their family at the City's expense.

DEFINITIONS

Chief Financial Officer – shall mean the person who is appointed to the position by the City Manager.

City – shall mean the City of Fort Saskatchewan

City Boundary – shall mean the area within the City's corporate limits

Council – shall mean the municipal Council of the City of Fort Saskatchewan

Council Committee – shall mean any committee, board, or other body established by bylaw or resolution, or which a member of Council is appointed to

Deputy Mayor – shall mean the member who is appointed pursuant to the Act as Mayor in the absence or incapacity of the Mayor

Director, Legislative Services – shall mean the person appointed to the position by the City Manager

Expense Claim – shall mean the City's Expense Claim Form required for reimbursement of expenses

Mayor – shall mean the Chief Elected Official for the City and is a member of Council

Members – shall mean a member of Council for the City of Fort Saskatchewan

Per Diems – shall mean a pre-determined amount to compensate members of Council for their attendance at Council-related events, paid in accordance with this Procedure

Remuneration – shall mean the annual pre-determined base level of compensation paid to members of Council

1. General Provisions:

- 1.1 Within the overall budget allocated for each Member, i.e., for per diems (where applicable), professional development, and expenses, funds could be used between accounts to offset any short fall. The total of these accounts shall not exceed the overall budget allocation.
- 1.2 Should a Member expend their total budget:
 - a. the Member may make a request to transfer funding from another Member's budget;
 - b. the Member granting permission to such a request shall provide consent in writing and forwarded to the Legislative Services Department;
 - c. upon receipt of written confirmation, funds will be transferred Internally from one Member to the other; and
 - d. the transfer of funds will be posted using the same method as expenses on the City's website.
- 1.3 On a quarterly basis, monthly Member per diems (internal and external boards and committees) and expense claims, including receipts for each expenditure, shall be posted on the City's website.
- 1.4 Any expenses for the Mayor shall be reviewed and approved by the Chief Financial Officer.
- 1.5 Any expenses or per diems for Councillors' shall be reviewed and approved by the Director, Legislative Services.
- 1.6 Funds shall only be drawn from the Member's current fiscal year budget.
- 1.7 Funds may not be carried over from one budget year to the next fiscal year.

2. Remuneration:

- 2.1 Mayor:
 - a. The position of Mayor is considered to be full-time. The Mayor will receive an annual remuneration, paid bi-weekly.
 - b. The Mayor's remuneration shall be considered compensation for all duties of the office.
- 2.2 Councillor:
 - a. The position of Councillor is considered to be part-time. Each Councillor shall receive an annual base remuneration, paid bi-weekly.
 - b. Councillor base remuneration for activities include:
 - i. participation in all Council and Council committee meetings after 4:30 p.m.;
 - ii. participation in all meetings for boards, committees, or commissions after 4:30 p.m. where the Councillor has been appointed by Council;

- iii. personal preparation for all meetings referenced above;
 - iv. participation in meetings with the City Manager or members of the Administration, for any purpose; and
 - v. attendance at community functions where the Councillor has been invited to attend, and is acting in an official capacity (if prior to 4:30 p.m., per diems may apply).
- 2.3 Every 4 years, prior to a new term of Council, the base amount of Member remuneration shall be reviewed by the People Services Department.
- a. Council remuneration shall be determined based on the average market maximum through a survey of comparable municipalities in Alberta, and/or other factors at the discretion of Council;
 - b. The comparable municipalities are:
 - i. Cities – Spruce Grove, Camrose, Leduc, Lloydminster, Airdrie, and
 - ii. Towns – Okotoks, and Cochrane;
- 2.4 On an annual basis, Council remuneration shall be adjusted based on the increase in the Annual Cost of Living Index for the Edmonton Region, as determined by Statistics Canada as of December 31st. This review will be conducted by the People Services Department;
- 2.5 All Council remuneration shall be in accordance with applicable federal and provincial legislation.
3. **Per Diems:**
- 3.1 Every 4 years, prior to a new term of Council, the amount of Councillor per diems shall be reviewed by the People Services Department.
 - 3.2 As the Mayor does not receive per diems from the City, the Mayor may receive any applicable per diems from organizations which they are a member.
 - ~~3.3 Per diems are intended to reimburse Councillors for daytime events prior to 4:30 p.m., which may take them away from their regular place of employment.~~
 - 3.4 Councillors may receive per diems from organizations which they are an appointed member. However, Councillors shall not claim per diems from both the organization and the City for the same event.
 - 3.5 The Deputy Mayor shall be eligible for and shall receive per diems, pursuant with this Procedure, for attending events on behalf of the Mayor.
 - 3.6 Councillors shall be eligible to receive per diems for attending functions or events as an official Council representative, at the request of the Mayor, or at the request of Council.

3.7 Councillors shall be eligible to receive per diems for attendance at Council meetings, or board, committee, or commission meetings where Councillors have been appointed by Council, when the meeting is 6 hours or longer in length.

3.8 Per diems shall be paid at a rate of \$100 per half day and \$200 per full day.

- a. A half day per diem is defined as being from 2 to 4 hours.
- b. A full day per diem is defined as being in excess of 4 hours.
- c. Travel time shall form part of the per diem calculation.

3.9 Per diems shall not be paid for attendance at the following:

- a. any Council and Council committee meetings, unless 6 hours or longer in length after 4:30 p.m.;
- b. participation in any meetings for boards, committees, or commissions where the Councillor has been appointed by Council, unless 6 hours or longer in length and which are held after 4:30 p.m.;
- c. sporting events;
- d. general public appearances;
- e. community events, i.e., Canada Day, Remembrance Day, etc.;
- f. social events; and
- g. attendance at political party functions or fundraisers of any type.

4. **Professional Development:**

4.1 Eligible professional development expenses include:

- a. registration costs for attendance at conferences, seminars, workshops, meetings, or other related events; and
- b. costs for transportation, accommodation, and meals which are not included in the registration.

4.2 On an annual basis, Council shall allocate professional development funding to Members for their attendance at functions as described in Section 4.1.

4.3 Members may determine which professional development events they wish to attend.

- a. Members may also wish to consider using their funding for the following recommended events:
 - i. the Federation of Canadian Municipalities (FCM) Annual Convention; and
 - ii. the Alberta Urban Municipalities Association (AUMA) Annual Convention.

4.4 Costs incurred when travelling for professional development and meetings beyond the City boundaries will be reimbursed for actual mileage distance, paid in accordance with this Procedure.

4.5 Funds shall not be carried over from one budget to the next.

5. Expenses:

- 5.1 Eligible expenses include costs associated with meals, transportation, mileage, and accommodation, pursuant to this Procedure.
- 5.2 Personal expenses, personal care items, medical expenses (in excess of those covered by the City's medical benefits, if applicable), expenses related to political party fundraisers, or expenses for initiatives not directed by Council, shall not be eligible for reimbursement.
- 5.3 The following provisions apply to expenses for a Member's spouse or partner:
 - a. When a spouse/partner attends an out-of-town function/conference with the member of Council, expenses related to the spouse/partner's travel, meals, registration, and extra-curricular events are considered personal in nature, and shall not be eligible for reimbursement.
 - b. When a spouse/partner is invited to accompany a Member to a conference banquet/gala, social, or fundraising event, and the member is attending the event in an official capacity, the spouse/partner's ticket may be charged to the Member's budget.
- 5.4 Members of Council shall complete an expense claim for any expense reimbursements.
- 5.5 Expense claims shall be submitted for reimbursement within 5 days following the end of the month, and must be accompanied by original receipts which detail the expenses.
- 5.6 Gratuities for eligible meals and transportation fares shall not exceed 15% on the expense.
- 5.7 Where it is determined that a Member has submitted a false or incorrect expense claim, the expense shall be rectified immediately, and repaid to the City.

6. Promotional Budget:

- 6.1 The Mayor shall receive an annual corporate promotional budget to assist in carrying out the duties of the Mayor. The corporate promotional budget:
 - a. is for expenditures related to the promotion of Council and the City, and may include sponsoring, donations and promotional requests for not-for-profit groups, the public, fundraising, or community events;
 - b. expenditures shall be consistent with the City's corporate values and should enhance and protect the reputation of Council and the City;
 - c. expenditures shall be non-partisan; and
 - d. permits the Mayor to use promotional funds in accordance with the provisions of this Procedure.
- 6.2 Councillors shall each receive an annual promotional budget to assist in carrying out their duties, and they shall ensure use of promotional budgets:

- a. are related to their role;
 - b. are consistent with the City's corporate values and should enhance and protect the reputation of Council and the City; and
 - c. are used in a non-partisan manner.
- 6.3 Councillors may allocate or expend their promotional budget at their discretion, for promotion of Council in accordance with the provisions of this Procedure.
- 6.4 Councillors may use their promotional funds to purchase items from the corporate promotional budget.
- 6.5 Councillors may transfer or combine all or a portion of their promotional budget with another Councillor:
 - a. any Councillor requests and subsequent permissions received to transfer or combine promotional funds shall be submitted to Legislative Services in writing.
- 7. **Transportation:**
 - 7.1 Members using personal vehicles for Council business shall be compensated in accordance with this Procedure.
 - 7.2 Members shall be provided with a monthly car allowance in the amount of \$200 per month for the Mayor and \$50 per month for Councillors.
 - 7.3 Private vehicle use:
 - a. Members shall be reimbursed for actual distance traveled outside the City, based on the Government of Alberta mileage rates.
 - b. Members completing an expense claim shall include details of the business purpose, location, departure dates, and distance travelled with each claim.
 - c. If two or more Members travel together in the same vehicle while on Council business, only one Member may claim mileage for the distance travelled.
 - d. Fines for moving violations incurred while conducting Council business are the responsibility of the Member and are not eligible for reimbursement.
 - 7.4 When travelling outside the City boundaries, the most economical and practical means of travel shall be used.
- 8. **Accommodation:**
 - 8.1 Eligible expenses include commercial accommodations for conferences, meetings, or other events, when necessary.
 - 8.2 Accommodation expenses shall be reimbursed at the approved event rate, government rate, or other economical accommodation in the locale of the event.
 - 8.3 Costs associated with any personal entertainment, such as movies and in-room items or services are not eligible for reimbursement. Room service meals may be eligible for expense.

- 8.4 Where private arrangements for accommodation are made and commercial accommodations are not used, a daily allowance based on (Government of Alberta) rates may be claimed.

9. **Meals:**

- 9.1 When travelling on Council-related business, a Member may claim either the actual cost of the meal or the meal allowance. The actual cost of the meal is the amount shown on the receipt, excluding alcohol, plus a gratuity not to exceed 15%.
- 9.2 The maximum reimbursement for food and beverages is \$100 per day, with the cost a single meal not exceeding \$50, plus taxes and gratuities.
- 9.3 Meal allowances are based on Government of Alberta meal allowance rates.
- 9.4 When a Member attends a conference, meeting, or other event where a meal has been provided, the Member shall not claim a meal allowance. Exception shall be made if the Member has purchased a meal and provided a detailed receipt with their expense claim.
- 9.5 Members shall require detailed receipts when submitting an expense claim.
- 9.6 When a Member is travelling on Council-related business, the Member may be reimbursed for the following meal allowances:
- a. Breakfast – if departure or return time is earlier than 7:30 a.m.;
 - b. Lunch – if the departure time is earlier or later than 1:00 p.m.; and
 - c. Dinner – if the departure or return time is later than 6:30 p.m.
- 9.7 When Members submit expense claims for Council related beverage/meal meetings (excluding alcohol), the names of those in attendance and the purpose of the meeting shall be recorded on the receipt.
- 9.8 If a meal is included in the cost of airfare, a Member shall not claim a meal allowance, unless the flight is delayed.

10. **Equipment:**

- 10.1 While in office, Members will be provided with a tablet device to assist with carrying out their duties.
- 10.2 Any equipment provided to Members remain the property of the City, and shall be returned when the individual is no longer an elected official for the City.
- 10.3 Should a Member wish to use their own smartphone for Council business, a monthly allocation of up to \$100 may be expensed from their Phone, Cell, Fax & Internet GL budget, upon completion of an expense claim and submission of receipts.

11. **Benefits:**

- 11.1 Members may participate in the City's benefit programs, where eligible. Benefits include, but are not limited to:
- a. extended health;
 - b. dental;

- c. life insurance;
- d. out of country travel insurance;
- e. health care spending account;
- f. discount on entry fees to City-owned and operated recreation facilities; and
- g. other savings or discounts available to all City employees.

COUNCIL
PROCEDURE



GOV-009-C

COUNCIL REMUNERATION & EXPENSES

Date Issued: _____, 2017	Responsibility: City Council
Current Revision: _____, 2017	Cross Reference: <ul style="list-style-type: none">• Council Remuneration & Expense Policy GOV-009-C

PURPOSE

To provide direction on the processes related to payment of remuneration and per diems, and the reimbursement of eligible expenses for members of Council. Members of Council are not expected to subsidize the operations of the City, or provide benefit to themselves or members of their family at the City's expense.

DEFINITIONS

Chief Financial Officer – shall mean the person who is appointed to the position by the City Manager.

City – shall mean the City of Fort Saskatchewan

City Boundary – shall mean the area within the City's corporate limits

Council – shall mean the municipal Council of the City of Fort Saskatchewan

Council Committee – shall mean any committee, board, or other body established by bylaw or resolution, or which a member of Council is appointed to

Deputy Mayor – shall mean the member who is appointed pursuant to the Act as Mayor in the absence or incapacity of the Mayor

Director, Legislative Services – shall mean the person appointed to the position by the City Manager

Expense Claim – shall mean the City's Expense Claim Form required for reimbursement of expenses

Mayor – shall mean the Chief Elected Official for the City and is a member of Council

Members – shall mean a member of Council for the City of Fort Saskatchewan

Per Diems – shall mean a pre-determined amount to compensate members of Council for their attendance at Council-related events, paid in accordance with this Procedure

Remuneration – shall mean the annual pre-determined base level of compensation paid to members of Council

1. General Provisions:

- 1.1 Within the overall budget allocated for each Member, i.e., for per diems (where applicable), professional development, and expenses, funds could be used between accounts to offset any short fall. The total of these accounts shall not exceed the overall budget allocation.
- 1.2 Should a Member expend their total budget:
 - a. the Member may make a request to transfer funding from another Member's budget;
 - b. the Member granting permission to such a request shall provide consent in writing and forwarded to the Legislative Services Department;
 - c. upon receipt of written confirmation, funds will be transferred Internally from one Member to the other; and
 - d. the transfer of funds will be posted using the same method as expenses on the City's website.
- 1.3 On a quarterly basis, monthly Member per diems (internal and external boards and committees) and expense claims, including receipts for each expenditure, shall be posted on the City's website.
- 1.4 Any expenses for the Mayor shall be reviewed and approved by the Chief Financial Officer.
- 1.5 Any expenses or per diems for Councillors' shall be reviewed and approved by the Director, Legislative Services.
- 1.6 Funds shall only be drawn from the Member's current fiscal year budget.
- 1.7 Funds may not be carried over from one budget year to the next fiscal year.

2. Remuneration:

- 2.1 Mayor:
 - a. The position of Mayor is considered to be full-time. The Mayor will receive an annual remuneration, paid bi-weekly.
 - b. The Mayor's remuneration shall be considered compensation for all duties of the office.
- 2.2 Councillor:
 - a. The position of Councillor is considered to be part-time. Each Councillor shall receive an annual base remuneration, paid bi-weekly.
 - b. Councillor base remuneration for activities include:
 - i. participation in all Council and Council committee meetings after 4:30 p.m.;
 - ii. participation in all meetings for boards, committees, or commissions after 4:30 p.m. where the Councillor has been appointed by Council;

- iii. personal preparation for all meetings referenced above;
 - iv. participation in meetings with the City Manager or members of the Administration, for any purpose; and
 - v. attendance at community functions where the Councillor has been invited to attend, and is acting in an official capacity (if prior to 4:30 p.m., per diems may apply).
- 2.3 Every 4 years, prior to a new term of Council, the base amount of Member remuneration shall be reviewed by the People Services Department.
 - a. Council remuneration shall be determined based on the average market maximum through a survey of comparable municipalities in Alberta, and/or other factors at the discretion of Council;
 - b. The comparable municipalities are:
 - i. Cities – Spruce Grove, Camrose, Leduc, Lloydminster, Airdrie, and
 - ii. Towns – Okotoks, and Cochrane;
- 2.4 On an annual basis, Council remuneration shall be adjusted based on the increase in the Annual Cost of Living Index for the Edmonton Region, as determined by Statistics Canada as of December 31st. This review will be conducted by the People Services Department;
- 2.5 All Council remuneration shall be in accordance with applicable federal and provincial legislation.
- 3. **Per Diems:**
 - 3.1 Every 4 years, prior to a new term of Council, the amount of Councillor per diems shall be reviewed by the People Services Department.
 - 3.2 As the Mayor does not receive per diems from the City, the Mayor may receive any applicable per diems from organizations which they are a member.
 - 3.3 Per diems are intended to reimburse Councillors for daytime events prior to 4:30 p.m., which may take them away from their regular place of employment.
 - 3.4 Councillors may receive per diems from organizations which they are an appointed member. However, Councillors shall not claim per diems from both the organization and the City for the same event.
 - 3.5 The Deputy Mayor shall be eligible for and shall receive per diems, pursuant with this Procedure, for attending events on behalf of the Mayor.
 - 3.6 Councillors shall be eligible to receive per diems for attending functions or events as an official Council representative, at the request of the Mayor, or at the request of Council.

- 3.7 Per diems shall be paid at a rate of \$100 per half day and \$200 per full day.
- a. A half day per diem is defined as being from 2 to 4 hours.
 - b. A full day per diem is defined as being in excess of 4 hours.
 - c. Travel time shall form part of the per diem calculation.
- 3.8 Per diems shall not be paid for attendance at the following:
- a. any Council and Council committee meetings after 4:30 p.m.;
 - b. participation in any meetings for boards, committees, or commissions where the Councillor has been appointed by Council, and which are held after 4:30 p.m.;
 - c. sporting events;
 - d. general public appearances;
 - e. community events, i.e., Canada Day, Remembrance Day, etc.;
 - f. social events; and
 - g. attendance at political party functions or fundraisers of any type.

4. Professional Development:

- 4.1 Eligible professional development expenses include:
- a. registration costs for attendance at conferences, seminars, workshops, meetings, or other related events; and
 - b. costs for transportation, accommodation, and meals which are not included in the registration.
- 4.2 On an annual basis, Council shall allocate professional development funding to Members for their attendance at functions as described in Section 4.1.
- 4.3 Members may determine which professional development events they wish to attend.
- a. Members may also wish to consider using their funding for the following recommended events:
 - i. the Federation of Canadian Municipalities (FCM) Annual Convention; and
 - ii. the Alberta Urban Municipalities Association (AUMA) Annual Convention.
- 4.4 Costs incurred when travelling for professional development and meetings beyond the City boundaries will be reimbursed for actual mileage distance, paid in accordance with this Procedure.
- 4.5 Funds shall not be carried over from one budget to the next.

5. Expenses:

- 5.1 Eligible expenses include costs associated with meals, transportation, mileage, and accommodation, pursuant to this Procedure.
- 5.2 Personal expenses, personal care items, medical expenses (in excess of those covered by the City's medical benefits, if applicable), expenses related to political party fundraisers, or expenses for initiatives not directed by Council, shall not be eligible for reimbursement.
- 5.3 The following provisions apply to expenses for a Member's spouse or partner:
 - a. When a spouse/partner attends an out-of-town function/conference with the member of Council, expenses related to the spouse/partner's travel, meals, registration, and extra-curricular events are considered personal in nature, and shall not be eligible for reimbursement.
 - b. When a spouse/partner is invited to accompany a Member to a conference banquet/gala, social, or fundraising event, and the member is attending the event in an official capacity, the spouse/partner's ticket may be charged to the Member's budget.
- 5.4 Members of Council shall complete an expense claim for any expense reimbursements.
- 5.5 Expense claims shall be submitted for reimbursement within 5 days following the end of the month, and must be accompanied by original receipts which detail the expenses.
- 5.6 Gratuities for eligible meals and transportation fares shall not exceed 15% on the expense.
- 5.7 Where it is determined that a Member has submitted a false or incorrect expense claim, the expense shall be rectified immediately, and repaid to the City.

6. Promotional Budget:

- 6.1 The Mayor shall receive an annual corporate promotional budget to assist in carrying out the duties of the Mayor. The corporate promotional budget:
 - a. is for expenditures related to the promotion of Council and the City, and may include sponsoring, donations and promotional requests for not-for-profit groups, the public, fundraising, or community events;
 - b. expenditures shall be consistent with the City's corporate values and should enhance and protect the reputation of Council and the City;
 - c. expenditures shall be non-partisan; and
 - d. permits the Mayor to use promotional funds in accordance with the provisions of this Procedure.
- 6.2 Councillors shall each receive an annual promotional budget to assist in carrying out their duties, and they shall ensure use of promotional budgets:
 - a. are related to their role;

- b. are consistent with the City's corporate values and should enhance and protect the reputation of Council and the City; and
 - c. are used in a non-partisan manner.
- 6.3 Councillors may allocate or expend their promotional budget at their discretion, for promotion of Council in accordance with the provisions of this Procedure.
- 6.4 Councillors may use their promotional funds to purchase items from the corporate promotional budget.
- 6.5 Councillors may transfer or combine all or a portion of their promotional budget with another Councillor:
 - a. any Councillor requests and subsequent permissions received to transfer or combine promotional funds shall be submitted to Legislative Services in writing.
- 7. **Transportation:**
 - 7.1 Members using personal vehicles for Council business shall be compensated in accordance with this Procedure.
 - 7.2 Members shall be provided with a monthly car allowance in the amount of \$200 per month for the Mayor and \$50 per month for Councillors.
 - 7.3 Private vehicle use:
 - a. Members shall be reimbursed for actual distance traveled outside the City, based on the Government of Alberta mileage rates.
 - b. Members completing an expense claim shall include details of the business purpose, location, departure dates, and distance travelled with each claim.
 - c. If two or more Members travel together in the same vehicle while on Council business, only one Member may claim mileage for the distance travelled.
 - d. Fines for moving violations incurred while conducting Council business are the responsibility of the Member and are not eligible for reimbursement.
 - 7.4 When travelling outside the City boundaries, the most economical and practical means of travel shall be used.
- 8. **Accommodation:**
 - 8.1 Eligible expenses include commercial accommodations for conferences, meetings, or other events, when necessary.
 - 8.2 Accommodation expenses shall be reimbursed at the approved event rate, government rate, or other economical accommodation in the locale of the event.
 - 8.3 Costs associated with any personal entertainment, such as movies and in-room items or services are not eligible for reimbursement. Room service meals may be eligible for expense.

- 8.4 Where private arrangements for accommodation are made and commercial accommodations are not used, a daily allowance based on (Government of Alberta) rates may be claimed.

9. **Meals:**

- 9.1 When travelling on Council-related business, a Member may claim either the actual cost of the meal or the meal allowance. The actual cost of the meal is the amount shown on the receipt, excluding alcohol, plus a gratuity not to exceed 15%.
- 9.2 The maximum reimbursement for food and beverages is \$100 per day, with the cost a single meal not exceeding \$50, plus taxes and gratuities.
- 9.3 Meal allowances are based on Government of Alberta meal allowance rates.
- 9.4 When a Member attends a conference, meeting, or other event where a meal has been provided, the Member shall not claim a meal allowance. Exception shall be made if the Member has purchased a meal and provided a detailed receipt with their expense claim.
- 9.5 Members shall require detailed receipts when submitting an expense claim.
- 9.6 When a Member is travelling on Council-related business, the Member may be reimbursed for the following meal allowances:
- a. Breakfast – if departure or return time is earlier than 7:30 a.m.;
 - b. Lunch – if the departure time is earlier or later than 1:00 p.m.; and
 - c. Dinner – if the departure or return time is later than 6:30 p.m.
- 9.7 When Members submit expense claims for Council related beverage/meal meetings (excluding alcohol), the names of those in attendance and the purpose of the meeting shall be recorded on the receipt.
- 9.8 If a meal is included in the cost of airfare, a Member shall not claim a meal allowance, unless the flight is delayed.

10. **Equipment:**

- 10.1 While in office, Members will be provided with a tablet device to assist with carrying out their duties.
- 10.2 Any equipment provided to Members remain the property of the City, and shall be returned when the individual is no longer an elected official for the City.
- 10.3 Should a Member wish to use their own smartphone for Council business, a monthly allocation of up to \$100 may be expensed from their Phone, Cell, Fax & Internet GL budget, upon completion of an expense claim and submission of receipts.

11. **Benefits:**

- 11.1 Members may participate in the City's benefit programs, where eligible. Benefits include, but are not limited to:
- a. extended health;
 - b. dental;
 - c. life insurance;

- d. out of country travel insurance;
- e. health care spending account;
- f. discount on entry fees to City-owned and operated recreation facilities; and
- g. other savings or discounts available to all City employees.

**COUNCIL
POLICY**



GOV-009-C

CITY COUNCIL REMUNERATION

Date Issued: October 28, 2014

Mandated by: City Council

Current Revision: October 28, 2014

Cross Reference: Procedure GOV-009-C

Next Review Diarized: January 1, 2017

Responsibility: City Manager's Office

PURPOSE

This policy provides direction for remuneration of honorariums, expense reimbursement, professional development, per diems and other benefits to the Mayor and Councillors.

POLICY

To promote public interest and opportunity in serving in an elected municipal position by providing reasonable compensation for the time commitments demanded of Council members.

EXECUTIVE LIMITATIONS

1. The Mayor and all Councillors shall receive remuneration (including honorariums, reimbursements of expenses, professional development and per diems) in accordance with the process and procedures as described under Council Procedure GOV-009-C.
2. The City Manager and Director of People Services are responsible for reviewing and recommending updates to this policy.

AUTHORITY / RESPONSIBILITY TO IMPLEMENT

1. The City Manager shall be responsible for ensuring remuneration rates are reviewed in accordance with Council Procedure GOV-009-C and adjusted as required.
2. The City Manager's Office is responsible for ensuring honorariums, per diems, and reimbursement of expenses are made in accordance with Council Procedure GOV-009-C.
3. This policy rescinds and replaces FIN-007-C and is effective immediately unless otherwise directed by Council.

City Manager

COUNCIL PROCEDURE



GOV-009-C

CITY COUNCIL REMUNERATION

Date Issued: October 28, 2014

Mandated by: City Council

Current Revision: November 10, 2015

Cross Reference: Policy GOV-009-C

Next Review Diarized: January 1, 2018

Responsibility: City Manager's Office

PURPOSE

To provide direction for remuneration of honorariums, expense reimbursement, professional development, per diems and other benefits to the Mayor and Councillors, including processes to be undertaken to determine reasonable compensation and the circumstances under which other benefits will be provided.

PROCEDURE

This procedure defines the processes by which each category of compensation for members of Council will be determined.

1. Honorariums:

a. Mayor:

- i. The position of Mayor is considered a "full time" position. The Mayor will receive an annual honorarium, paid bi-weekly.
- ii. The Mayor's honorarium will be considered compensation for all duties of the office.

b. Councillors:

- i. The position of Councillor is considered a "part-time" position. Each Councillor will receive an annual base honorarium, paid bi-weekly.
- ii. Included in the base honorarium for Councillors are items such as:
 1. participation in all meetings of City Council, subject to section 2e.i.;
 2. participation in all meetings of any committees of City Council;
 3. participation in all meetings of bodies to which the Councillor is appointed by City Council, subject to section 2b. and 2c.;
 4. personal preparation for all meetings referenced above;
 5. participation in meetings with the City Manager and other City staff for any purpose; and
 6. attendance at community functions to which the Councillor is invited and accepts such invitations;
- iii. Items not included in section 1b.ii. above shall be brought forward for consideration as to whether or not additional compensation shall be provided.

2. Per Diems:

- a. The Mayor does not receive a per diem from the City. However, the Mayor may receive a per diem from organizations of which (s)he is a member, such as the Capital Region Board.
- b. Councillors may receive per diems from organizations of which they are a member.
- c. Subject to section 2e.i., Councillors will receive a per diem for attending functions that the Mayor or Council has requested they attend as an official representative of the City. Per diems will be paid on either a full day or a half day basis. Generally these are intended to be a reimbursement for daytime events which take a Councillor away from their regular place of employment.
- d. The Deputy Mayor will receive a per diem for attending events on behalf of the Mayor.
- e. Per diems will not be paid for attendance at such activities as:
 - i. regular Council Meetings, Special Meetings of Council, Committee of the Whole Meetings and workshops commencing at 4:30 p.m. or later;
 - ii. regular Meetings of related Boards, Committees or Commissions as designated at the Annual Organizational Meeting of Council;
 - iii. participation in meetings of bodies such as the Capital Region Board in which the Councillor has not been requested to attend as an official representative of the City;
 - iv. golf tournaments;
 - v. openings;
 - vi. general public appearances;
 - vii. community events such as Canada Day, Remembrance Day, etc.;
 - viii. other purely social events; and
 - ix. attendance at political party functions of any type.
- f. Per diems shall be paid at a rate of \$100 per half day and \$200 per full day. Half day is defined as up to four hours, and full day is defined as in excess of four hours. Travel time forms part of this calculation.
- g. Subject to the limitations set for per diems in Section 1.b.ii and 2.e., each Councillor will have the discretion as to when a per diem should be paid.
- h. Within the overall budget set for each Councillor for per diems, professional development and expenses, funds can be utilized between these accounts to offset a short fall. However, the total budget for all three accounts shall not be exceeded.
- i. Should a Councillor expend their total per diems, professional development and expenses budgets, permission may be obtained to use expected unspent funds from another Councillor.

3. Professional Development:

- a. Costs shall be funded for the Mayor and Councillors' attendance at conferences, seminars, workshops, and other meetings (CSWMs).
- b. Council will approve amounts for CSWMs in the annual budgeting process to provide the necessary funding for members of Council to attend events such as:
 - i. the Federation of Canadian Municipalities (FCM) Annual Convention;
 - ii. the Alberta Urban Municipalities Association (AUMA) Annual Convention; and other educational or professional development conferences, conventions and seminars.
- c. The City will pay the reasonable expenses including:
 - i. Registration costs; and
 - ii. Transportation, accommodation and meals not covered by registration costs in accordance with the Travel and Expense Claims Policy, FIN-012-C.

- d. Costs incurred when traveling to conferences, conventions and other training sessions, as well as meeting with representatives of other governments at locations beyond City boundaries (including transportation, meals, hotels, communication and other costs) will be reimbursed at the actual rate of the expense in accordance with the Travel and Expense Claims Policy, FIN-012-C.
 - e. Members of Council using their personal automobile for City business shall be compensated in accordance with the Travel and Expense Claims Policy, FIN-012-C. In addition, members of Council shall be provided with a monthly car allowance in the amount of \$200/month for the Mayor and \$50/month for Councillors.
 - f. Members of Council will not be reimbursed for attending a political party function or fundraiser.
 - g. Councillor expenses shall be reviewed by the Director of Legislative Services.
 - h. Mayor expenses shall be reviewed by the Chief Financial Officer.
4. Spouses/Partners:
- a. If a spouse/partner accompanies a member of Council to an out of town conference/convention, the expenses of the spouse/partner for travel, meals, and registration for extra-curricular events are considered personal expenses except as noted in sub-sections b and c.
 - b. Where the spouse/partner is invited to a conference to accompany the member of Council to banquets/receptions, both the conference registration fee for the spouse/partner and the tickets for these banquets/receptions may be charged to the Mayor or Councillors' budget.
 - c. When a member of Council is invited to a social or fund-raising function in an official capacity, and a spouse/partner is invited to accompany the member of Council, the ticket for the spouse/partner may be charged to the Mayor or Councillors' budget.
5. Promotions Budget:
- a. To assist in carrying out their duties, Council members shall be provided with an annual promotions budget of \$1,200.
 - b. Guidelines for the use of the promotions budget are as follows:
 - i. expenditures must relate to carrying out the role of an elected official for the City of Fort Saskatchewan;
 - ii. expenditures shall be consistent with the City's corporate values and should enhance and protect the reputation of the City;
 - iii. expenditures shall be non-partisan;
 - iv. expenditures shall be based on the criteria set out in these guidelines, each member may allocate or expend their promotion budget at their personal discretion;
 - v. members of Council may combine all or a portion of their promotion funds with another member of Council;
 - vi. unexpended funds cannot be carried over to a subsequent budget year; and
 - vii. all promotion expenditures will be posted publicly on the City's web page.
6. Other Allowances:
- a. To assist in carrying out their duties, Council members shall be provided with various business equipment upon their request. Any equipment provided remains the property of the City and shall be returned when the individual is no longer a Council member. Council members may choose all or some of the following options that are compatible with existing City technology:
 - i. laptop or tablet device; and/or
 - ii. smartphone.
 - b. Should a Council member wish to use their own smartphone, a monthly allocation of up to \$100 will be paid based upon receipts.

7. Benefits:

Members of Council may participate in City of Fort Saskatchewan initiated benefit programs where eligible. Benefits include but are not limited to:

- a. extended health benefits;
- b. dental benefits;
- c. life insurance;
- d. out-of-country travel insurance;
- e. health care spending account;
- f. discount on entry fees to City owned and operated recreation facilities; and
- g. other savings or discounts offered to all City employees.

8. Review of Levels of Remuneration:

- a. The base amount of Council honorariums will normally be set in the year of each municipal election for the next electoral period.
- b. Council honorariums will be determined based on the average market maximum through a survey of comparable municipalities in Alberta and/or other factors at the discretion of Council.
- c. The comparable municipalities are:
 - i. cities: Spruce Grove, Camrose, Leduc, Lloydminster, Airdrie; and
 - ii. towns: Okotoks, Cochrane.
- d. Council honorariums will be adjusted each year based on the increase in the Annual Cost of Living Index for the Edmonton Region as determined by Statistics Canada as of January 1st. This review will be conducted by the Director, People Services.
- e. Per diem rates will be reviewed and updated annually. This will be done in conjunction with the annual cost of living review conducted by the Director, People Services.
- f. In accordance with the Municipal Government Act and the federal Income Tax Act, 33.33% of the honorarium and per diem paid to Council members is deemed to be in lieu of expenses and is not taxable as income. The Director, People Services shall ensure that this percentage is applied to applicable honorariums and the taxable and non-taxable portions are communicated to Council members whenever honorarium changes take place.

9. This procedure rescinds and replaces the previous Council Procedure GOV-009-C and is effective immediately unless otherwise directed.



TRAVEL AND EXPENSE CLAIMS

Date Issued: 13.Feb.84

Mandated by: Council

Current Revision: 09.Jan.14

Cross-reference: FIN-007, FIN-017,
HUM-022

Next Review Diarized: 01.Jan.15

Responsibility: Director, Finance

POLICY

City Council believes that members of City Council and employees should be reimbursed for reasonable personal expenses incurred while on authorized City of Fort Saskatchewan ("City") business. Members of City Council and employees are neither expected to subsidize the operations of the City nor indulge themselves at the City's expense.

DEFINITIONS

- *Capital Region* - that area of land that lies within a 75 kilometer radius of Edmonton
- *City Representative* - individual, who is not an employee, who performs business on behalf of the City or an unfunded City Committee or City Board members. This includes, but is not limited to, members of City Council, members of City Boards/Commissions/Committees and volunteers
- *Employee* - individual who is hired to work full time or part time for the City and is included on the City's biweekly payroll
- *Travel Status* - absence from an employee's workplace while on City business. Travel status will originate from the employee's workplace, as per Canada Revenue Agency (CRA) *Allowable Motor Vehicle Expenses*, unless the employee is originating directly from their principle residence. Then, travel status will originate from the employee's principle residence.
- *Workplace* - the location at, or from which an employee ordinarily performs the duties of his/her position. In the case of an employee whose duties are of an itinerant nature, his/her workplace is the actual building where his/her pertinent administrative matters are conducted (i.e. where his/her reports are prepared and/or submitted).

GUIDELINES

1. A Department General Manager may approve travel for employees when other means of conducting City business are not practical. When travel is authorized, the most direct, practical and cost effective route and mode of transportation should be used.
2. A cash advance from the City's accounts payable is permitted to ensure that an employee has sufficient funds on hand to pay for significant City expenses such as accommodation, automobile rental or where a supplier is reluctant to accept a City purchase order or cheque. Any employee that has been issued a corporate credit card will not be eligible for cash advances.
3. An expense claim form (available from the intranet) must be completed for all reimbursements

submitted under this policy. The supervisor must authorize all expenditures. Expenses claimed by the City Manager must be authorized by the Mayor or, in his/her absence, the Deputy Mayor. Expenses claimed by members of Council must be authorized by the Mayor. Expenses claimed by the Mayor must be authorized by the Deputy Mayor.

4. Employees on travel status are entitled to reimbursement for transportation, accommodation, meals and miscellaneous travel costs.

5. Travel Expenditures

- (a) Transportation

- (i) Air, bus or train transport at the most economical means (commonly referred to as “economy” or “coach”) will be approved, taking into account the net cost to the City. In extraordinary circumstances, the employee must acquire authorization from the Department General Manager with accompanying documentation supporting the decision. If the employee chooses to upgrade the level of transportation, the employee is responsible for the difference between that level and the economy rate.
 - (ii) Where an employee chooses to use a method of transportation other than that prescribed above and approval for such is obtained, the employee shall be reimbursed or paid an allowance, as the case dictates, as though the method of transportation prescribed above was used.
 - (iii) An employee may, with consent from their supervisor, select a route and method of transportation to combine personal activities with City business. In this case, the reimbursement or allowance shall be paid on the basis that would have applied had the trip been made in accordance with the above.
 - (iv) If personal activities extend the period of working time required for a trip, the additional time shall be deducted from the employee’s accruals for vacation/time-off-in-lieu or granted as leave without pay.
 - (v) Where a City approved registration fee requires payment for spouses/guests that are not City employees, such payment may be made, and included as part of the registration payment. A copy of the spouse’s/guest’s full reimbursement is to be included upon submission for payment of the employee’s credit card. A spouse, or any other non-employee person(s) travelling with an employee is responsible for their own travel fare and related expenses will not be processed through the City’s accounts payable or reimbursed to the employee.

- (b) Private Vehicle Use

- (i) The City will reimburse an employee for kilometerage, based on Government of Alberta kilometerage rates.
 - (ii) An employee using a personal vehicle while conducting City business will be reimbursed for actual (not estimated) kilometers travelled at the approved rate. An employee must submit an expense claim detailing business purpose, location, departure/arrival times and distance travelled for each trip claimed.
 - (iii) An employee authorized to use his/her personal vehicle for out-of-town travel will receive the lower of a reimbursement equal to the economy return airfare, if applicable, or the actual kilometers travelled while on City business during the trip. However, if it is deemed to be more practical to travel by personal automobile than by other means (e.g. conference in Calgary where rental car costs or taxi/bus fares from the airport are substantial) the cost of actual kilometers travelled will be reimbursed.
 - (iv) If two or more employees travel in the same vehicle while on City business, only one may claim expenses for kilometerage.
 - (v) An employee using his/her personal vehicle while conducting City business must carry at least one million (\$1,000,000.00) dollars of public liability and property damage insurance.

In the event of an accident, the insurance deductible will be the responsibility of the employee.

- (vi) Fines for moving violations incurred while conducting City business are the responsibility of the employee and are not eligible for reimbursement.
- (vii) Where an employee is required by his/her insurance company to have business insurance in order to conduct City business, over and above personal vehicle insurance coverage, the City will reimburse only for that portion of the premium that pertains to the City business insurance.
- (viii) Taxi and limousine fares will be reimbursed **plus a gratuity to a maximum of fifteen (15%) percent of the fare. Bus and commuter train fares will also be reimbursed.** Car (economy class only) rental fees for areas outside the Capital Region may be claimed when such rental is deemed to be more economical/practical than bus/taxi rates, i.e. when a large amount of business related travel is required.
- (ix) While on City business, mileage is claimable from the workplace to a destination within or outside of the City's municipal limits. Mileage is also claimable from the employee's principle residence location to a destination outside of the City's municipal limits if that travel is as a result of City business. Mileage is not claimable from the employee's principle residence location to the workplace as per CRA *Allowable Motor Vehicle Expenses*.

(c) Accommodation

- (i) An employee on travel status outside the Capital Region for one or more nights is entitled to reimbursement of the cost of commercial accommodation. Accommodation claims inside the Capital Region will be considered only when deemed beneficial to the City and previously authorized. Claims by employees must be authorized by their supervisor. Claims by the City Manager must be authorized by the Mayor or, in his/her absence, the Deputy Mayor. Claims by members of Council must be authorized by the Mayor. Claims by the Mayor must be authorized by the Deputy Mayor.
- (ii) Reservations are to be made under the City of Fort Saskatchewan to take advantage of any available government/corporate rate. A spouse accompanying an employee is responsible for any required rate increase due to their occupancy and must not be settled with City funds. The increased amount must be paid by the employee's personal means at the time of settling the payment.
- (iii) Accommodation will be provided at the approved conference room rate or government rate in the locale of the meeting, whichever is lower.
- (iv) The cost of all personal entertainment such as movies and in-room items is the responsibility of the employee, is not eligible for reimbursement and must not be settled with City funds. These costs must be paid by the employee's personal means at the time of settling the payment.
- (v) Where private arrangements for accommodation are made and commercial facilities are not used, a daily allowance based on the Government of Alberta daily allowance rate may be claimed.

(d) Meals

- (i) When travelling on City business, an employee may claim either the actual cost of the meal or the meal allowance. The actual cost of the meal is the amount shown on the receipt, excluding alcoholic beverages, plus a gratuity of up to fifteen (15%) percent of the meal cost.
- (ii) The maximum reimbursement for food and beverage cannot exceed \$100 per day, with the cost of one single meal not exceeding \$50, inclusive of taxes and gratuities to a maximum of **fifteen (15%) percent.**
- (iii) Meal allowances are based on Government of Alberta meal allowance rates.
- (iv) When an employee is travelling on City business for part of a day, the employee may be reimbursed for the receipted amount or the meal allowance as follows:

- breakfast, if the departure time is earlier or the return time is later than 7:30 a.m.;
 - lunch, if the departure time is earlier or the return time is later than 1:00 p.m.; and
 - dinner, if the departure time is earlier or the return time is later than 6:30 p.m.
- (v) If a meal is included in the cost of airfare, an employee cannot claim a meal allowance unless the flight is delayed.
- (vi) If a meal is included in the cost of a conference, session, workshop, event, function, etc., an employee cannot claim a meal allowance unless the conference, session, workshop, event, function, etc. does not occur or is delayed.
- (vii) Reimbursement for the cost of alcoholic beverages is not permitted.
- (e) Miscellaneous Travel Costs
- (i) Personal Telephone Calls: In general, the cost of telephone calls of a non-business nature are not eligible for reimbursement. However, an employee on travel status is allowed reimbursement for the cost of one personal telephone call which is not to exceed fifteen (15) minutes in total, for each twenty-four (24) hour period while on City business.
- (ii) Medical Expenses: An employee will be responsible for all medical expenses incurred in excess of those covered by the City's existing benefits package. The supervisor will determine eligibility for reimbursement of all other expenses incurred subsequent to an emergency situation.
- (iii) Laundry Expenses: An employee may claim for laundry and dry cleaning costs incurred while travelling on City business.
- (iv) Personal Incidentals: Members of City Council or employees will not be reimbursed for expenses associated with personal incidentals. Personal incidentals include, but are not limited to, items such as:
- personal care items,
 - monetary gratitude given for service received which is not related to service received for City paid meals under Clause 5 (d) and Clause 6, and
 - personal use consumable items when consumed outside of City paid meals under Clause 5 (d) and Clause 6.
6. All working session meals and costs shall have prior approval from the supervisor. This includes employee retreats and on-site or off-site work session meals and costs. The frequency of such meals and costs is limited to a reasonable amount annually as determined by each Department General Manager and/or City Manager. Meals/Costs by the City Manager must be authorized by the Mayor or, in his/her absence, the Deputy Mayor. Meals/Costs by members of Council must be authorized by the Mayor. Meals/Costs by the Mayor shall be authorized by the Deputy Mayor.
7. Members of City Council or employees will not be reimbursed for expenses to attend a function that is promoted as a fundraiser for a political party or candidate.
8. Expense claims must be submitted for reimbursement within 30 days of the expense being incurred and must be accompanied by original receipts which detail the nature of the transaction thereon.
9. Authorizing parties are responsible to ensure that reimbursement is in accordance with this policy.
10. Where it is determined that an employee has falsified an expense claim, any overpayment shall be recovered and disciplinary action may be taken against the individual.
11. Any items of dispute will be submitted to the City Manager for arbitration and will not be processed for payment until an arbitration decision is rendered.

PROCEDURES

1. Employees will note on all receipts a brief explanation, in layman's terms, of the business nature of the expense along with attending parties/guests, their title and organization. When the original receipt is not provided, an **Employee Request for Reimbursement**, available on the City's intranet, must be completed. Credit card and debit card receipts are not acceptable as original receipts.
2. Cash Advances
 - (a) Cheque requisitions:
 - (i) must be approved by the supervisor at least seven (7) working days prior to when the cash is required. An employee must submit a cash advance request to Accounts Payable;
 - (ii) Accounts Payable will provide to the employee a cheque made payable to "individual's name - cash advance";
 - (iii) will be filed by the Accounts Payable Clerk who will request further information if the employee does not submit all receipts within seven (7) working days of the employee's return to work date after the event for which the funds were requested.
 - (b) Accounting:
 - (i) the employee will submit to Accounts Payable, within seven (7) days of return date indicated on the cash advance request, all receipts and backup documentation;
 - (ii) if the cash advance has not been totally expended, the remaining balance must accompany this submission;
 - (iii) if the advance has been exhausted and the employee has used personal funds to cover additional expenses, an expense claim is to accompany this submission.

City Manager (Original Signed by KK)

ADMINISTRATIVE POLICY



FIN-012-A

EMPLOYEE BUSINESS EXPENSE

Date Issued: _____, 2017

Mandated by: City Manager

Current Revision: _____, 2017

Cross Reference:

- Employee Business Expense Procedure
FIN-012-A

Next Review: _____, 2020

Responsibility: Chief Financial Officer

PURPOSE

To provide direction for payment and reimbursement of reasonable expenses incurred while on authorized City of Fort Saskatchewan business.

POLICY

Employees shall be reimbursed for business expenses necessarily incurred in the performance of their duties. Employees are neither asked to subsidize the cost of the City, nor invited to indulge themselves at public expense.

DEFINITIONS

Business Expense – shall mean an expense incurred to acquire goods or services necessary for the provision of municipal services.

Chief Financial Officer – shall mean the person who is appointed to the position by the City Manager.

City – shall mean the City of Fort Saskatchewan.

Employee(s) – shall mean an individual or individuals who are employed with the City of Fort Saskatchewan.

GUIDING PRINCIPLES

1. In order for an expense to be eligible for reimbursement:
 - a. It must be necessary to the performance of the employee's duties in conducting the business of the City;
 - b. The amount of the expense must be reasonable given the nature of the expense, neither subsidizing the City's cost, not an indulgence of the employee; and

- c. The employee must have prior authorization to incur the expense on behalf of the City.
2. Employees shall receive payment of expenses in accordance with the processes outlined in Employee Business Expense Procedure FIN-012-A.
3. When travel is authorized, the most direct, practical, and cost effective route and mode of transportation should be used.

AUTHORITY / RESPONSIBILITY TO IMPLEMENT

The City Manager delegates responsibility for this Policy, the development of procedures to enact it, and ensuring the uniform application of this Policy within the organization in accordance with legislative requirements to the Chief Financial Officer

1. The appropriate supervisor for each employee shall review and ensure eligible expenses in accordance with this Policy and Administrative Procedure FIN-012-A are approved.

EMPLOYEE BUSINESS EXPENSE

Date Issued: _____, 2017

Responsibility: Chief Financial Officer

Current Revision: _____, 2017

Cross Reference:

- Employee Business Expense Policy
FIN-012-A
-

PURPOSE

To provide processes and direction on the payment and reimbursement of eligible and reasonable expenses incurred by City employees while on authorized City of Fort Saskatchewan business.

DEFINITIONS

Chief Financial Officer – shall mean the person who is appointed to the position by the City Manager.

City – shall mean the City of Fort Saskatchewan.

City Boundary – shall mean the area within the City's corporate limits.

City Manager – shall mean the Chief Administrative Officer for the City.

Employees – shall mean individuals who are employed with the City of Fort Saskatchewan

Per Diem – shall mean an allowance available to employees to reimburse for the cost of food and beverages while away on City business.

Workplace – shall mean the location at, or from which an employee ordinarily performs the duties of their position. In the case of an employee whose require travel from place to place on an ongoing basis, their workplace is deemed to be the building where their administrative matters are conducted.

1. **General Provisions:**

- 1.1 Within overall department budgets, funds made available for employees shall be used for training, development, and associated eligible expenses that will benefit the employee in their current role or in a future role at the City.
- 1.2 Whenever possible, employees provided with a corporate credit card shall use the card to cover expenses incurred by them.
- 1.3 Supervisors may use their corporate credit card to pay for expenses such as registrations, travel, and expenses that would be personally incurred by one of their staff.
- 1.4 An expense claims form (available on MyFort) shall be completed and submitted to the employee's supervisor, along with supporting documentation for all eligible expenses.

2. Expenses:

- 2.1 Eligible expenses include costs associated with meals not provided, per diems, transportation, mileage, and accommodation, pursuant to this Procedure.
- 2.2 An employee's supervisor shall review and approve all expenses. In the absence of the supervisor, another City employee with appropriate signing authority may review and approve the employee's expenses.
- 2.3 The City Manager's expenses shall be authorized by the Mayor, or in their absence, the Deputy Mayor.
- 2.4 Employees shall complete an expense claim for any expense reimbursements, in accordance with this Procedure.
- 2.5 Expense claims shall be submitted by City employees or representatives to Accounts Payable within 5 days following the end of the month for reimbursement. All expense claims must be accompanied by original receipts which detail the expenses.
- 2.6 Where applicable, gratuities for eligible meals and transportation fares shall not exceed 15% on the expense.
- 2.7 Where it is determined that an employee has submitted a false or incorrect expense claim, the reimbursement shall immediately be repaid to the City, and disciplinary action may be taken against the individual.
- 2.8 No expenses shall be submitted or approved that contain Alcohol, tobacco, marihuana or similar items.

3. Travel:

- 3.1 Employees travelling on City business shall be entitled to reimbursement for transportation, accommodation, meals, and miscellaneous travel costs.
- 3.2 Where possible and practical, employees shall share transportation methods to reduce costs.
- 3.3 The most economical means (i.e., economy or coach) of vehicle, air, bus, or train transport shall be approved, taking into account the net cost to the City. When determining the most economical means of transportation the supervisor may take into account cost, purpose of the travel, travel time required, timing of travel options and other factors relevant to the individual situation.
 - a. When unable to use the most economical means, the employee must obtain prior approval from their supervisor. If the employee chooses to upgrade the level of transportation, the employee shall be responsible for any additional costs.
- 3.4 Where an employee chooses to use a method of transportation other than one of the prescribed methods noted in Section 3.3 and has obtained approval from their supervisor to do so, the employee shall be reimbursed or paid an allowance as though the most economical means had been used.

- 3.5 An employee may, with consent of their supervisor, select a route and method of transportation to combine personal activities with City business. In this case, the reimbursement or allowance shall be paid on the basis that would have applied had the trip been strictly for City business.
- 3.6 If personal activities extend the period of working time required for a trip, the additional time shall be deducted from the employee's accruals for vacation/time-off-in-lieu.

3.7 Private Vehicle Use:

- a. Expenses incurred by City employees or representatives shall be submitted to their supervisor through the expense claim form located on MyFort.
- b. Employees shall be reimbursed for actual distance traveled from the employee's workplace or principal residence, as appropriate, to their destination for City work which they have incurred, based on the Government of Alberta mileage rates.
 - i. Detailed documentation of the distance traveled may be required.
- c. An employee authorized to use their personal vehicle for travel will receive the lower of a reimbursement equal to the economy return airfare, if applicable, or the actual distance travelled while on City business during the trip. However, if it is deemed to be more practical to travel by personal automobile than by other means (e.g. conference in Calgary where rental car costs or taxi/bus fares from the airport are substantial) the cost of actual distance travelled will be reimbursed.
- d. An employee using their personal vehicle while conducting City business shall carry at least one million (\$1,000,000) dollars of public liability and property damage insurance. In the event of an accident, the insurance deductible will be the responsibility of the employee.
- e. Fines for moving violations incurred while conducting City business are the responsibility of the employee and are not eligible for reimbursement.
- f. Vehicle rental fees for travel to areas outside the City boundary may be claimed when such rental is deemed to be economical/practical.
- g. Claims where travel is from an employee's residence to the workplace shall not be an eligible expense.

4. Accommodation:

- 4.1 Eligible expenses include commercial accommodations for conferences, meetings, or other events, when necessary.
- 4.2 Accommodation expenses shall be reimbursed at the approved event rate, government rate, or other economical accommodation in the locale of the event.
- 4.3 Costs associated with any personal entertainment, such as movies and in-room items or services are not eligible for reimbursement. In-room meals may be eligible for expense, in accordance with this Procedure.
- 4.4 Where private arrangements for accommodation are made and commercial accommodations are not used, a daily allowance based on Government of Alberta rates may be claimed.

5. **Meals:**

- 5.1 When travelling on City related business, an employee may claim either the actual cost of the meal or the per diem. The actual cost of the meal is the amount shown on the receipt, excluding alcoholic beverages, plus a gratuity not to exceed 15% of the meal cost.
- 5.2 The maximum reimbursement for food and beverages cannot exceed \$100 per day, with the cost of one single meal not exceeding \$50, plus taxes and gratuities.
- 5.3 Per diems are based on Government of Alberta meal allowance rates.
- 5.4 When an employee attends a conference, meeting, or other event where a meal has been provided, the employee shall not claim a per diem.
- 5.5 Expense claims for meals shall be submitted with a detailed receipt.
- 5.6 When a employee is travelling on City related business, the employee may be reimbursed for the following per diems :
 - a. Breakfast – if departure or return time is earlier than 7:30 a.m.;
 - b. Lunch – if the departure time is earlier or later than 1:00 p.m.; and
 - c. Dinner – if the departure or return time is later than 6:30 p.m.
- 5.7 When employees submit expense claims for City related beverage/meal meetings (excluding alcoholic beverages), the names of those in attendance and the purpose of the meeting shall be recorded on the receipt.
- 5.8 If a meal is included in the cost of airfare, an employee shall not claim a per diem or meal expense unless the flight is delayed.

6. **Professional Development:**

- 6.1 Professional Development budgets shall be individually set by each department. Department Directors should be consulted regarding funds available.
- 6.2 Pursuant to this Procedure, eligible professional development expenses include:
 - a. registration costs for attendance at conferences, seminars, workshops, meetings, or other related events;
 - b. Formal educational opportunities at accredited institutions; and
 - c. costs for transportation, accommodation, and meals which are not included in the registration.
- 6.3 Costs incurred when travelling for professional development and meetings beyond the City boundaries will be reimbursed in accordance with this Procedure.
- 6.4 Unexpended funds shall not be carried over from the current budget to a future budget allocation.

CITY OF FORT SASKATCHEWAN

Gymnastics Feasibility Study

Motion:

That Council delay decision on the Gymnastics Feasibility Study until after the results of the Aquatic Vote on October 16, 2017 are known.

Purpose:

To provide Council with the Gymnastics Feasibility Study.

Background:

On May 24, 2016 Council passed Resolution R89-16 directing Administration to bring forward a feasibility study that addresses the presentation made by Fort Gymnastics that includes the scope of work listed for consideration. The project "Gymnastics Feasibility Study" (Budget Request 72-0107) was approved during the 2017 budget process.

Administration contracted RC Strategies+PERC to utilize their expertise in the field of recreation research and planning.

The Gymnastics Feasibility Study investigates the current and future demand for a gymnastics facility in the community and outlines a spectrum of options that could be further pursued, which include:

- development of a new facility;
- repurposing of an existing municipally owned facility;
- purchase and repurposing of a building; and
- lease and repurposing of a building

Council could delay making a decision until after the Aquatic Vote, or support one of the options presented above.

Plans:

A decision to move forward with any option will have an impact on the 2015 Recreation, Facilities and Parks Master Plan Update 12 Year Implementation Plan.

Financial:

Budget Request 72-0107 Gymnastics Feasibility Study was allotted \$80,000 in the 2017 Budget. As the total budget was not required, unused funds will be utilized to revise the 2015 Recreation, Facilities and Parks Master Plan Update, once the Aquatic Vote has been held on October 16, 2017.

Recommendation:

That Council delay decision on the Gymnastics Feasibility Study until after the results of the Aquatic Vote on October 16, 2017 are known.

Attachment:

Gymnastics Feasibility Study

Prepared by:	Sheila Gagnon Recreation Development Coordinator	Date: June 20, 2017
Approved by:	Barb Shuman Director, Recreation Services	Date: June 21, 2017
Approved by:	Brenda Rauckman General Manager, Community & Protective Services	Date: June 21, 2017
Reviewed by:	Troy Fleming Acting City Manager	Date: June 22, 2017
Submitted to:	City Council	Date: June 27, 2017



June 2017 (Final)

GYMNASTICS FEASIBILITY STUDY





EXECUTIVE SUMMARY

The City of Fort Saskatchewan commissioned the development of the Gymnastics Feasibility Study to explore the costs and impacts of developing a dedicated gymnastics facility. The Fort Saskatchewan Gymnastics Club is currently facing uncertainty regarding its current facility situation, which is also limited to meet the increasing growth of its current program offerings. The City has not made a decision on whether to support such a facility and the Study is intended to inform future discussions and decision making.

The Study included a number of research inputs which were used to assess the current state, anticipate future demand and identify trends and leading practices. Identified as follows are key findings from the research.

- Growth of the children and youth cohorts in Fort Saskatchewan over the past decade has been significant. Growth projections suggest that the population of Fort Saskatchewan may double over the next 15 – 20 years.
- Local and provincial data and trends suggest that gymnastics will continue to grow, driven largely by young children and recreational programming.
- A number of municipalities of a similar size to Fort Saskatchewan have supported the development of gymnastics facilities.
- Given the relatively small amount of net revenue generated annually by the Club, any increases in building related expenditures (rent/lease or utilities) would most likely need to be recouped through increased registration fees or ongoing municipal support.
- The inclusion of a day care offering in a new facility may provide the opportunity to generate revenue during non-peak hours. This model has been successful in the market area.
- Club staffing expenditures generally increase in lockstep with registration numbers/revenue. Should the Club move into an expanded facility, detailed operational analysis will need to further clarify operational implications and the ideal program mix.

Four potential approaches were identified that could potentially meet community needs for a dedicated gymnastics facility. Cost analysis and floor plans were developed for each of the specific options. With the exception of Option 2A, the options were conceived with the intent of meeting the need for 15,000 – 20,000 ft² of functional space.

* Some fluctuation does occur due to the characteristics of the existing spaces that would be retrofitted (e.g. size of the existing structure, support amenities, etc.).

Option	Description	Potential Sites/ Locations	Estimated Capital Cost ^A (\$)	Total Building Size
New Facility Construction (Option 1)	Development of a new dedicated gymnastics facility.	• TBD	• \$7,681,825 (excluding land purchase)	20,290 ft ²
Repurposing of a Municipal Facility (Option 2) ^B	Existing municipal facility retrofitted to a gymnastics specific facility.	• Dow Centennial Centre Gymnasium (DCC) • Harbour Pool	• Option 2A (DCC Gymnasium retrofit using the existing footprint): \$2,678,188 • Option 2B (DCC Gymnasium retrofit and building footprint expansion): \$3,765,570 • Option 2C (Harbour Pool retrofit): \$5,726,500	2A: 7,939 ft ² 2B: 15,336 ft ² 2C: 23,229 ft ²
Purchase and Repurposing of a Facility (Option 3)	Purchase of facility (owned by a private or public sector entity) and retrofit into a gymnastics specific facility.	• TBD	• Estimated purchase cost: \$1,000,000 – \$3,000,000 • Estimated renovation cost: \$2,000,000 – \$3,000,000	~15,000 – 20,000 ft ²
Lease and Repurposing of a Facility (Option 4)	Lease of facility space suitable for conversion to a gymnastics facility.	• TBD	• Estimated monthly lease cost: \$16 – \$22 ft ² (\$20,000+per month) • Estimated renovation cost: \$2,000,000 – \$3,000,000	~15,000 – 20,000 ft ²

A Capital costs identified are to the value of $\pm 20\%$.

B Option 2 is only deemed viable if the function(s) served by these existing spaces is replaced as part of a future project (i.e. new aquatics facility or field house). The capital costs identified for Option 2 do not reflect the costs associated with replacement of the Harbour Pool or DCC Gymnasium. See Appendix A for this information.

Further analysis was conducted on each of the options considering a variety of important factors, including:

- Financial considerations
- Implications on existing City provided recreation spaces and amenities (e.g. requirements for relocation)
- Potential synergies with existing City provided recreation facilities and amenities
- Suitability of each option to meet gymnastics programming needs

A scoring metric was also developed to conduct a preliminary ranking of the potential options. Based on the preliminary scoring, the options have been ranked as follows:

#1—New Build (Option 1)

#2—DCC Gymnasium retrofit and building footprint expansion (Option 2B)

#3—Harbour Pool Retrofit (Option 2C)

#T4—DCC Gymnasium retrofit using the existing footprint (Option 2A)

#T4—Lease and repurposing of a facility (Option 4)

#6—Purchase and Repurposing of a facility (Option 3)

However while this ranking may provide a preliminary basis for further discussion, it is important to note that other factors have yet to be considered or are unknown (i.e. lease cost to the Club, responsibilities for maintenance and upkeep, capital reserve contributions, etc.). The City will additionally need to determine the potential impacts of this potential project on the 2015 Recreation and Parks Facility Master Plan Update.

Examples also exist in the region of municipally supported gymnastics facilities that operate at a break even or better position. As such, the City may wish to proceed with this potential project differently than the traditional approach of providing subsidized facility time to sport and recreation user groups.



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INTRODUCTION AND PROJECT CONTEXT

SECTION ONE

INCLUDED IN THIS SECTION:

- Overview of the project scope.
- Purpose of the feasibility study.

The City of Fort Saskatchewan is exploring the costs and impacts of developing a dedicated gymnastics facility in the community. The Fort Saskatchewan Gymnastics Club is currently leasing space at the Life Church building; however uncertainty exists regarding the future availability of the building. The current space (approximately 7,500 ft²) is also limited and does not fully meet the needs of the Club.

This feasibility study document investigates the current and future demand for a gymnastics facility in the community and outlines a spectrum of options that could be further pursued, which include:

- Development of a new facility
- Repurposing of an existing municipally owned facility
- Purchase and repurposing of a building
- Lease and repurposing of a building

It is important to note that the City has not made a decision on future support for the provision of this recreation facility type. This decision and future actions will need to consider the financial impacts of such an undertaking in the context of other municipal priorities and projects, including those outlined in the 2015 Recreation Facility and Parks Master Plan Update. The information provided by this document will assist City Council and Administration with further analysis and decision making.



THE STATE OF GYMNASTICS IN FORT SASKATCHEWAN

SECTION TWO

INCLUDED IN THIS SECTION:

- Analysis of historical participation (registration) data.
- Future demand indicators.
- Analysis of Club financials.

FACILITY CONTENT

The Fort Saskatchewan Gymnastics was originally located at the Old Fort Jail gymnasium. In 2004, the club relocated into the new Dow Centennial Centre gymnasium with an agreement to set-up and take-down equipment after each class. However due to a lack of volunteers to assist with this after each class, the club relocated in 2013 to Life Church in order to have a facility that allowed for equipment to remain in place at all times. The Club has explored other options for a facility but has not been able to secure a suitable building within its financial means.

CURRENT PARTICIPATION

Identified in the adjacent and following charts is registration data provided by the Fort Saskatchewan Gymnastics Club. As reflected in the charts, the Club has experienced growth in most seasonal semesters over the past 3 – 4 years. From 2015 to 2016 the Club experienced a 22% spike in overall registrations. As is consistent with the majority of regional and provincial clubs (see Section 3) the growth of gymnastics participation in Fort Saskatchewan has been largely driven by recreational levels and programs geared towards younger children.

Total (2014 to 2016)

**Complete years of data*

Season	2014	2015	2016
Summer	101	152	52
Fall	291	152	368
Winter	263	273	305
Spring	236	275	311
Total	891	852	1,036

Fall Season

(2013 to 2016)

Category	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Parent and Baby	10	12	—	8
Parent and Tot	50	32	—	27
Tiny Tot	—	5	—	17
Tot	56	63	11	42
Junior Recreational	—	6	—	20
Recreational	79	87	95	173
Tumble	14	12	22	15
Teen Recreational	4	—	—	6
Acro	30	44	11	40
Under 7 Team/ Levels 1 – 2	6	9	—	6
Pre-Competitive/ Levels 3 – 4	8	11	7	8
Competitive/Level 5+	9	10	6	6
Total	266	291	152	368

Winter Season <i>(2014 to 2017)</i>				
Category	Winter 2014	Winter 2015	Winter 2016	Winter 2017 <i>* To date</i>
Parent and Baby	14	—	14	6
Parent and Tot	33	21	20	11
Tiny Tot	9	5	5	18
Tot	48	50	45	26
Junior Recreational	10	6	20	17
Recreational	74	93	104	139
Tumble	21	17	17	16
Teen Recreational	—	8	—	7
Acro	30	44	51	40
Under 7 Team/Levels 1 – 2	6	9	7	8
Pre-Competitive/Levels 3 – 4	8	10	12	7
Competitive/Level 5+	10	10	10	5
Total	263	273	305	300

Spring Season <i>(2014 to 2017)</i>				
Category	Spring 2014	Spring 2015	Spring 2016	Spring 2017
Parent and Baby	7	7	10	2
Parent and Tot	26	12	16	15
Tiny Tot	7	5	9	13
Tot	42	56	40	38
Junior Recreational	12	10	16	13
Recreational	73	88	119	137
Tumble	15	18	20	13
Teen Recreational	—	6	2	7
Acro	30	44	51	40
Under 7 Team/Levels 1 – 2	6	9	7	7
Pre-Competitive/Levels 3 – 4	8	10	11	7
Competitive/Level 5+	10	10	10	6
Total	236	275	311	298

Summer Season <i>(2013 to 2016)</i>				
Category	Summer 2013	Summer 2014	Summer 2015	Summer 2016
Parent and Baby	—	—	—	—
Parent and Tot	19	—	—	—
Tiny Tot	—	—	—	—
Tot	28	—	11	7
Junior Recreational	—	—	—	—
Recreational	24	84	95	10
Tumble	—	—	22	—
Teen Recreational	—	—	—	—
Acro	10	7	11	15
Under 7 Team/Levels 1 – 2	—	—	—	6
Pre-Competitive/Levels 3 – 4	7	5	7	8
Competitive/Level 5+	6	5	6	6
Total	94	101	152	52

FUTURE DEMAND INDICATORS

Data from the 2016 Statistics Canada Census of the Population highlights the significant growth of Fort Saskatchewan over the past number of years. From 2011 to 2016, the population of Fort Saskatchewan increased by 26.8% (19,051 to 24,149 residents). Since 2006, the population of Fort Saskatchewan has increased by 38% (14,957 to 24,149 residents).

More specifically, the children and youth population in the community has experienced high levels of growth in recent years. The following chart reflects the growth in the 0 to 14 year age categories from 2011 to 2016. As reflected in the chart, there were 1,241 more children and youth in Fort Saskatchewan in 2016 as compared to five years earlier in 2011. This rate of growth (~34%) was higher than that of the general population.

Category	2016	2011	Change (increase in children/ youth from 2011 to 2016)
0 to 4 years	1,840	1,344	496
5 to 9 years	1,650	1,170	480
10 to 14 years	1,415	1,150	265
Total (Ages 0 to 14)	4,905	3,664	1,241

The 2015 Recreation Facility and Parks Master Plan Update identified population projections for the city. As illustrated by the following graphic, population projections anticipate that

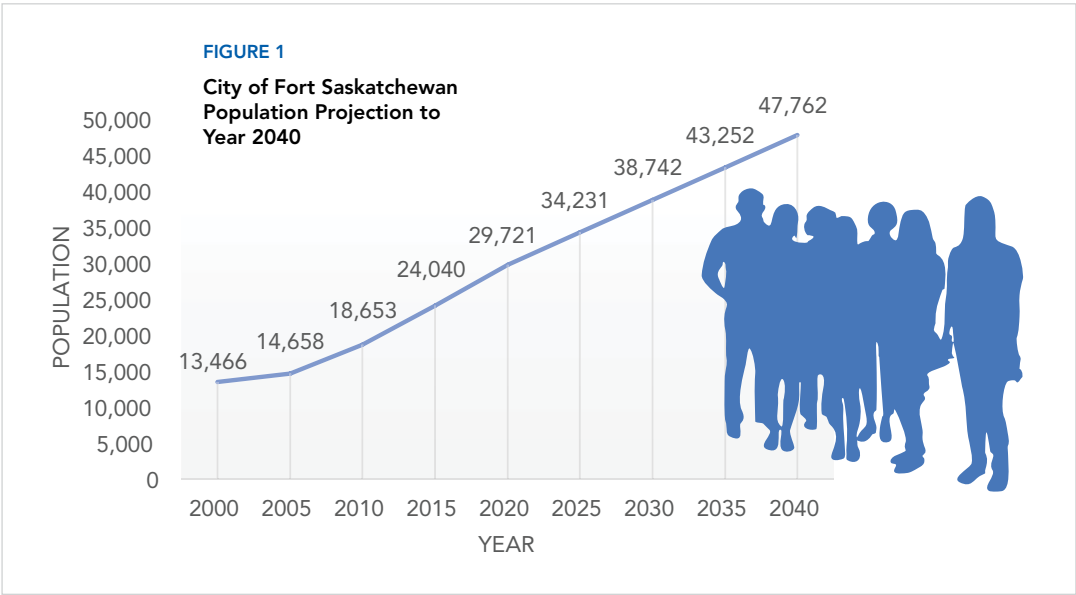
the population of Fort Saskatchewan will nearly double by 2040, growing at a rate of approximately 5,000 residents every five years.

The population projections can be used to anticipate the future demand for gymnastics programming in Fort Saskatchewan. The following chart extrapolates the current (2016) Fort Saskatchewan Gymnastics Club registrations over the next 17 years using the overall rate of growth suggested by the population projections. Using this methodology, it is estimated that registrations could increase by approximately 200 every five years.

Projection Source	2020	2025	2030
Population Growth Projections	29,721	34,231	38,742
Estimated Gymnastics Participants	1,285	1,477	1,669

However if data from the 2016 Statistics Canada Census is used as a future predictor it is likely that demand could increase more rapidly than the above figures suggest. As previously identified, the growth of the children and youth age cohort (0 to 14 years) in Fort Saskatchewan has outpaced general population growth.

Note: It is important that the above projections are based solely on population indicators and do not take into account a number of other factors which impact demand (e.g. popularity and trends, access to spaces/facilities, introduction of other programs to the market area, availability of instructors, etc.).



FINANCIALS

Finances for the Fort Saskatchewan Gymnastics Club are managed by the Fort Saskatchewan Minor Sports Association (MSA). The adjacent chart provides an overview of the Club's financial situation over the past four fiscal years (including the projected 2017 budget).

Year	Net Operations
2014	\$28,259
2015	\$29,790
2016	\$42,884
2017	\$30,275
Average	\$32,802

Registrations comprise the largest source of Club revenues (60% in 2017) and staff wages/honorariums are the largest source of expenditures. As reflected by the following chart, both of these items generally increase in lockstep with each other due to the need for more program instructors/coaches as registration numbers increase.

Year	Registration Revenue	Staffing Wages/Honorariums
2014	\$160,440	\$100,974
2015	\$182,206	\$104,556
2016	\$224,664	\$155,848
2017*	\$250,000	\$156,147

* Budgeted

Facility and related expenses (e.g. utilities) comprise approximately 10% of the Club's annual operating expenditures. The chart below summarizes rental and utility expenditures over the past four fiscal years. As reflected in the chart, expenditures have increased slightly on a year to year basis.

Year	Facility Rental/Lease Expenditures	Utilities	Total
2014	\$36,225	N/A	\$36,225
2015	\$36,309	\$724	\$37,033
2016	\$37,359	\$1,459	\$38,818
2017	\$38,000	\$2,000	\$40,000



TRENDS AND MUNICIPAL BENCHMARKING

SECTION THREE

INCLUDED IN THIS SECTION:

- Regional, provincial and national trends in gymnastics participation.
- Benchmarking research on municipal support for gymnastics facilities in Alberta.



TRENDS IN GYMNASTICS PARTICIPATION

The **Alberta Recreation Survey**, fielded every four to five years by Alberta Culture and Tourism, broadly measures participation rates for a variety of activities. The chart below identifies findings from the past three Alberta Recreation Surveys pertaining to gymnastics and other pertinent activities.

Participation by Alberta Households			
Activity	2013	2008	2004
Gymnastics	6.0%	7.1%	7.0%
Aerobics/Fitness	47.0%	37.7%	33.6%
Yoga/Pilates	29.3%	N/A	N/A
Trampoline	0.1%	N/A	N/A

In 2014, the **Canadian Youth Sport Report** was published and provides interesting insight into current sport participation trends in Canada. As reflected in the chart below, gymnastics is the seventh most participated in sport among Canadian children and youth ages 3 – 17.

Top 10 Sports and Activities in Canada Among Youth 3 – 17 (by current organized participation)	
Activity	Participants
Swimming	1,120,000
Soccer	767,000
Dance	625,500
Hockey	531,000
Skating	436,000
Basketball	354,000
Gymnastics	336,000
Track and Field: Running	330,000
Ballet	277,300
Karate	230,000



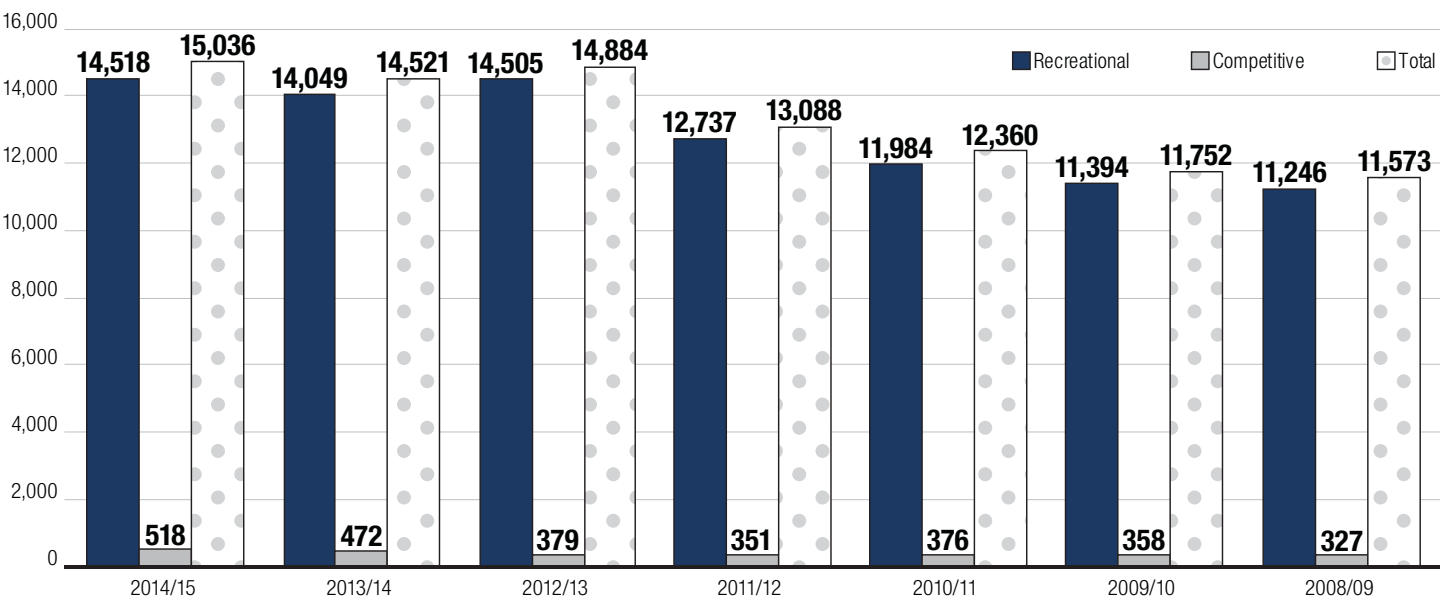
Alberta Gymnastics Federation sanctioned programs in the Edmonton area have experienced consistent and steady growth over the past 7 complete years. The number of recreational level participants has grown by 3,272 individuals (>20%) and the number of competitive participants has grown by 191 individuals (37%). In total, overall participation has increased by 3,463 individuals (23%). This growth is generally consistent with overall provincial figures which reflect growth from 39,254 to 54,445 participants (28%) over the past 7 complete years.

Over the past decade there has been increasing attention paid to developing fundamental movement skills and physical literacy in children and youth. Schools, provincial and national sport organizations, and municipal program providers have all worked towards further ingraining fundamental movement skills into programming and curriculum. Increased public support for gymnastics programs and infrastructure has in many instances been justified based on a strong alignment with physical literacy. Alignment with the **Canadian Sport for Life (CS4L)** and the **Long-Term Athlete Development model (LTAD)** has also become a requirement for national and provincial sport organizations. There are seven stages within the basic LTAD model:

- Stage 1: Active Start (0 – 6 years)*
- Stage 2: FUNdamentals (girls 6 – 8, boys 6 – 9)*
- Stage 3: Learn to Train (girls 8 – 11, boys 9 – 12)*
- Stage 4: Train to Train (girls 11 – 15, boys 12 – 16)*
- Stage 5: Train to Compete (girls 15 – 21, boys 16 – 23)*
- Stage 6: Train to Win (girls 18+, boys 19+)*
- Stage 7: Active for Life (any age participant)*

EDMONTON GYMNASTICS PARTICIPATION

2008 TO 2015



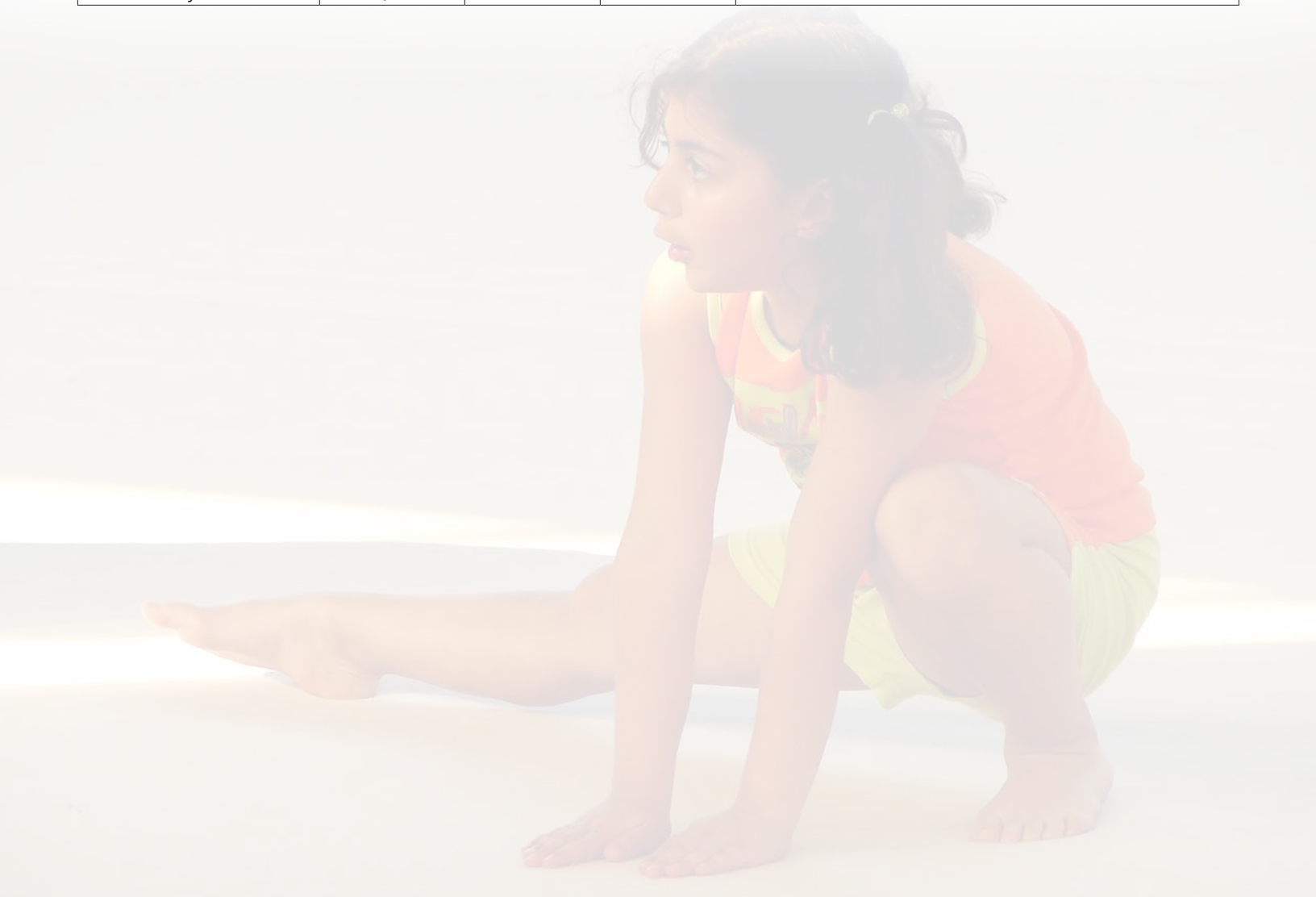
MUNICIPAL BENCHMARKING

Research was undertaken into municipal support for gymnastics clubs in Alberta. More specifically, this research was intended to identify urban municipalities in Alberta that support the provision of dedicated gymnastics facilities in their community. As reflected in the following charts, seven of the thirteen larger urban municipalities provide dedicated gymnastics space in municipally owned facilities to gymnastics clubs. Three of nine medium sized municipalities provide space to their local gymnastics club. The majority of these agreements are structured as leases and often include child care facilities within the scope of the lease arrangement.

Note: The City of Edmonton has also supported gymnastics facility provision through its Capital Partner Facility Grant Program (e.g. North Edmonton Gymnastics Club) and role in the development of the Saville Community Sports Centre (Ortona Gymnastics Club).

Larger Urban Municipalities <i>(population of 20,000 to ~100,000)</i>				
Municipality	Population (2016)	Municipal Support for a Dedicated Facility		Nature of Support
		Yes	No	
Sherwood Park (Strathcona County)	98,044	1		Dedicated gymnastics facility leased to the Salto Gymnastics Club.
City of St. Albert	65,589		1	—
City of Spruce Grove	34,066	1		Dedicated gymnastics facility recently constructed (Border Paving Centre) and leased to the Aerials Gymnastics Club.
City of Leduc	29,993		1*	* City has provided grants for capital upgrades and equipment purchase to the Club's facility.
City of Airdrie	61,581	1		Dedicated gymnastics facility at the Genesis Centre (municipally owned recreation centre) leased to the Airdrie Edge Gymnastics Club.
City of Grande Prairie	63,166	1		Dedicated gymnastics facility at the Eastlink Centre (municipally owned recreation centre) leased to the Grande Prairie Gymnastics Club.
City of Medicine Hat	63,260		1	—
Town of Cochrane	25,853	1		Dedicated gymnastics facility at the Spray Lake Family Sports Centre (municipally owned recreation centre) leased to the University of Calgary Gymnastics Club.
Fort McMurray (Regional Municipality of Wood Buffalo)	66,573		1	—
City of Lloydminster	31,400		1	—
City of Red Deer	100,418	1		Dedicated gymnastics facility at the Collicutt Centre (municipally owned recreation centre) leased to the Exelta Gymnastics Club.
City of Lethbridge	92,729	1		City (along with the Province) provided partial support for a facility.
Town of Okotoks	28,881		1	—

Medium-Sized Urban Municipalities <i>(population of 10,000 to ~20,000)</i>				
Municipality	Population (2016)	Municipal Support for a Dedicated Facility		Nature of Support
		Yes	No	
City of Lacombe	13,057		1	—
City of Cold Lake	14,961	1		Gymnastics Centre being constructed as part of the Energy Centre Expansion (Phase 3).
City of Wetaskiwin	12,655	1		City facilitated part of the curling club being retrofitted into a gymnastics facility.
City of Brooks	14,436		1	—
City of Camrose	18,742		1	—
Town of Canmore	13,992	1		Decommissioned pool retrofitted for gymnastics and leased to the Canmore Illusions Gymnastics Club.
Town of High River	13,584		1	—
Town of Strathmore	13,756		1	—
Town of Sylvan Lake	14,816		1	—



OPTIONS

SECTION FOUR

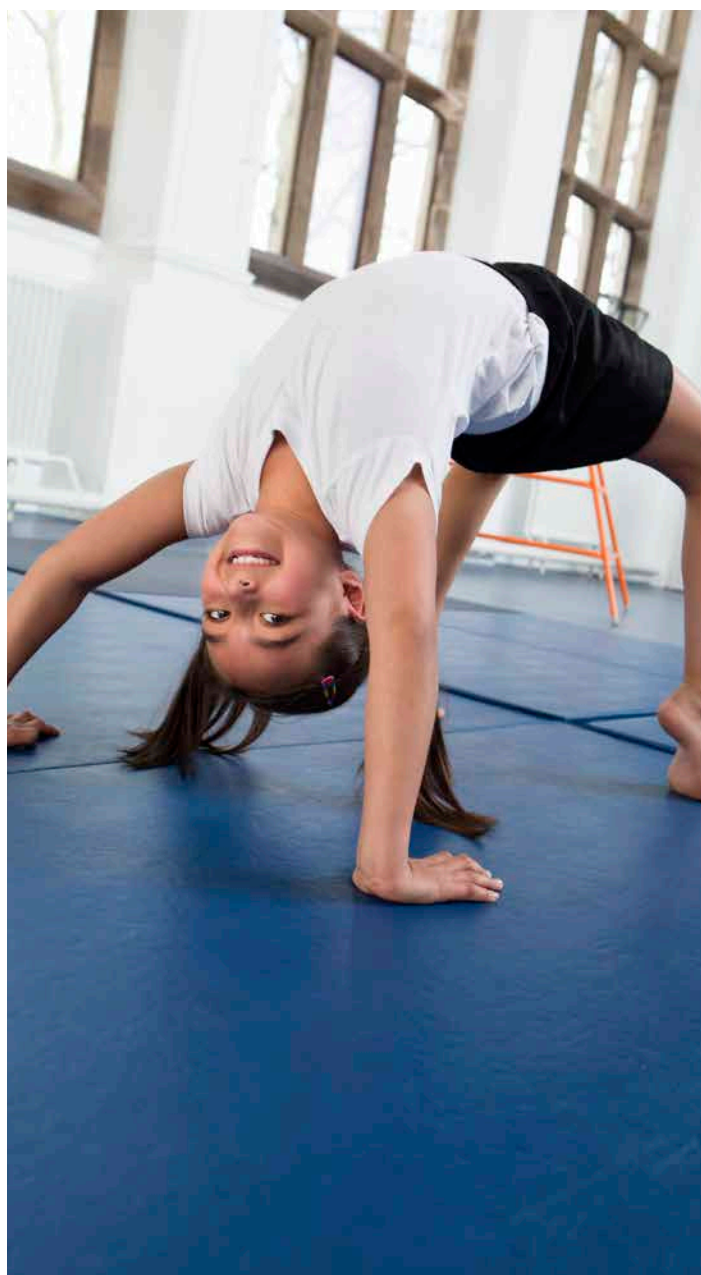
INCLUDED IN THIS SECTION:

- Overview of required amenity and component spaces.
- Description of potential options.
- Floor plans and cost estimates for each potential option.

General spatial needs for a gymnastic facility were identified based on a review of other facilities in the market area and discussions with the Fort Saskatchewan Gymnastics Club. Outlined below is an overview of the base components and amenities required in a potential Fort Saskatchewan Gymnastics facility.

- ~15,000 – 20,000 ft² of functional space
- Main program/floor space that can accommodate pits, trampoline and tumbling apparatus, separate parent and tot space and large matted areas
- Suitable ceiling height of at least 25 feet (preferably 30 – 35 feet)
- Ability to access separate program rooms for dance, yoga, fitness and birthday parties
- Change rooms
- Lobby and circulation space
- Administration and staff areas
- Suitable seating areas

* Space for child-care was also identified as being desirable and could be a source of additional revenue for the Club.



A range of options have been identified that could potentially meet community needs for a gymnastics facility. These options are summarized in the chart below and profiled in additional detail on the following pages and in the appendices. With the exception of Option 2A, these spaces have been developed to meet the needs for 15,000 – 20,000 ft² of functional space. However some fluctuation does occur due to the characteristics of the existing spaces that would be retrofitted (e.g. size of the existing structure, support amenities, etc.).

Option	Description	Potential Sites/ Locations	Estimated Capital Cost ^A (\$)	Total Building Size
New Facility Construction (Option 1)	Development of a new dedicated gymnastics facility.	<ul style="list-style-type: none"> TBD 	<ul style="list-style-type: none"> \$7,681,825 (excluding land purchase) 	20,290 ft ²
Repurposing of a Municipal Facility (Option 2) ^B	Existing municipal facility retrofitted to a gymnastics specific facility.	<ul style="list-style-type: none"> Dow Centennial Centre Gymnasium (DCC) Harbour Pool 	<ul style="list-style-type: none"> Option 2A (DCC Gymnasium retrofit using the existing footprint): \$2,678,188 Option 2B (DCC Gymnasium retrofit and building footprint expansion): \$3,765,570 Option 2C (Harbour Pool retrofit): \$5,726,500 	2A: 7,939 ft ² 2B: 15,336 ft ² 2C: 23,229 ft ²
Purchase and Repurposing of a Facility (Option 3)	Purchase of facility (owned by a private or public sector entity) and retrofit into a gymnastics specific facility.	<ul style="list-style-type: none"> TBD 	<ul style="list-style-type: none"> Estimated purchase cost: \$1,000,000 – \$3,000,000 Estimated renovation cost: \$2,000,000 – \$3,000,000 	~15,000 – 20,000 ft ²
Lease and Repurposing of a Facility (Option 4)	Lease of facility space suitable for conversion to a gymnastics facility.	<ul style="list-style-type: none"> TBD 	<ul style="list-style-type: none"> Estimated monthly lease cost: \$16 – \$22 ft² (\$20,000+per month) Estimated renovation cost: \$2,000,000 – \$3,000,000 	~15,000 – 20,000 ft ²

A Capital costs identified are to the value of $\pm 20\%$.

B Option 2 is only deemed viable if the function(s) served by these existing spaces is replaced as part of a future project (i.e. new aquatics facility or field house). The capital costs identified for Option 2 do not reflect the costs associated with replacement of the Harbour Pool or DCC Gymnasium. See Appendix A for this information.

OPTION 1: NEW FACILITY CONSTRUCTION

Estimated Capital Cost: \$7,681,825*

Total Building Size: 20,290 ft²*

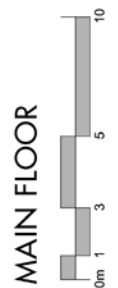
Other Requirements/Pre-Requisites:

- Requires a serviced site in the range of 5 acres (2 ha.).
- Sufficient vehicular access and on-site or adjacent parking.

* See appendices for detailed spaces and costs.

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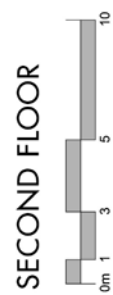
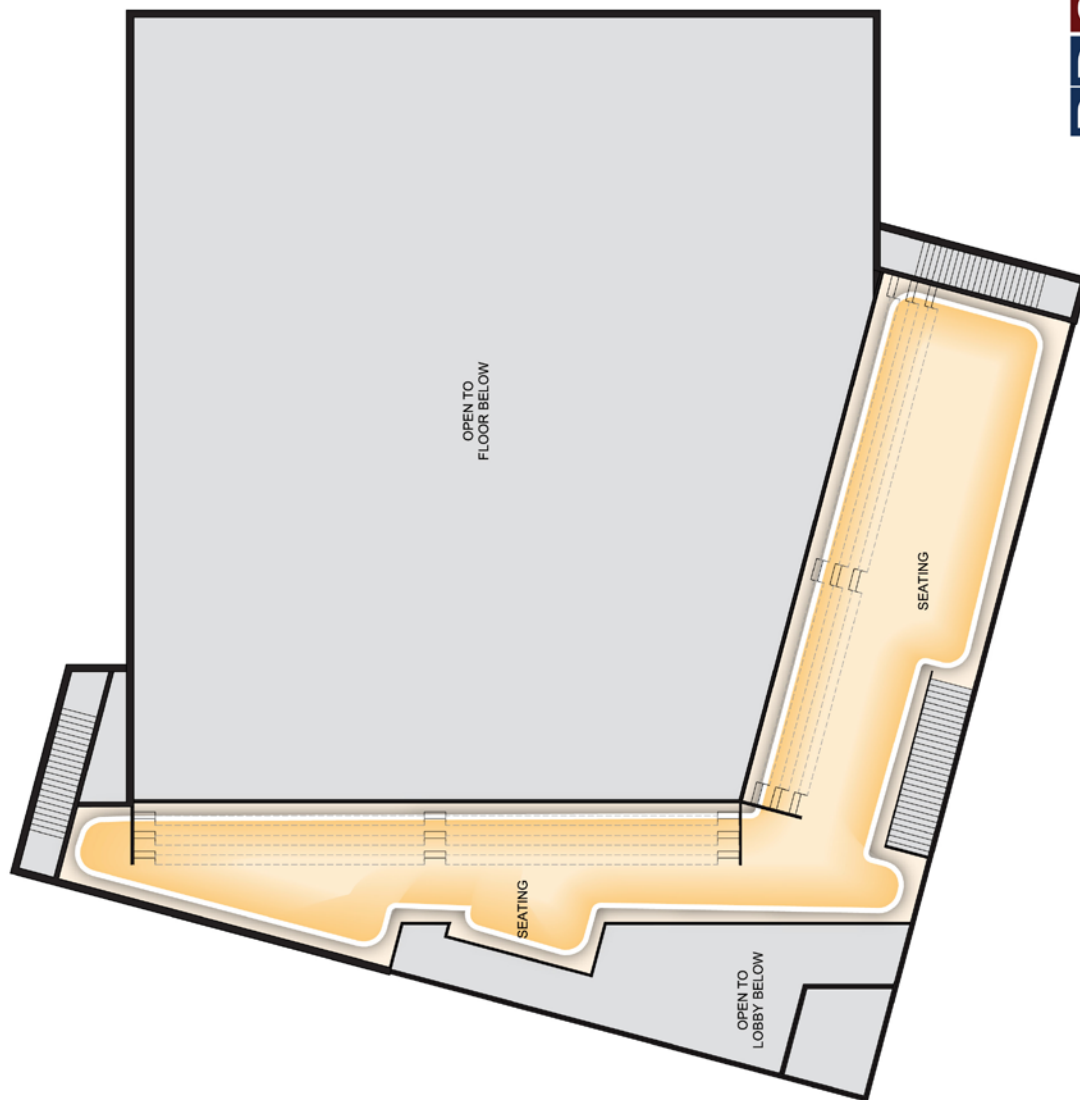
CITY OF FORT SASKATCHEWAN GYMNASTICS FEASIBILITY STUDY



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ARCHITECTURE

FLOOR PLAN—OPTION 1: NEW FACILITY CONSTRUCTION

SECOND FLOOR



OPTION 2: REPURPOSING OF A MUNICIPAL FACILITY

DOW CENTENNIAL CENTRE GYMNASIUM (OPTION 2A: DCC GYMNASIUM RETROFIT USING THE EXISTING FOOTPRINT)

Estimated Capital Cost: \$2,678,188*

Total Building Size: 7,939 ft²*

Other Requirements/Pre-Requisites:

- Only viable if community needs for gymnasium and Flexhall space can be accommodated elsewhere (e.g. future DCC expansion phase).
- Assumes gymnastics club can access existing multi-purpose rooms and support spaces at the DCC as this option would only retrofit the gymnasium space into active program space.

* Does not include costs associated with the replacement of the DCC Gymnasium. The capital cost of developing a new field house facility (which would replace the DCC Gymnasium) is estimated at \$18,500,000. See Appendix A for additional detail on estimated operating costs and debenture borrowing implications.

DOW CENTENNIAL CENTRE GYMNASIUM (OPTION 2B: DCC GYMNASIUM RETROFIT AND BUILDING FOOTPRINT EXPANSION)

Estimated Capital Cost: \$3,765,570*

Total Building Size: 15,336 ft²*

Other Requirements/Pre-Requisites:

- Only viable if community needs for gymnasium and Flexhall space can be accommodated elsewhere (e.g. future DCC expansion phase).

* Does not include costs associated with the replacement of the DCC Gymnasium. The capital cost of developing a new field house facility (which would replace the DCC Gymnasium) is estimated at \$18,500,000. See Appendix A for additional detail on estimated operating costs and debenture borrowing implications.

HARBOUR POOL (OPTION 2C: HARBOUR POOL RETROFIT)

Estimated Capital Cost: \$5,726,500*

Total Building Size: 23,229 ft²*

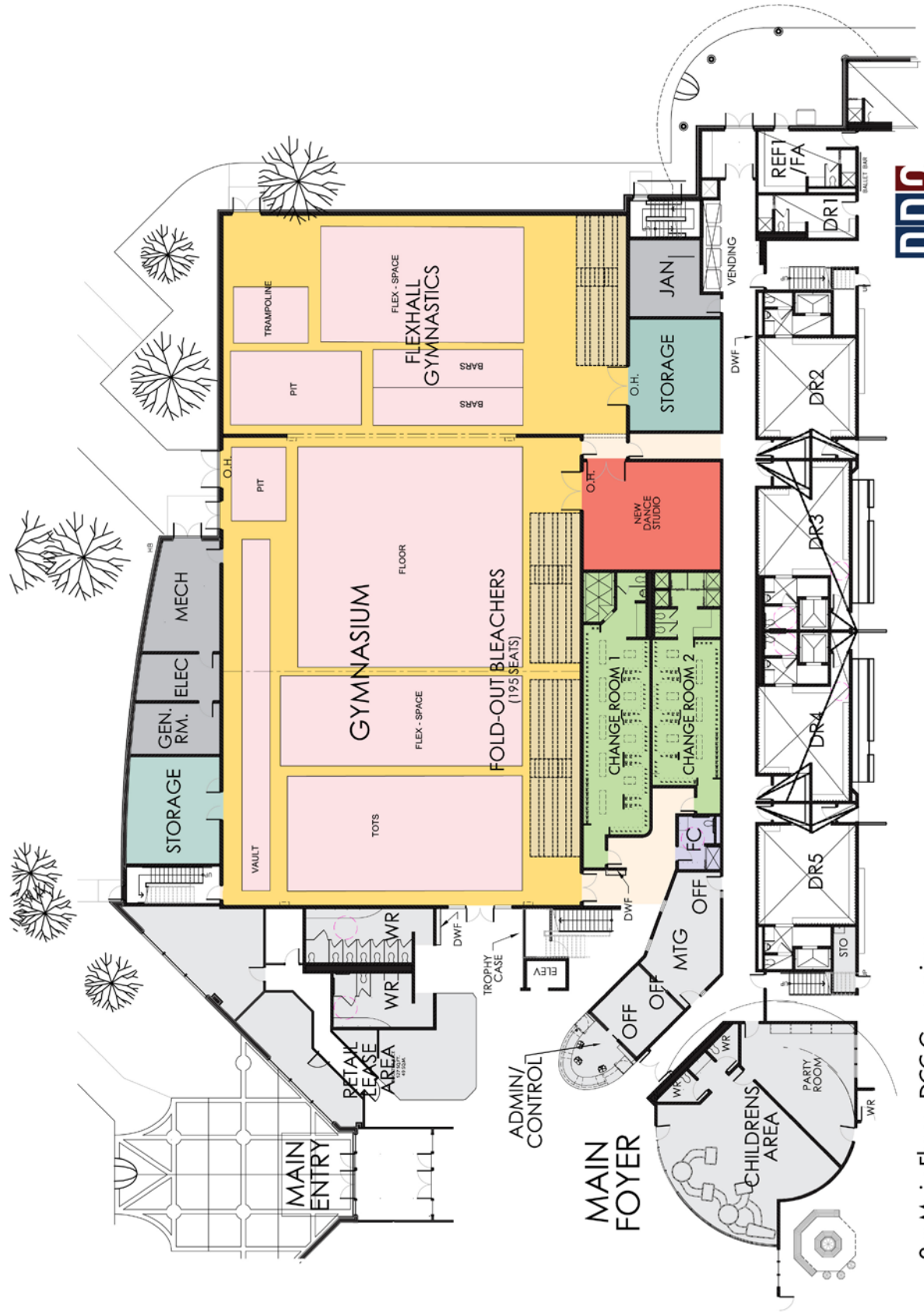
Other Requirements/Pre-Requisites:

- Only viable if aquatics can be sufficiently provided for the community at a new facility.
- Detailed facility condition assessment of the Harbour Pool building is required to further confirm costs.

* Should this option be pursued, the scope of the potential new aquatics facility at the DCC would need to increase in order to meet community needs. The additional capital cost of increasing the scope of the new Aquatics Facility is estimated to be \$10,000,000. See Appendix A for additional detail on estimated operating and debenture borrowing implications.

FLOOR PLAN—OPTION 2A: REPURPOSING OF A MUNICIPAL FACILITY

DOW CENTENNIAL CENTRE GYMNASIUM RETROFIT (MAINTAINING THE SAME FOOTPRINT)



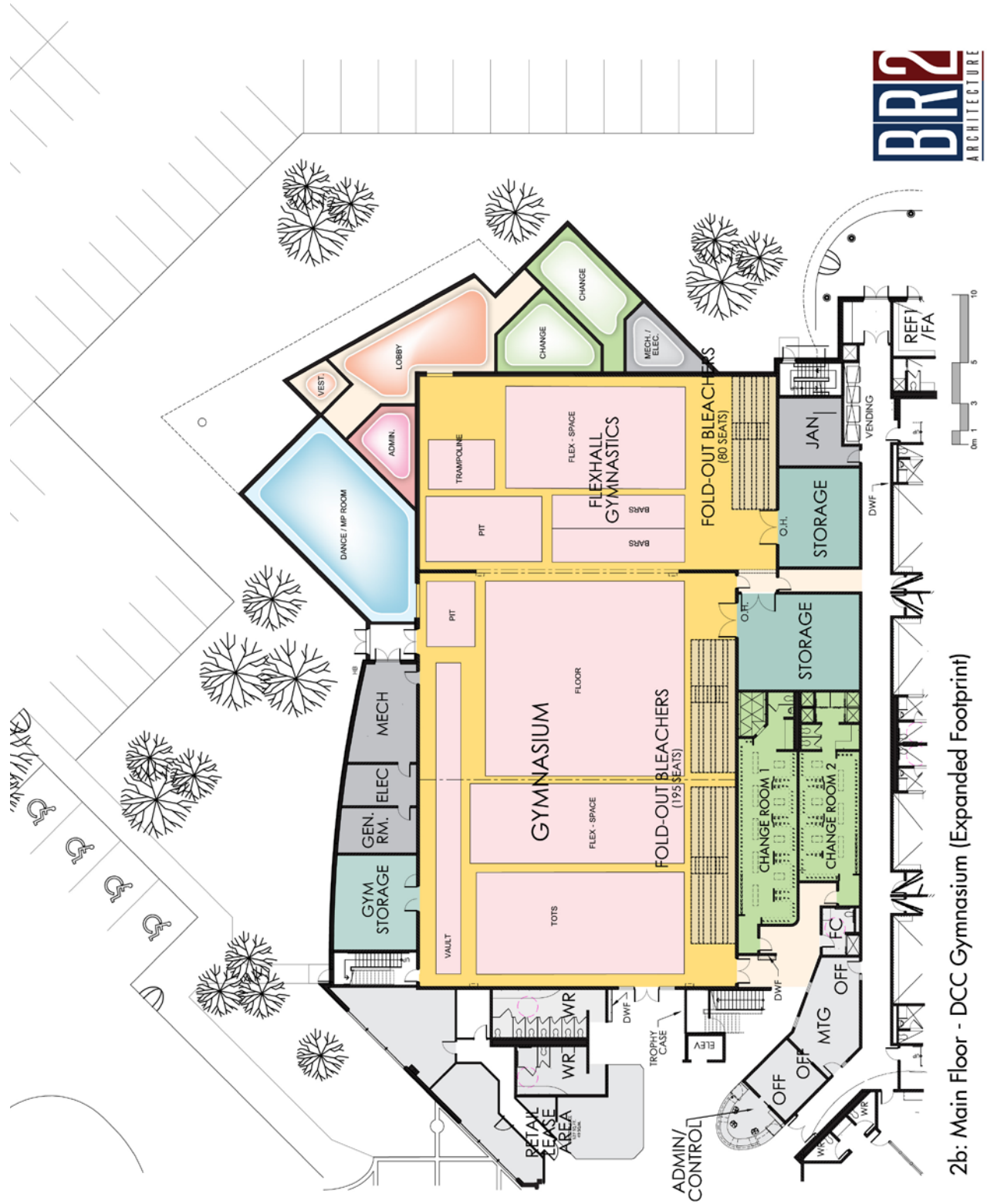
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2a: Main Floor - DCC Gymnasium



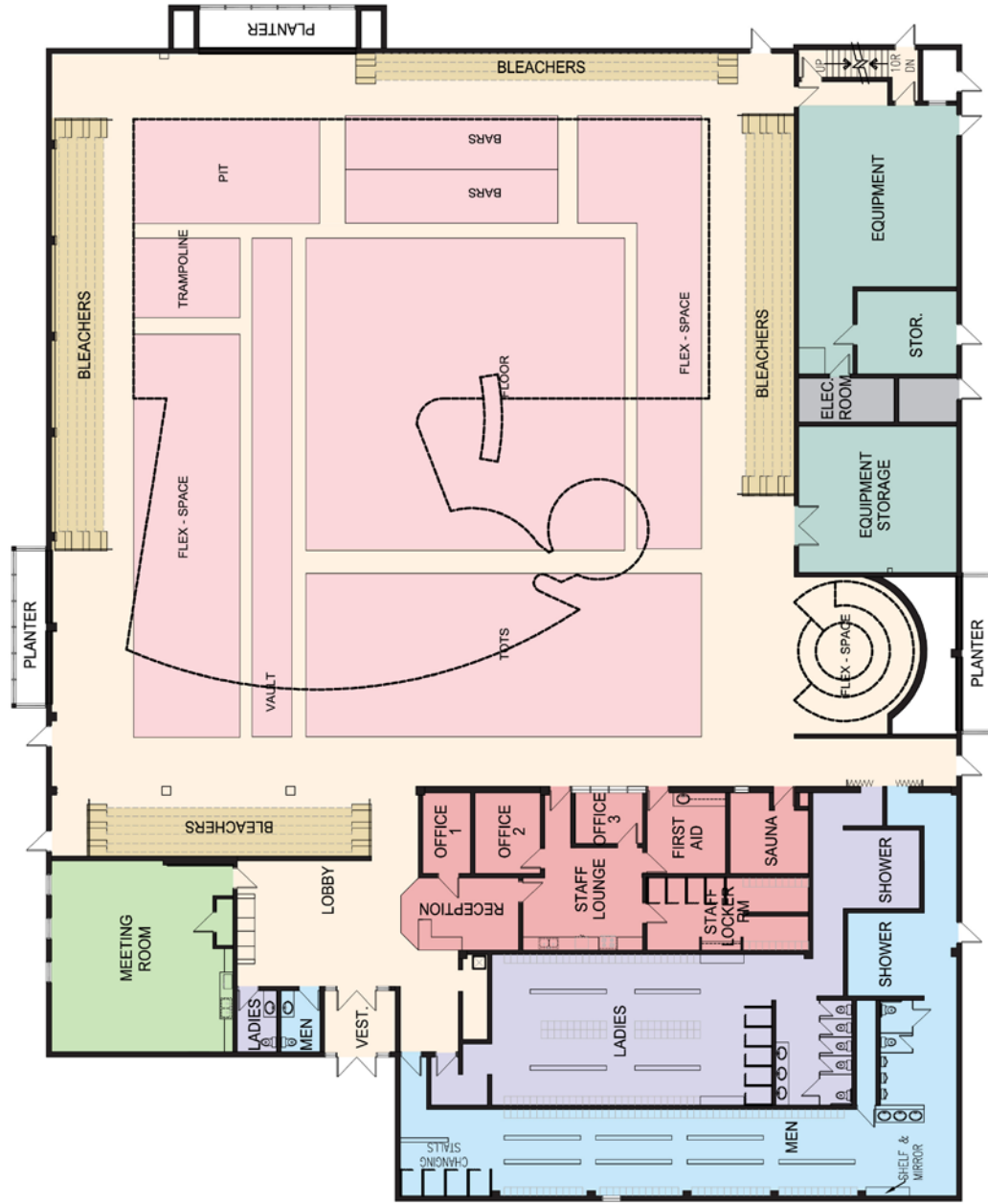
FLOOR PLAN—OPTION 2B: REPURPOSING OF A MUNICIPAL FACILITY

DOW CENTENNIAL CENTRE GYMNASIUM RETROFIT AND BUILDING FOOTPRINT EXPANSION

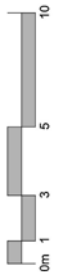


FLOOR PLAN—OPTION 2C: REPURPOSING OF A MUNICIPAL FACILITY

HARBOUR POOL



2c: Main Floor - Harbour Pool



OPTION 3: PURCHASE AND REPURPOSING OF A FACILITY

Building Requirements:

- Building size of approximately 15,000 ft² – 20,000ft².
- Sufficient parking and vehicular access.
- Ceiling height of 25 ft (30 – 25 ft preferred).
- Shell space that can easily be fitted for gymnastics.
- No or minimal beams/pillars.

Estimated Costs:

- Estimated purchase cost: \$1,000,000 – \$3,000,000*
- Estimated renovation cost: \$2,000,000 – \$3,000,000*

* Quality and condition of the building purchased is likely to have a significant impact on the renovation cost.

OPTION 4: LEASE AND REPURPOSING OF A FACILITY

Building Requirements:

- Building size of approximately 15,000 ft² – 20,000ft².
- Sufficient parking and vehicular access.
- Ceiling height of 25 ft (30 – 25 ft preferred).
- Shell space that can easily be fitted for gymnastics.
- No or minimal beams/pillars.

Estimated Costs:

- Estimated monthly lease cost: \$16 – \$22 ft² (\$20,000+ per month)
- Estimated renovation cost: \$2,000,000 – \$3,000,000



SUMMARY AND IMPACTS

SECTION FIVE

INCLUDED IN THIS SECTION:

- Overview of key research findings.
- Analysis of potential options.
- Impacts on the priorities outlined in the 2015 Recreation Facility and Parks Master Plan Update.



KEY RESEARCH FINDINGS

Identified as follows are key research findings as presented in this document which may impact the need and viability of developing a gymnastics facility in the community.

- Growth of the children and youth cohorts in Fort Saskatchewan over the past decade has been significant. Growth projections suggest that the population of Fort Saskatchewan may double over the next 15 – 20 years.
- Local and provincial data and trends suggest that gymnastics will continue to grow, driven largely by young children and recreational programming.
- A number of municipalities of a similar size to Fort Saskatchewan have supported the development of gymnastics facilities.
- Given the relatively small amount of net revenue generated annually by the Club, any increases in building related expenditures (rent/lease or utilities) would most likely need to be recouped through increased registration fees or ongoing municipal support.
- The inclusion of a day care offering in a new facility may provide the opportunity to generate revenue during non-peak hours. This model has been successful in the market area.
- Club staffing expenditures generally increase in lockstep with registration numbers/revenue. Should the Club move into an expanded facility, detailed operational analysis will need to further clarify operational implications and the ideal program mix.

OPTIONS ANALYSIS

The following chart provides an analysis of the strengths and challenges of each potential option.

Option	Strengths	Challenges	Capital Costs ^A (\$M 2017)
New Facility Construction	<ul style="list-style-type: none"> • Purpose built facility would most optimally meet design and functional requirements for gymnastics. • Site flexibility. • Would incrementally add to the inventory of recreation facilities in the city. • A new facility is likely to have the longest tenure of all the options before requiring significant capital reinvestment (e.g. upgrades to building mechanical and structural systems). 	<ul style="list-style-type: none"> • Significant capital expenditure. • Site location and requirements are unknown (would require the acquisition of a new site or use of existing City land inventory). 	<ul style="list-style-type: none"> • \$7,681,825 (excluding land purchase)
Repurposing of a Municipal Facility ^B	<ul style="list-style-type: none"> • May present the opportunity to sustain and refresh an existing municipal facility. • Integrating a gymnastics facility into an existing City recreation facility could provide opportunities for operational synergies and efficiencies. • Option 2C (Harbour Pool retrofit) has sufficient space to fully accommodate a gymnastics retrofit and could utilize existing amenity spaces. 	<ul style="list-style-type: none"> • Only a viable option if the current use (e.g. aquatics, judo use of the Flex Hall, and gymnasium space) is enhanced through new development elsewhere (e.g. future DCC phases). • While the DCC Gymnasium/ Flex Hall area could be added onto with relative ease to provide needed amenity and support spaces (as suggested by Option 2B), expanding the main program space is challenging. • Capital costs for this option could increase if any additional issues are found during the retrofit construction. • Aligning the retrofit project with the replacement of the existing spaces is likely to be challenging. 	<ul style="list-style-type: none"> • Option 2A (DCC Gymnasium retrofit using the existing footprint): \$2,678,188 • Option 2B (DCC Gymnasium retrofit and building footprint expansion): \$3,765,570 • Option 2C (Harbour Pool retrofit): \$5,726,500

Option	Strengths	Challenges	Capital Costs ^A (\$M 2017)
Purchase and Repurposing of a Facility	<ul style="list-style-type: none"> • Would add to the inventory of City owned recreation facilities in the community. • Would not require an existing City provided recreation space to be accommodated elsewhere. 	<ul style="list-style-type: none"> • Facility would not be purpose built (some design limitations may exist) • Quality and condition of potential buildings available for purchase may be unknown and will require detailed assessment to mitigate risk. • No opportunity to capitalize on synergies with other City recreation facilities. • Limited inventory of suitable buildings available for purchase in the city. • Total cost of purchase and retrofit is similar to other options. 	<ul style="list-style-type: none"> • Estimated purchase cost: \$1,000,000 – \$3,000,000 • Estimated renovation cost: \$2,000,000 – \$3,000,000
Lease and Repurposing of a Facility	<ul style="list-style-type: none"> • Lowest capital cost option. • Provides future flexibility. • Lease to own option may exist. 	<ul style="list-style-type: none"> • Ongoing lease cost is significant. • Facility would not be purpose built (some design limitations may exist). • May not provide a permanent solution (the same situation currently being faced by the Club could occur again near the end of the lease). • Capital investment would still be required for a facility that is not City or Club owned. • Limited inventory of suitable buildings available for lease in the city. • No opportunity to capitalize on synergies with other City recreation facilities. 	<ul style="list-style-type: none"> • Estimated monthly lease cost: \$16 – \$22 ft² (\$20,000+ per month) • Estimated renovation cost: \$2,000,000 – \$3,000,000

A Capital costs identified are to the value of $\pm 20\%$.

B Option 2 is only deemed viable if the function(s) served by these existing spaces is replaced as part of a future project (i.e. new aquatics facility or field house). The capital costs identified for Option 2 do not reflect the costs associated with replacement of the Harbour Pool or DCC Gymnasium. See Appendix A for this information.

OPTIONS SCORING AND RANKING

The following scoring metric has been developed to assist with the preliminary analysis of the options presented. This metric takes into account a number of the considerations outlined in this study document and is intended to rank the options in a logical and transparent manner. Based on this preliminary scoring of the options, the New Build (Option 1) ranks as the most preferable option. However the DCC Gymnasium retrofit and building footprint expansion (Option 2B) and Harbour Pool retrofit (Option 2A) also score highly.

It is important to note that this analysis does not currently take into account any ongoing operational considerations as these are currently unknown (i.e. lease cost to the Club, responsibilities for maintenance and upkeep, capital reserve contributions, etc.). Should the City decide to move forward with supporting a gymnastics facility, these inputs will require further discussion, clarification, and analysis before a final preferred approach can be identified.

* Weighting for each consideration is assumed to be the same at this time. However, as the potential project evolves the City may wish to adapt this model by adjusting the weighting for considerations that are more/less important.

Consideration	Scoring Criteria	Option 1 (New Build)	Option 2A (DCC Gymnasium retrofit using the existing footprint)	Option 2B (DCC Gymnasium retrofit and building footprint expansion)	Option 2C (Harbour Pool Retrofit)	Option 3 (Purchase and Repurposing of a Facility)	Option 4 (Lease and Repurposing of a Facility)
Capital Cost (as a stand alone option)	<p>3 points: Total estimated capital cost required for purchase, development and/or retrofit is <\$2M dollars.</p> <p>2 points: Total estimated capital cost required for purchase, development and/or retrofit is estimated between \$2 M and \$5M dollars.</p> <p>1 point: Total estimated capital cost required for purchase, development and/or retrofit is estimated between \$ 5M and \$7M dollars.</p> <p>0 points: Total estimated capital cost required for purchase, development and/or retrofit is estimated to exceed \$7 M dollars.</p>	0	2	2	1	1	2
Impacts on Current City-provided Recreation Amenities	<p>3 points: Option does not require another City recreation facility amenity to be relocated.</p> <p>0 points: Option requires another City recreation facility amenity to be relocated.</p>	3	0	0	0	3	3

Consideration	Scoring Criteria	Option 1 (New Build)	Option 2A (DCC Gymnasium retrofit using the existing footprint)	Option 2B (DCC Gymnasium retrofit and building footprint expansion)	Option 2C (Harbour Pool Retrofit)	Option 3 (Purchase and Repurposing of a Facility)	Option 4 (Lease and Repurposing of a Facility)
Capacity	<p>3 points: The option would completely meet the long-term spatial needs of gymnastics in Fort Saskatchewan.</p> <p>2 points: The option would meet short and medium-term needs for gymnastics in Fort Saskatchewan but may have limitations in the long-term.</p> <p>1 points: The option would help address immediate needs but may be challenged to meet medium and long-term needs for gymnastics space in Fort Saskatchewan.</p> <p>0 Points: The ability to secure a suitably sized space is currently uncertain.</p>	3	1	2	3	0	0
Quality and Functionality of the Space <i>* For options 2 and 3 assumes the ability to secure a suitable space.</i>	<p>3 points: The option would provide an optimal facility for gymnastics and related programming.</p> <p>2 points: The option would provide a facility that is well suited for gymnastics and related programming with minor functional or amenity limitations.</p> <p>1 point: The option would provide a facility that is functional for gymnastics and related programming, however limitations are likely.</p> <p>0 points: The option would provide a facility that has significant limitations.</p>	3	1	2	2	2	2

Consideration	Scoring Criteria	Option 1 (New Build)	Option 2A (DCC Gymnasium retrofit using the existing footprint)	Option 2B (DCC Gymnasium retrofit and building footprint expansion)	Option 2C (Harbour Pool Retrofit)	Option 3 (Purchase and Repurposing of a Facility)	Option 4 (Lease and Repurposing of a Facility)
Synergies With Other City-provided Recreation Facilities and Amenities	<p>3 points: The option is directly co-located with existing City provided recreation amenities/facilities and would provide operational efficiencies, synergies and programming opportunities.</p> <p>2 points: The option may be a stand alone building but located on a recreation focused site and could include amenities and spaces that are available for City and non-gymnastics community programming.</p> <p>0 points: The option is likely to be a stand alone building and not on a recreation focused site, with minimal or no spaces available for City and non-gymnastics community programming.</p>	2	3	3	2	0	0
Operational Viability	<p>2 points: The option would not require an ongoing City subsidy and can self fund a reserve.</p> <p>1 point: The option would not require an ongoing City subsidy but will require a reserve contribution from the City.</p> <p>0 points: The option would require an ongoing City subsidy.</p>	TBD	TBD	TBD	TBD	TBD	TBD
Total Points		11	7	9	8	6	7
Preliminary Rank (1 – 6)		1	T4	2	3	6	T4

GYMNASTICS FEASIBILITY STUDY

FINANCIAL IMPACTS

APPENDIX A

Gymnastics Feasibility Study Financial Impacts

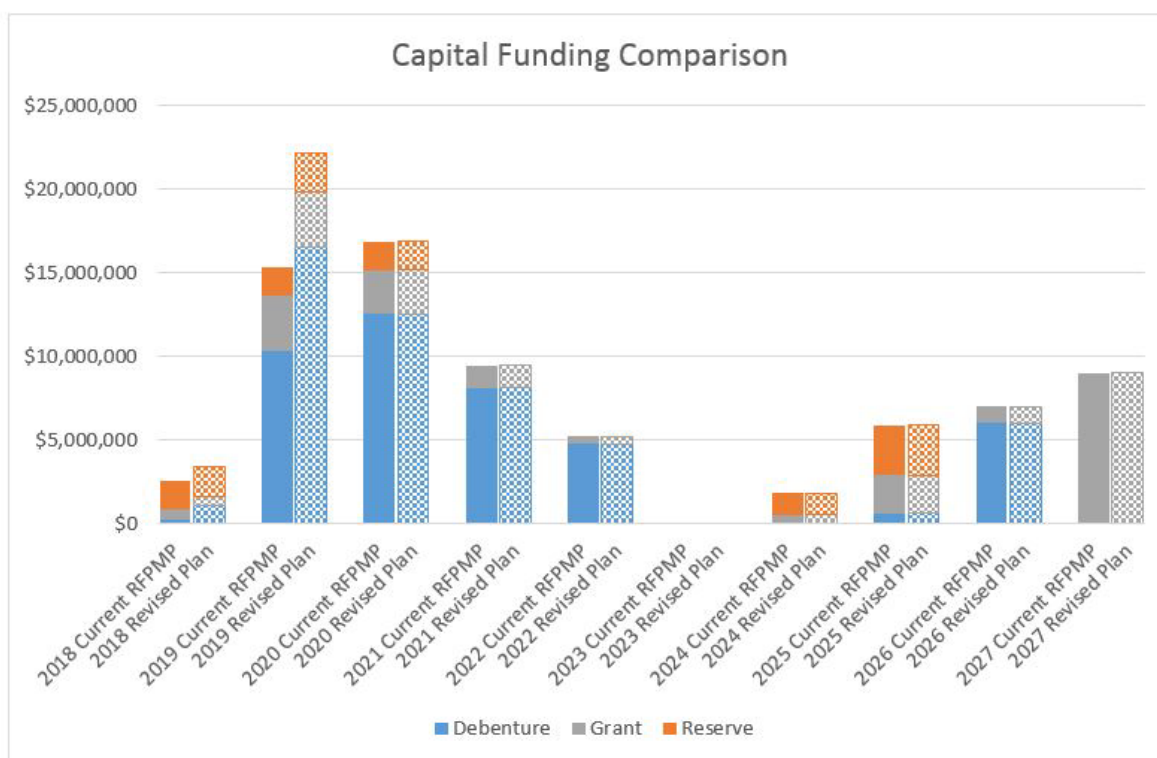
Assumptions:

- No costs for land purchase, assumed the new facility would be built at the Dow Centennial centre location.
- No rent was built in to offset operating costs as lease agreement would need to be negotiated
- Tax impact based on tax split of 41% resident and 59% non-resident and estimated assessment growth rates are based on past trends and averages; any increase or decrease in assessment growth will change the tax impact

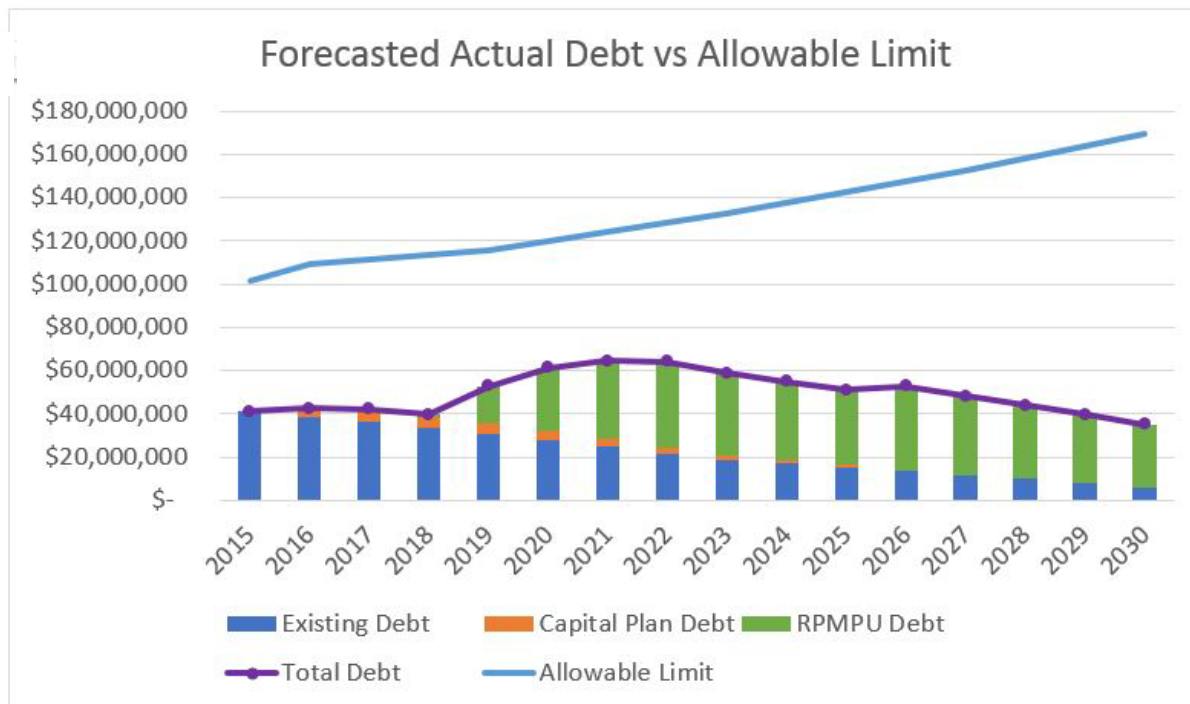
Option 1: Current Recreation Facility and Parks Master Plan Update (RFPMPU) with new Gymnastics Facility (2018 - 2019)

Capital:

The capital cost of the new facility is estimated to be \$7,681,825 and would be debenture funded and reserve funded. The impact of this additional capital on the current RFPMPU is:



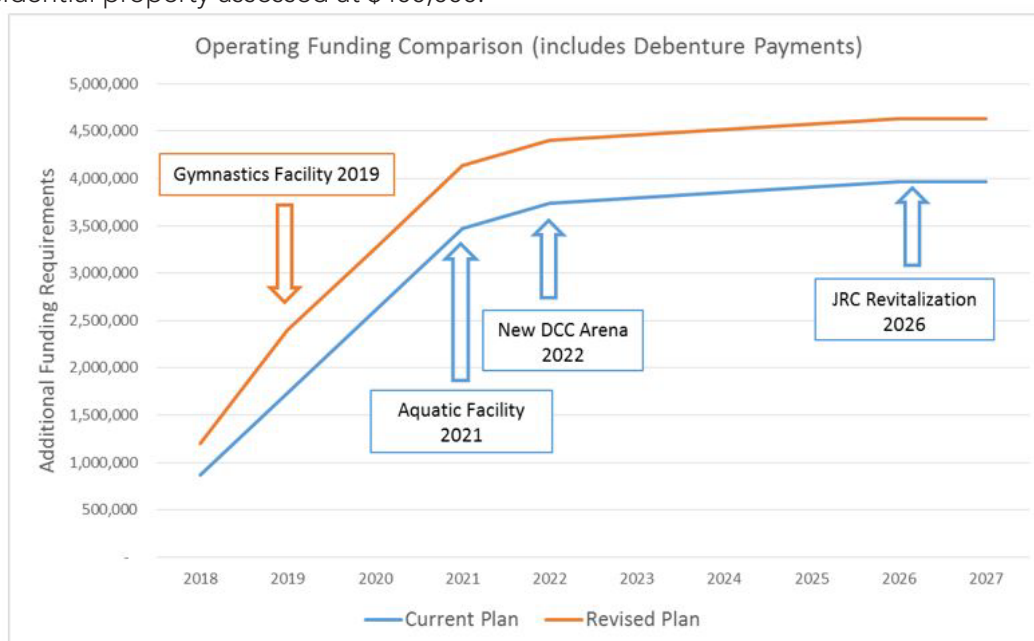
With the added debt, the City's allowable total debt limit would peak at 52% in 2021 (versus 47% with the current RFPMPU).



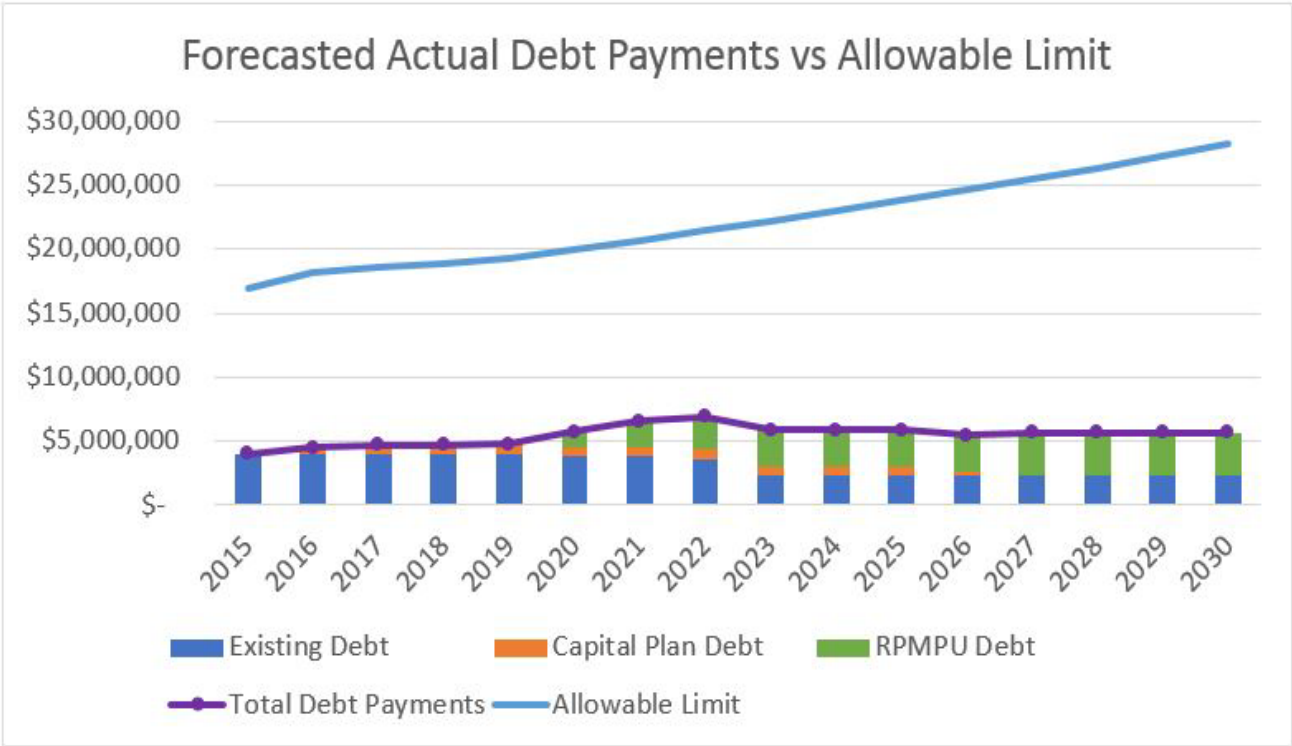
Operating:

The estimated operating costs of the new facility are \$663,500 which includes \$207,500 to operate and maintain the building at an average cost of \$10.25 per sq.ft and \$456,000 for the debenture payment.

To smooth the tax impact, \$332,000 will be added to the budget each year in 2018 & 2019. The incremental tax impact of adding a Gymnastics facility is an estimated increase of \$16.00 per year for a residential property assessed at \$400,000.



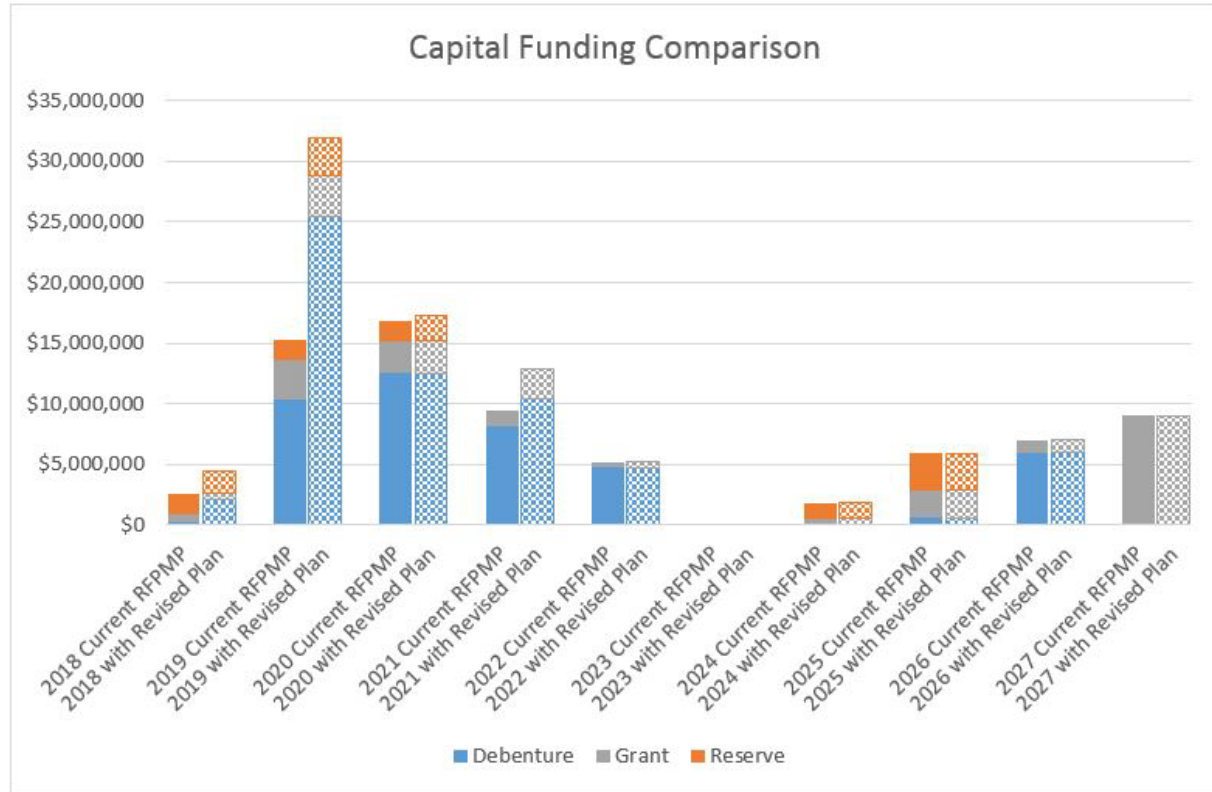
With the added debt, the City's allowable service on debt limit would peak at 32% in 2022 (versus 30% with the current RFPMPU).



Option 2B: Current RFPMPU with new Field House in 2018 - 2019 & Expanding the DCC in 2020 - 2021

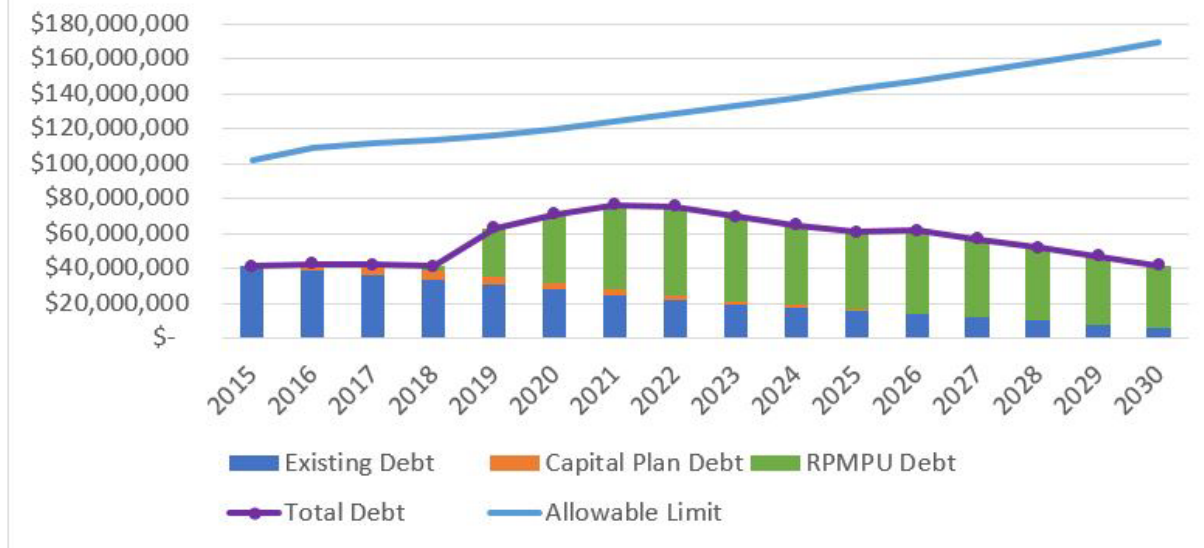
Capital:

The capital cost of the new field house is estimated to be \$18,500,000 and would be debenture funded and reserve funded. To retrofit and expand the current gymnasium and Flexhall at the DCC is estimated to cost \$3,765,570 and would be debenture funded, MSI grant funded, and reserve funded. The impact of this additional capital on the current RFPMPU is:



With the added debt, the City's allowable total debt limit would peak at 61% in 2021 (versus 47% with the current RFPMPU).

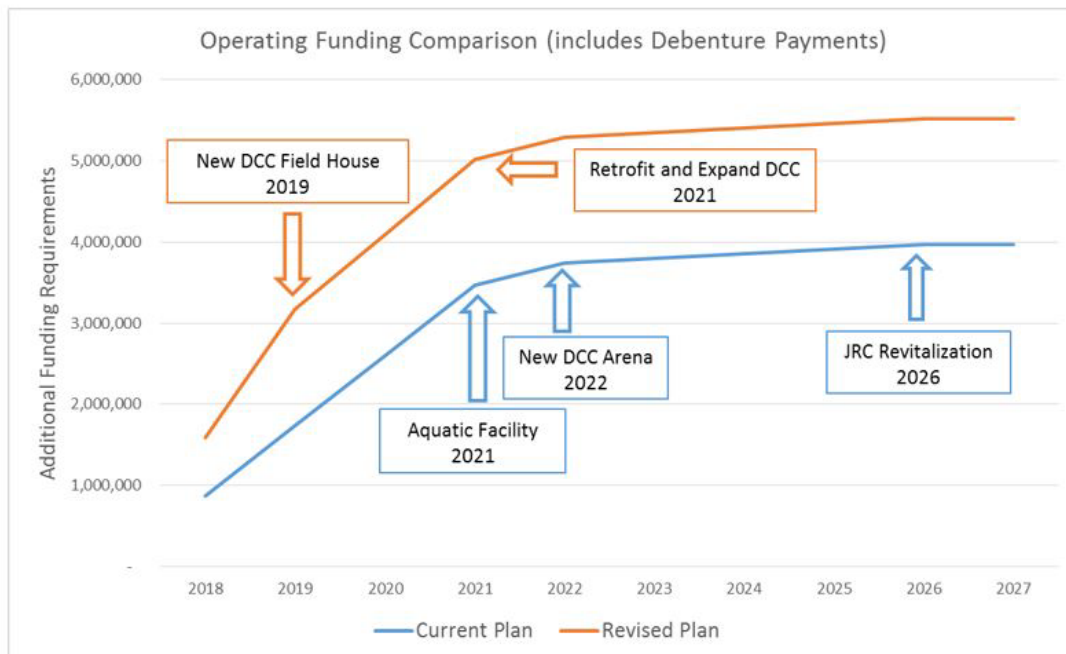
Forecasted Actual Debt vs Allowable Limit



Operating:

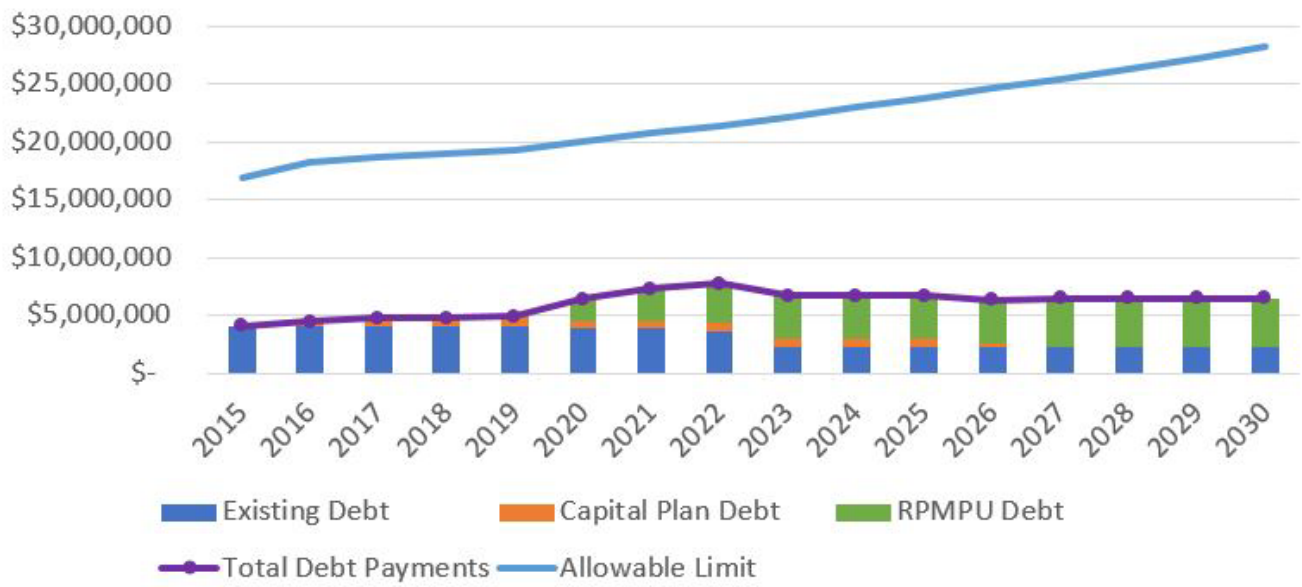
The estimated operating costs of the new field house is \$1,325,000 which includes \$215,000 to operate and maintain the building and \$1,110,000 for the debenture payment. The estimated operating costs of retrofitting and expanding the DCC is \$221,000; \$71,500 to operate and maintain the building at an average cost of \$10.25 per sq.ft and \$149,500 for the debenture payment.

To smooth the tax impact, \$720,300 will be added to the budget each year in 2018 & 2019 and \$55,300 in 2020 & 2021. The incremental tax impact of adding a field house and retrofitting and expanding the DCC is an estimated increase of \$34.00 per year for 2018 & 2019 and \$3.00 per year for 2020 & 2021 for a residential property assessed at \$400,000.



With the added debt, the City's allowable service on debt limit would peak at 36% in 2022 (versus 30% with the current RFPMPU).

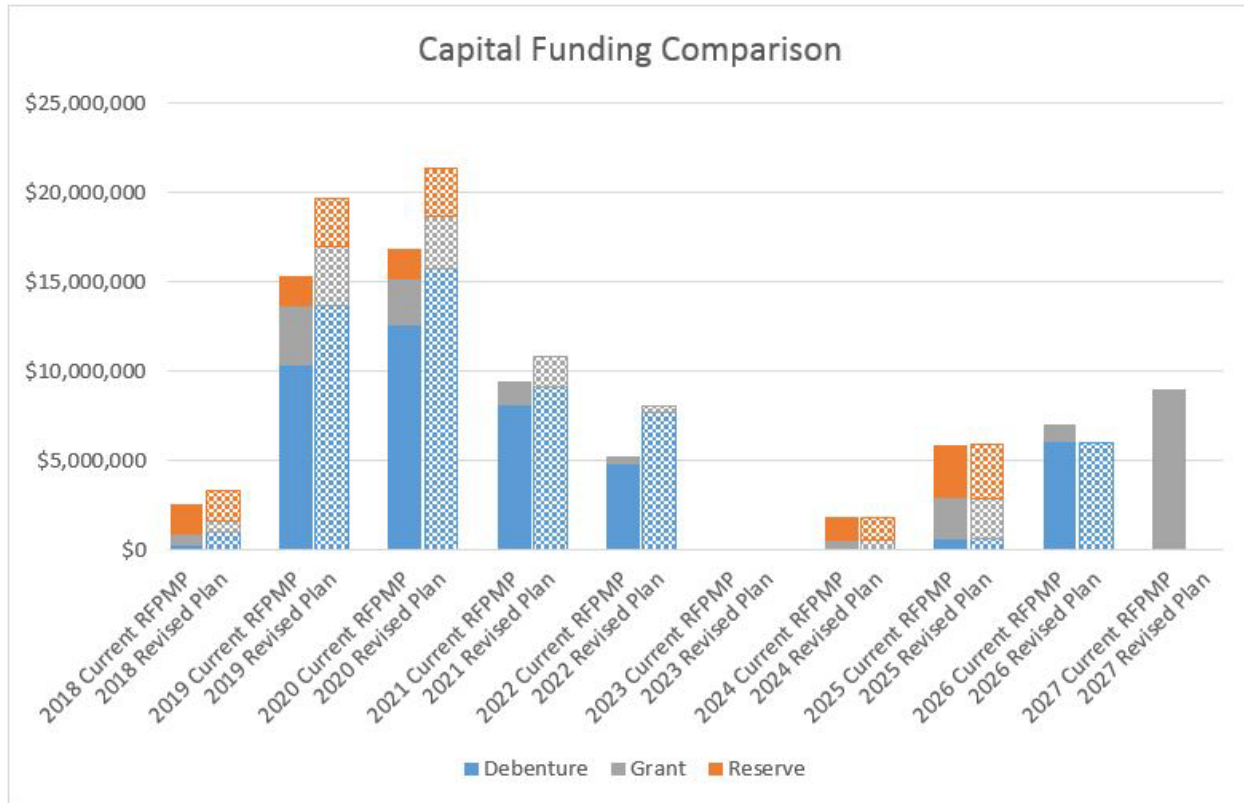
Forecasted Actual Debt Payments vs Allowable Limit



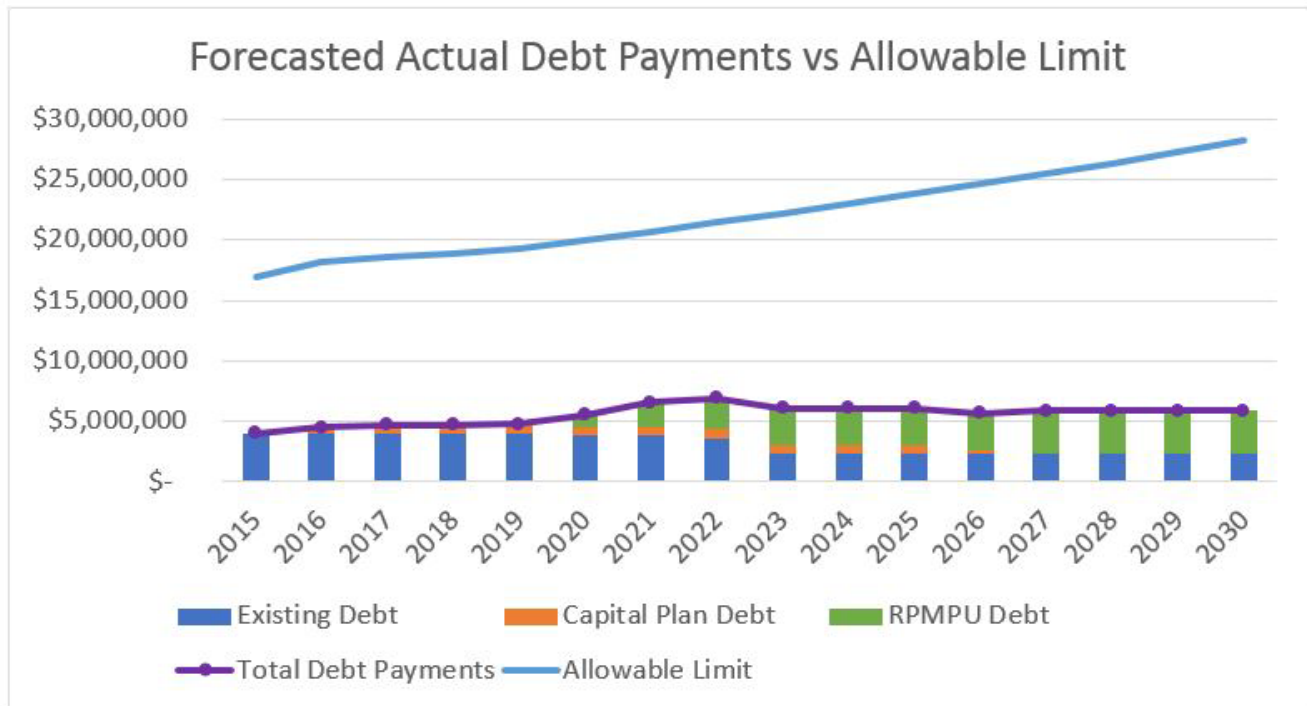
Option 2C: Increase Scope of New Aquatics Facility and Retrofit Harbour Pool in 2022 - 2023

Capital:

The additional capital cost of increasing the scope of the new Aquatics Facility is estimated to be \$10,000,000 and the cost to retrofit Harbour Pool is estimated to be \$5,726,500 both of which would be funded through a combination of debenture funding, MSI grant funding, and reserve funding. The revitalization of the Harbour Pool that was scheduled to occur in 2026 & 2027 will no longer be required; therefore freeing up \$10,000,000 in MSI grant funding. The impact of this additional capital on the current RFPMPU is:



With the added debt, the City's allowable total debt limit would peak at 53% in 2022 (versus 47% for the current RFPMPU).

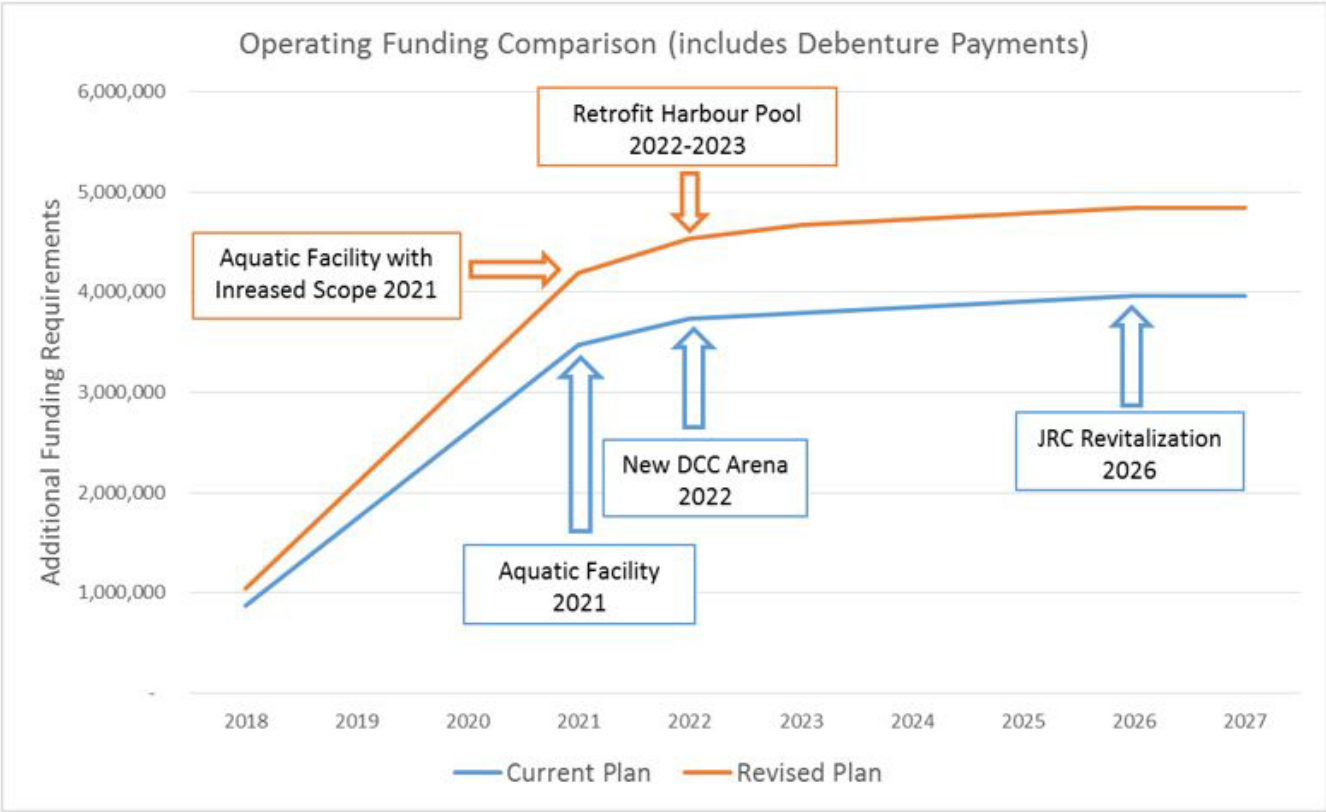


Operating:

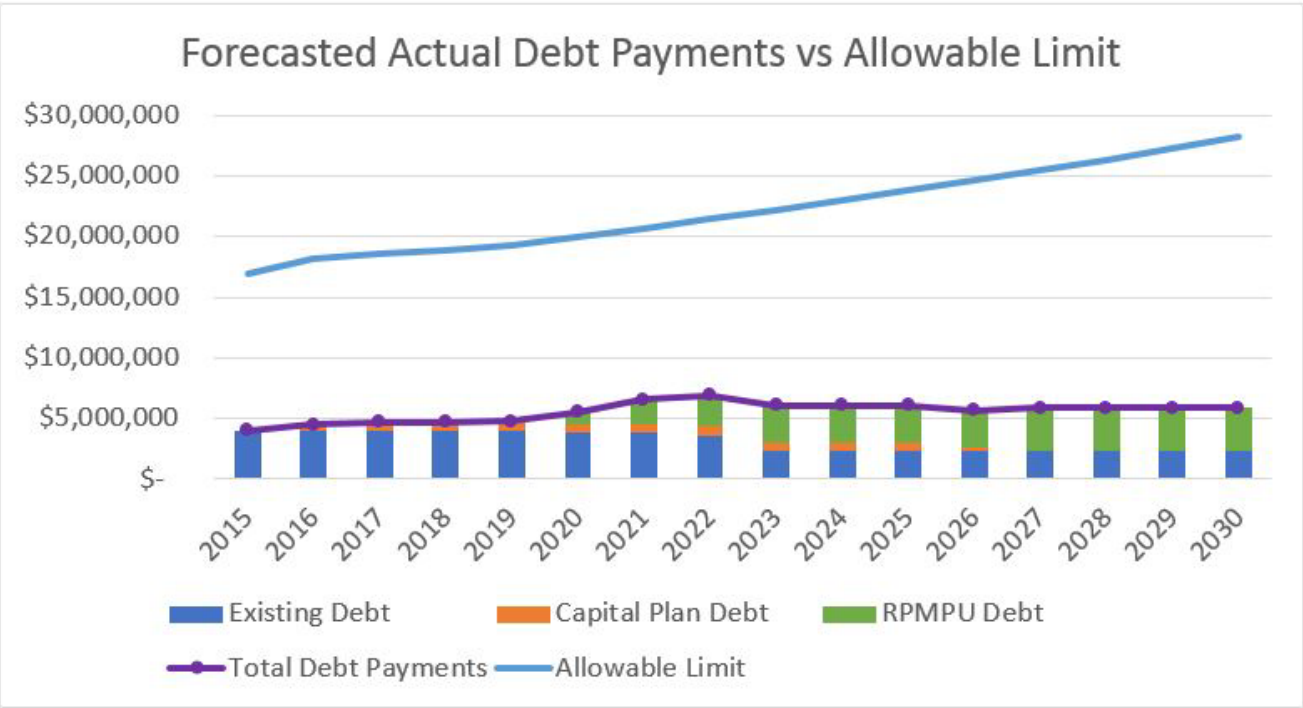
The estimated operating costs of increasing the scope of the new Aquatics Facility are \$4,500,000 which includes \$2,585,000 to operate and maintain the building and \$1,915,000 for the debenture payment. It was assumed in this scenario that the costs to operate the Harbour Pool would be transferred to the new Aquatics Facility, therefore no additional operating costs were added. There is potential for savings after combining aquatics into one facility however the amount is unknown at this time.

The estimated operating costs of the retrofit to Harbort Pool are \$462,500 which includes \$207,500 to operate and maintain the building at an average cost of \$10.25 per sq.ft and \$255,000 for the debenture payment.

To smooth the tax impact, an additional \$180,000 will be added to the budget each year in 2018 - 2021 and \$80,000 in 2022 & 2023. The incremental tax impact of increasing the scope of the new Aquatics Facility and retrofitting Harbour Pool is an estimated increase of \$9.00 per year for a residential property assessed at \$400,000.



With the added debt, the City's allowable service on debt limit would peak at 32% in 2022 (versus 30% with the current RFPMPU).



COST SHEETS FOR FACILITY OPTIONS

APPENDIX B

OPTION 1: NEW FACILITY CONSTRUCTION

Performance Areas	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
1. Floor		2,260	210.00	\$588,000
2. Vault Runway		296	27.50	\$77,000
3. Pits		662	61.50	\$172,200
4. Bars		893	83.00	\$232,400
5. Trampoline		194	18.00	\$50,400
6. Multi-purpose/Flex Space		2,271	211.00	\$590,800
7. Tot Bars		307	28.50	\$79,800
8. Above-Ground Pit		140	13.00	\$36,400
9. Beam Landing Mats/MP/Flex Space		915	85.00	\$238,000
10. Dance/Program Room		1,453	135.00	\$378,000
Subtotal Net Areas		9,392	872.50	
Component Budget (\$/m2)		\$2,800		\$2,443,000

Support Spaces	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
1. Administration (2 – 3 work stations)		221	20.50	\$61,500
2. Change Room #1		409	38.00	\$114,000
3. Change Room #2		517	48.00	\$144,000
4. Lobby		936	87.00	\$261,000
5. Spectator Seating		3,767	350.00	\$1,050,000
6. Mechanical		242	22.50	\$67,500
7. Electrical		75	7.00	\$21,000
Subtotal Net Areas		6,168	573.00	
Component Budget (\$/m2)		\$3,000		\$1,719,000

Building Subtotal	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
1. Floor Area Gross Up		4,731	439.50	\$1,098,750
Component Budget (\$/m2)		\$2,500		\$1,098,750

Site Development Costs	Type	Cost (\$ 2017)
1. Landscaping	Allowance	\$150,000
2. Site servicing	Allowance	\$750,000
3. Parking	Allowance	\$300,000
Total	—	\$1,200,000

Building Total	Area (ft²)	Area (m²)	Cost (\$ 2017)
Building Total	20,290	1,885	\$6,460,750
Building Cost Unit Rate	\$318.42	\$3,427.45	
Building Budget			\$6,460,750

<i>Construction Contingency (10%)</i>			\$646,075
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Project Soft Costs	Type	Cost (\$ 2017)
1. Consultant Fees	Allowance	\$550,000
2. Permits	Allowance	\$25,000
Total	—	\$575,000

Total Project Budget	\$7,681,825
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Costing does not include: equipment, furnishings, or material testing. Costs are to value of ±20%.

OPTION 2A: REPURPOSING OF A MUNICIPAL FACILITY

DOW CENTENNIAL CENTRE GYMNASIUM RETROFIT

Performance Areas <i>(Renovated Gym and Flexhall Areas)</i>	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
1. Floor		2,260	210.00	
2. Vault Runway		296	27.50	
3. Pits (evacuated and installed)		662	61.50	
4. Bars		893	83.00	
5. Trampoline		194	18.00	
6. Multi-purpose/Flex Space		2,271	211.00	
7. Tot Bars		307	28.50	
8. Above-Ground Pit		140	13.00	
9. Beam Landing Mats/MP/Flex Space		915	85.00	
Subtotal Net Areas		7,939	737.50	
Component Budget (\$/m2)		\$1,500		\$1,106,250

Support Spaces <i>(Assumed No Substantial Renovations Needed)</i>	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
1. Meeting Room (dance)				
2. Lobby				
3. Public Washrooms				
4. Administration/Staff Areas (locations to be confirmed)				
5. Change Room 1				
6. Change Room 2				
7. Additional Spectator Seating				
8. Convert Gymnastics Storage to Dance Studio				
Subtotal Net Areas			1,880.00	
Component Budget (\$/m2)		\$500		\$940,000

Additional Development Costs	Type	Cost (\$ 2017)
1. Landscaping	Allowance	\$0
2. Site servicing	Allowance	\$0
3. Parking	Allowance	\$0
Total	—	\$0

Building Total	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
Building Total				\$2,046,250
Building Cost Unit Rate				
Building Budget				\$2,046,250
<i>Construction Contingency (15%)</i>				\$306,938

Project Soft Costs	Type	Cost (\$ 2017)
1. Consultant Fees	Allowance	\$300,000
2. Permits	Allowance	\$25,000
Total	—	\$325,000
Total Project Budget		\$2,678,188

Costing does not include: equipment, furnishings, or material testing. Costs are to value of ±20%.

OPTION 2B: REPURPOSING OF A MUNICIPAL FACILITY

DOW CENTENNIAL CENTRE GYMNASIUM RETROFIT AND FOOTPRINT EXPANSION

Performance Areas <i>(Renovated Gym and Flexhall Areas)</i>	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
1. Floor		2,260	210.00	
2. Vault Runway		296	27.50	
3. Pits (evacuated and installed)		662	61.50	
4. Bars		893	83.00	
5. Trampoline		194	18.00	
6. Multi-purpose/Flex Space		2,271	211.00	
7. Tot Bars		307	28.50	
8. Above-Ground Pit		140	13.00	
9. Beam Landing Mats/MP/Flex Space		915	85.00	
Subtotal Net Areas		7,024	652.50	
Total Existing Gymnasium Area		11,647	1,082.50	
Component Budget (\$/m2)		\$1,500		\$1,623,000

New Support Spaces	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
1. Meeting Room (dance)		1,141	106.00	
2. Lobby		662	61.50	
3. Administration/Staff Areas (locations to be confirmed)		238	22.10	
4. Change Room 1		351	32.60	
5. Change Room 2		411	38.20	
6. Mechanical/Electrical Room		208	19.30	
Subtotal Net Areas		3,011	279.70	
Component Budget (\$/m2)		\$4,000		\$1,118,800

Additional Development Costs	Type	Cost (\$ 2017)
1. Landscaping	Allowance	\$50,000
2. Roofing Improvements	Allowance	\$0
3. Parking Lot Modifications	Allowance	\$200,000
Total	—	\$250,000

Building Subtotal	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
1. Floor Area Gross Up		678	63.00	\$189,000
Component Budget (\$/m2)		\$3,000		\$189,000

Building Total	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
Building Total		15,336	1,425	\$2,991,800
Building Cost Unit Rate				
Building Budget				\$2,991,800

<i>Construction Contingency (15%)</i>				\$448,770
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Project Soft Costs	Type	Cost (\$ 2017)
1. Consultant Fees	Allowance	\$300,000
2. Permits	Allowance	\$25,000
Total	—	\$325,000
Total Project Budget		\$3,765,570

Costing does not include: equipment, furnishings, or material testing. Costs are to value of ±20%.

OPTION 2C: REPURPOSING OF A MUNICIPAL FACILITY

HARBOUR POOL RETROFIT

Performance Areas <i>(Renovated Pool Area)</i>	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
1. Floor		2,260	210.00	\$420,000
2. Vault Runway		296	27.50	\$55,000
3. Pits		662	61.50	\$123,000
4. Bars		893	83.00	\$166,000
5. Trampoline		194	18.00	\$36,000
6. Multi-purpose/Flex Space		2,271	211.00	\$422,000
7. Tot Bars		307	28.50	\$57,000
8. Above-Ground Pit		140	13.00	\$26,000
9. Beam Landing Mats/MP/Flex Space		915	85.00	\$170,000
Subtotal Net Areas		7,939	737.50	
Component Budget (\$/m2)		\$2,000		\$1,475,000

Existing Support Spaces <i>(Renovated)</i>	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
1. Meeting Room (dance)				
2. Lobby				
3. Public Washrooms				
4. Administration/Staff Areas				
5. Change Room 1				
6. Change Room 2				
7. Existing Pool Area Finishes				
Subtotal Net Areas		20,237	1,880.00	
Component Budget (\$/m2)		\$1,250		\$2,350,000

Additional Development Costs	Type	Cost (\$ 2017)
1. Landscaping	Allowance	\$10,000
2. Roofing Improvements	Allowance	\$350,000
3. Parking Lot Surface Upgrades	Allowance	\$25,000
4. Mechanical Upgrades and Removal of Pool Equipment (decommission)	Allowance	\$400,000
Total	—	\$785,000

Building Total	Capacity	Area (ft²)	Area (m²)	Cost (\$ 2017)
Building Total		23,229	2,158	\$4,610,000
Building Cost Unit Rate		\$198.46	\$2,136.24	
Building Budget				\$4,610,000
<i>Construction Contingency (15%)</i>				\$691,500

Project Soft Costs	Type	Cost (\$ 2017)
1. Consultant Fees	Allowance	\$400,000
2. Permits	Allowance	\$25,000
Total	—	\$425,000
Total Project Budget		\$5,726,500

Costing does not include: equipment, furnishings, or material testing. Costs are to value of ±20%.





CITY OF
FORT SASKATCHEWAN

FORTSASK.CA

CITY OF FORT SASKATCHEWAN

Sponsorship, Naming Rights and Advertising Policy GOV-13-C

Motion:

That Council approve Sponsorship, Naming Rights and Advertising Policy GOV-013-C.

Purpose:

To establish a sponsorship, naming rights and advertising policy that enables the City to seek revenues through sponsorships, naming rights and advertising that support the delivery of programs, services, facility enhancements and operational budgets.

Background:

On November 21, 2016 Council passed Resolution R200-16 directing Administration to institute a program regarding naming rights and sponsorship for buildings, components, sports fields and events no later than the first quarter of 2017, and further that stakeholders be invited to participate with the City to solicit these funds.

Administration contracted RC Strategies+PERC to utilize their expertise in the field of sponsorship to develop a Council policy and an implementation strategy.

The Sponsorship, Naming Rights and Advertising Policy will enable the City to seek revenues through sponsorships, naming rights and advertising that support the delivery of programs, services, facility enhancements and operational budgets.

The Sponsorship, Naming Rights and Advertising Strategy looks at the current processes, protocols and successes associated with sponsorship, naming rights and advertising. Through an inventory and review of the current situation related to these activities, the strategy outlines key actions and adjustments that are recommended to best position the City to align with the Policy and optimize efforts related to sponsorship, naming rights and advertising. Administration will utilize the strategy to implement the Policy.

Next Steps:

To implement the Sponsorship, Naming Rights and Advertising Policy, Administration will move forward with Phase I of the attached Sponsorship, Naming Rights and Advertising Strategy, fourth quarter of 2017. Consideration of Phase 2 may be brought forward to Council for discussion and approval during a future budget process.

Recommendation:

That Council approve Sponsorship, Naming Rights and Advertising Policy GOV-013-C.

Attachments:

1. Sponsorship, Naming Rights and Advertising Policy GOV-013-C
2. Sponsorship, Naming Rights, and Advertising Strategy

Prepared by:	Sheila Gagnon Recreation Development Coordinator	Date: June 21, 2017
Approved by:	Barb Shuman Director, Recreation Services	Date: June 21, 2017
Approved by:	Brenda Rauckman General Manager, Community & Protective Services	Date: June 21, 2017
Reviewed by:	Troy Fleming Acting City Manager	Date: June 22, 2017
Submitted to:	City Council	Date: June 27, 2017

SPONSORSHIP, NAMING RIGHTS AND ADVERTISING

Date Issued: XXXXX

Mandated by: Council

Current Revision: XX.XXX.XX

Cross Reference:

- Sponsorship, Naming Rights and Advertising Procedure GOV-013-A

Next Review: XX.XXX.19

Responsibility: City Manager

PURPOSE

To establish a sponsorship, naming rights and advertising framework that enables the City to seek revenues through sponsorships, naming rights, advertising sales and donations supporting the delivery of programs, services, facility enhancements and operational budget.

POLICY

Through the ongoing process of sponsorship, the City welcomes and actively seeks sponsorships, naming rights, advertising sales and donations on a variety of assets in order to generate non-tax revenue to fund the provision of City programs, services, facility enhancements and operational budget.

DEFINITIONS

Advertising Sales – shall mean the process of selling display space in or on City assets.

City Council – shall mean the municipal Council for the City.

City Manager – shall mean the Chief Administrative Officer for the City.

Donations – shall mean contributed funds, services or gifts-in-kind without an expectation of recognition or return. All donations will comply with Canada Revenue Agency (CRA) regulations.

External Agencies – shall mean entities not part of the City such as societies, not-for-profit organizations, user groups, foundations and government partners which may have agreements with the City while not under its direct control.

Fulfilment – shall mean the terms of the agreement must be completed by the City and sponsoring party to receive recognition for the sponsorship, naming rights, advertising or donation.

In-kind – shall mean contribution sponsorship received in the form of goods and/or services rather than cash.

Municipal Assets –shall mean facilities, vehicles, equipment, programs, services, publications, websites or events, owned and operated by the City.

Naming Rights – shall mean opportunities for an external sponsor to receive the exclusive right to name a City property under specific terms.

Sponsorship – shall mean a mutually beneficial contractual agreement between the City and an external company, organization, association or individual where the City leverages a municipally owned asset to receive financial or in-kind support in exchange for recognition, exposure, activation opportunities, and/or other commercial benefits.

GUIDING PRINCIPLES

1. City Council is responsible for:
 - 1.1 Determining which assets shall be made available for naming rights opportunities.
 - 1.2 Approving agreements that are greater than \$500,000.
2. The City Manager or designate is responsible for:
 - 2.1 Negotiating and approving agreements related to sponsorships, advertising sales, naming rights and donations that fall within the level of approval for revenue contracts delegated to the City Manager.
 - 2.2 Recommending to Council the agreements with revenue exceeding \$500,000.
 - 2.3 Ensuring legal agreements are secured for all sponsorships, advertising sales, naming rights and donations related to programs, services, physical spaces and operational budget.
 - 2.4 Ensuring that applicable policies and procedures to support sponsorships, naming rights, advertising sales and donations are in place as necessary.
 - 2.5 Ensuring that all sponsorships, naming rights, advertising sales and donation agreements meet the City's legal processes and standards.
 - 2.6 Ensuring resources are allocated appropriately to support the annual sponsorships, naming rights, advertising sales and donation budget.

3. Sponsorships, naming rights, advertising sales and donation revenues and associated expenses shall be allocated to annual programs, services, facility enhancements and operational budget.
4. Sponsorships, naming rights, advertising and donation activities shall safeguard the City's assets and interests.
5. In accordance with Procurement Policy FIN-020-C, sponsorship, naming rights, advertising and donation activities shall not entitle any sponsor or donor to influence any business decisions made by the City.
6. The City will not enter into any sponsorship, naming rights, advertising and donation agreements with companies that have a conflict with the City.
7. Sponsorship, naming rights, advertising and donations will be undertaken in accordance with accepted principles of sound business, legal and financial management.
8. Sponsorship, naming rights, advertising, and donations will not cause a City employee or a member of Council to receive any product, service or assets for personal gain or use.
9. Where there are costs associated with securing funds and fulfilling contractual obligations generated through sponsorship, naming rights, advertising and donations, these costs are reflected in the operating budget and shall not exceed the revenue generated by the agreement.
10. Agreements with external agencies shall reflect this policy.
11. Sponsorship, naming rights, advertising and donations activities shall support the strategic direction and values of Council.

AUTHORITY / RESPONSIBILITY TO IMPLEMENT

1. The City Manager is responsible for the implementation and monitoring of this Policy.



CITY OF
FORT SASKATCHEWAN

June 20, 2017

SPONSORSHIP, NAMING RIGHTS, AND ADVERTISING STRATEGY



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INTRODUCTION AND METHODOLOGY

SECTION ONE

INTRODUCTION

The City of Fort Saskatchewan is constantly growing and evolving. As the community matures, so too does its' administrative protocols, procedures and structure need to adapt to new demands and market conditions.

The City is currently responsible for a number of municipal services that meet the needs of both residents and visitors. These services include things like water and wastewater infrastructure, fire and protective services, roads, recreation and parks, transit, and others. These services are funded by both internal and external sources through a combination of commercial, residential, and industrial taxes as well as user fees, government grants, sponsorships, naming rights, and advertising.

Over time, as provincial and federal funding models evolve, municipalities are becoming increasingly sophisticated and diverse in how they approach funding outside of traditional streams such as taxes and fees. External funding sources, such as grants from other levels of government and sponsorships, naming rights, and advertising, help leverage tax revenues and ultimately provide enhanced levels of service to residents and visitors than could be achieved through the local tax base alone.

The purpose of this strategy is to look at the current processes, protocols, and successes associated with one aspect of external funding: sponsorship, naming rights, and advertising. Through an inventory and review of the current situation related to these activities, this study answers three key questions:

1. What are the **current successes** of the City (as a whole) regarding sponsorship, naming rights, and advertising?
2. What, if anything, is the City's current management of sponsorship, naming rights, and advertising **"leaving on the table"**?
3. Is there a **business case for a more robust, sustainable, and well-managed revenue stream** for the City based on sponsorship, naming rights, and advertising?

As these three questions are answered, this strategy also outlines key actions and adjustments that are recommended to best position the City to align with a refreshed related policy and optimize efforts related to sponsorship, naming rights, and advertising

METHODOLOGY

In order to develop this strategy, a number of tasks were administered. A thorough review and inventory of existing efforts related to sponsorship, naming rights, and advertising were created by the project team. A review of pertinent policy, existing agreements in place, and industry publications were also conducted to understand the current internal and market context for future strategic thinking.

Once inventories were better understood, a valuation tool was used by the consulting team to identify current successes and opportunities related to sponsorship, naming rights, and advertising. The valuation tool, which is proprietary to the consulting team, considers opportunity characteristics such as expected traffic and utilization, exposure, asset value, and brand association benefits and calculates defensible and expected return rates for the different assets within the City's inventory.

These return rates and opportunities, as well as the internal and external market context for sponsorship, naming rights, and advertising, are meant to set potential expectations for and justify a sustainable sponsorship, naming rights, and advertising business unit for the City that produces a predictable return on investment.

THE CURRENT STATE OF SPONSORSHIP, NAMING RIGHTS, AND ADVERTISING IN THE CITY OF FORT SASKATCHEWAN

SECTION TWO

The City of Fort Saskatchewan currently approaches sponsorship, naming rights, and advertising on a department-by-department basis. There is no single, consolidated point of contact with the City which can lead to duplication of efforts and an element of confusion in the market. Businesses are often approached by multiple staff from different departments with different programs to consider. Currently, departments with a sponsorship, naming rights, and advertising function (either as identified in job descriptions or not) are as follows:

1. Corporate Communications
2. Culture
3. Dow Centennial Centre
4. Family and Community Support Services
5. Harbour Pool
6. Parks
7. Recreation
8. Transit (advertising)

These different departments offer a wide array of sponsorship, naming rights, and advertising opportunities. The array of opportunities are each presented independently, although the City's branding guidelines are followed for all print material, and have been evaluated independently. There is currently not a consistent approach to valuating and presenting opportunities for sponsorship, naming rights, and advertising to the potential partner marketplace.

Current efforts of the different departments have resulted in the following successes:

Current Performance	
Department	Current Annual Revenue
1. Recreation	\$4,480
2. Dow Centennial Centre	\$—
3. NWMP Fort	\$22,480
4. Culture	\$64,600
5. Other	\$11,000
Total	\$102,560

It is also important to note that current City efforts related to sponsorship, naming rights, and advertising also result in “in kind” donations made to the City. Although the value of these “in kind” items is hard to quantify, it is significant and includes things such as professional services (marketing assistance), products (hotel room nights, printing, etc.), time, and materials.

The historical approach to sponsorship, naming rights, and advertising in the City has been project based. In the case of the Dow Centennial Centre, a successful fund raising campaign raised over \$2.5 million in sponsorships and donations (excluding government grants). More recently, The North West Mounted Police Fort raised \$408,000. Most of these agreements were agreed to in perpetuity which, at the time, was a common practice. One of the challenges this approach presents is that the revenue stream is short term while the sponsorship attributes of the asset continue to appreciate in value. When amortized over time, these agreements significantly reduce the sponsorship value of the asset. For example, assuming the life span (perpetuity) of the Dow Centennial Centre is 40 years, the \$75,000 raised for the fitness centre becomes an annual contribution of under \$2,000 per year. In addition, the sponsor loses value in their brand name as their signage and activation becomes aged over time.

POLICY

In regards to policy associated with sponsorship, naming rights, and advertising, the City has recently developed a Sponsorship, Naming Rights, and Advertising Council Policy (GOV-013-C). The Policy outlines roles and responsibilities related to these two activities within the corporation. The following graphic summarizes.



TRENDS AND MARKET CONTEXT

SECTION THREE

Increasing demand and pressure for quality, diversified municipal service delivery, especially in communities where growth is occurring, has forced many Alberta municipalities to explore new avenues of funding. Grants are available for municipal infrastructure and initiatives, many of which are focused on topics of the day such as green infrastructure, social inclusion, and infrastructure renewal, yet grants alone are not enough in leveraging local tax dollars to meet resident and visitor demand. That being said, municipalities have begun to market “saleable sponsorship assets” to external partners.

The increasing presence of multipurpose recreation facilities and major park sites that draw a significant number of daily users has created a critical mass and brand association sought by many private sector firms within and beyond the health and wellness industry. Communities with transit systems have realized the exposure that buses and transit infrastructure offer to prospective partners and have begun to value and sell opportunities.

Corporations are becoming more interested in funding community initiatives and projects and have intentions, and associated budgets, for investing in the communities they and their employees are a part of. Corporations are wanting to invest in community and associate their brands with health and wellness and other positive attributes that can easily be tied to municipal facilities and assets.

More specific to the City of Fort Saskatchewan, being part of the Industrial Heartland and in the centre of substantial and ongoing economic activity, the City's ability to draw significant corporate investment is promising. Recent successes portray a corporate

A review of similar sized Alberta municipalities was conducted to understand the state of organizational effort and organization related to sponsorship, naming rights, and advertising. Camrose, Cochrane, Leduc and Spruce Grove were analyzed.

- 2 of the 4 had a “Sponsorship Policy” in place.
- 1 of the 4 had dedicated staff responsible for sponsorship efforts (part time).
- 2 of the 4 had a single department/business unit responsible for the coordination of sponsorship.

It is estimated that 66% of municipalities in Canada (up from 45% in 2013) are involved in some sort of sponsorship engagement and of those who aren't, 90% are planning to be in the near future. Assets most commonly marketed include naming rights, events, programs and community initiatives. As it relates to naming rights, the most common terms are 5 – 10 years (45%) and 3 – 5 years (23%) in contrast to “in perpetuity” terms used in the past.

In regards to the legitimacy of “sponsorship” as a municipal function, 55% of those municipalities engaged in these activities have a central office for sponsorship while the other 45% leave it to individual departments to handle. Further to this, 68% use internal staff to manage sponsorships with 35% compensating staff between \$80,000 – \$100,000. The majority of municipalities that pay external contractors to conduct the sponsorship function do so through commissions which typically range from 10% – 25%. In regards to policy and protocol, 82% of municipalities have a Sponsorship Policy in place while 66% have a Naming Rights Policy and 43% have an Advertising Policy.

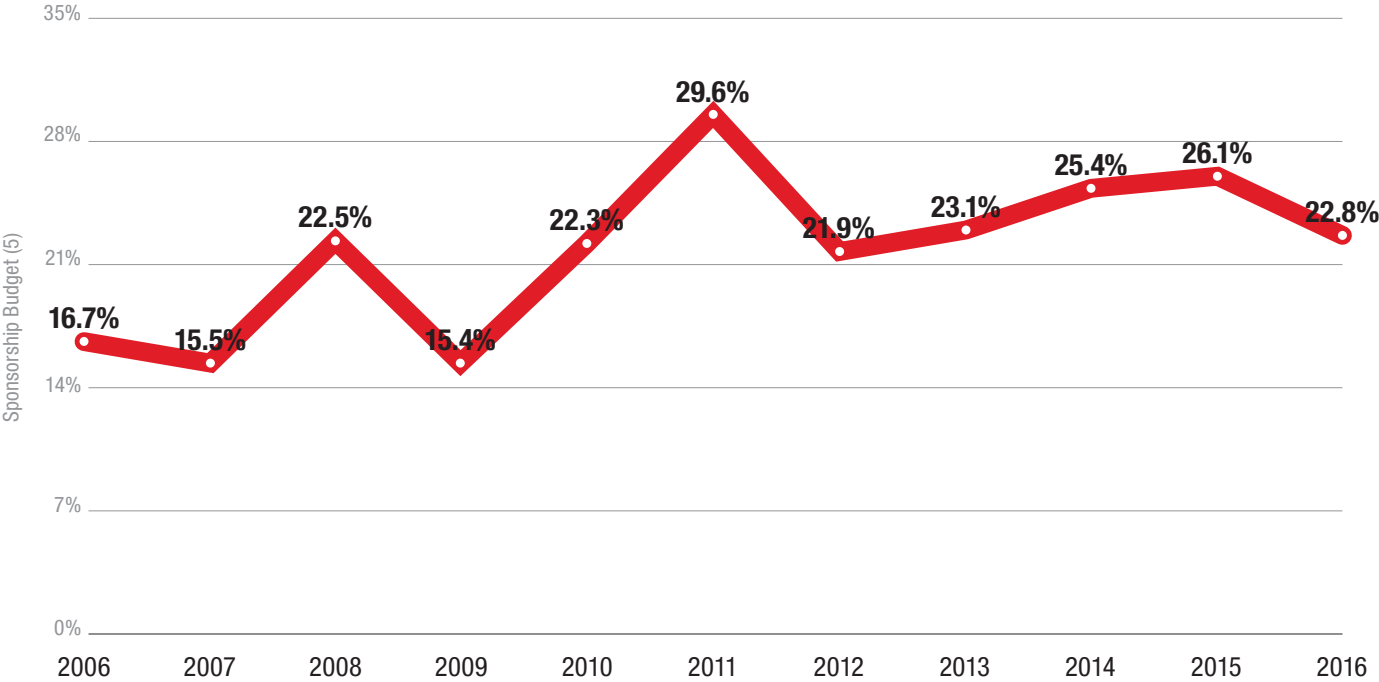
Excerpts taken from the Canadian Municipal Benchmarking Survey on Sponsorship and Naming Rights (2015): Centre of Excellence for Public Sector Marketing (CEPSEM).

willingness and eagerness for sponsorship, naming rights, and advertising and expected future investment in the Heartland in the billions (<http://industrialheartland.com/resources/project-status/>) suggest that this attitude and investment will continue.

The graph below is taken from the 2017 Sponsorship Landscape Study and shows the average percentage that companies are spending of their marketing budgets on sponsorship. This clearly indicates that companies are recognizing the value of connecting in a more meaningful way with their customers than simply advertising. This works in favour of organizations that have valuable assets that can align with sponsorship and marketing objectives.

MARKETING COMMUNICATIONS BUDGET

The 11-year average annual spend of marcom budget on sponsorship was 21.9%.



SPONSORSHIP, NAMING RIGHTS, AND ADVERTISING OPPORTUNITIES

SECTION FOUR

The City of Fort Saskatchewan has been successful in attaining significant sponsorship, naming rights, and advertising investment in the past and has a number of agreements in place carrying on into the future. Some of these arrangements were structured and secured under perpetual time frames and under other terms and conditions that might be approached differently today due to the evolution of the municipal sponsorship, naming rights, and advertising marketplace (including evolving corporate interests, the changing nature of municipal sponsorship approaches, and the City's new policy framework). The following table outlines existing arrangements, the annual return they are providing and the potential return if the arrangements were to be renegotiated or marketed in today's environment.

Asset	Sponsorship Valuation (annual)	Current Annual Revenue	Added Value Valuation (annual)	Missed Opportunity from Perpetuity Agreements	New Revenue Potential (annual)
Recreation	\$203,000	\$4,480	\$276,000	\$—	\$474,520
DCC	\$313,750	\$—	\$227,000	\$313,750	\$227,000
NWMP Fort	\$118,000	\$22,480	\$95,520	\$94,400	\$96,640
Culture	\$134,775	\$64,600	\$79,775	\$75,000	\$74,950
"Other" Potential*	\$303,200	\$11,000	\$303,200	\$—	\$595,400
Totals	\$1,072,725	\$102,560	\$981,495	\$483,150	\$1,468,510

* "Other" includes transit advertising, LCD screens, programs, and events.

Note: Please refer to appendix C for a more detailed explanation of how the valuation was completed.

Assuming that existing assets could be renegotiated and re-marketed under current market conditions, the City is currently losing out on at least \$483,150 annually for assets that are under contract to corporate and/or non-profit partners.

In addition to the lost opportunities with existing assets, the last column outlines new potential opportunities/assets that have been identified through this strategic process. As can be seen, another \$1,468,510 could be available should the City have the resources to pursue additional sponsorship, naming rights, and advertising arrangements. This does not include any future major projects (i.e. new facilities or parks, buses, etc.) that will also create opportunity.

During the course of marketing the sponsorship, naming rights and advertising properties, it can be assumed that there would be a discount program for larger agreements as well as a ‘vacancy rate’ for unsold inventory. Based on experience, the typical discount rate is approximately 10% while the vacancy rate can vary from 10 – 20%. In the current situation at the City of Fort Saskatchewan, this would render realistic revenue potential of \$1,027,957 annually.

HOW VALUE CAN BE ADDED TO AN EXISTING AGREEMENT

DCC Fitness centre.

Paid \$75,000 in perpetuity.

Final payment made in 2008.

Current valuation \$30,000 per year.

Opportunity: Work with Sponsor to refresh the marketing presence (signage, programming, etc.) in the fitness centre creating \$25,000 in annual value.

REALISTIC REVENUE POTENTIAL CALCULATION

Total Potential Revenue: \$1,468,510

Discount Rate: \$146,851 (10%)

Vacancy Rate: \$293,702 (20%)

Net Revenue Opportunity: \$1,027,957

SPONSORSHIP, NAMING RIGHTS, AND ADVERTISING THREATS

SECTION FIVE

Upon assessing the current state of sponsorship, naming rights, and advertising at the City and after identifying lost and potential opportunities associated with City assets, there are a number of key threats that need to be addressed in order to maximize sponsorship, naming rights, and advertising efforts.

TERMS OF EXISTING AGREEMENTS

Many of the existing agreements the City has in place are in perpetuity. This means that the original contribution made has to be spread out over the entire life of the asset. Although perpetual terms were once common, the market has evolved to fixed terms such as 5 – 10 year contracts. This approach provides more value to the municipality and also fits into annual corporate budgets. The threat associated with perpetual terms is not only attached to the contract already in place; the corporate sponsorship, naming rights, and advertising market in Fort Saskatchewan may be accustomed to and expect perpetual terms. This expectation (if it exists) will have to be overcome for future agreements and in the cases where attempts to recover lost opportunities are made. The perpetual nature of existing agreements also suggest that little

partnership development and nurturing is required as the agreements will never have to be renegotiated. That said, once fixed term agreements become the norm, a new way of doing business, with more ongoing partnership relationship development will also be required; a function that is not currently and/or sufficiently resourced by the City. Additionally, sponsors who have shown interest and support in the past tend to continue to see value in supporting City programs and initiatives so the long term relationships formed are important to the continued success of the program.

LACK OF COORDINATION

As there are eight+ departments currently seeking sponsorship, naming rights, and advertising from the local market in Fort Saskatchewan, there is sufficient risk in potential partners being targeted more than once by the City. There is also limited ability to find the right “fit” for potential partners and opportunities as no holistic, global perspective is held. In some cases, packaged opportunities may bring larger sums to the overall organization. Currently, the lack of coordination is a threat.

LACK OF APPROACH

The City's current approach to sponsorship, naming rights, and advertising, via each independent department, is not consistent nor coordinated. The individuals tasked with connecting with potential and current partners are only, in some cases, trained as specialists in the area and most have had little to no experience in sponsorship, naming rights, and advertising prior to this posting. Fund resourcing, and sales in general, is considered by some to be an art and training and professional development for staff responsible for sponsorship, naming rights, and advertising is key to maximizing efforts.

ALIGNMENT WITH COUNCIL OBJECTIVES

As is the case with any municipality, priorities change with elected officials from term to term and within each. Sponsorship, naming rights, and advertising efforts for municipalities are rooted in political will to enable corporations to associate with the local municipality. The types and terms of agreement, the nature of desirable/allowed partners, and the overall reliance on sponsorship, naming rights, and advertising will change as the City evolves and as elected officials change. So too will the City's approach to these activities and thus constant and consistent interaction and reporting to Council needs to be part of future strategy intended to maximize returns.

COSTS OF DOING BUSINESS

It is important to note that investment in sponsorships, naming rights, and advertising is imperative to maximizing returns and optimizing efforts. A general rule of thumb for these types of activities in a municipal setting is that a budget of 7% – 10% of net proceeds should be invested in the function (staff, supplies and materials, contracted services, business development and client relationship efforts, etc.) in order to be successful.

SPONSORSHIP, NAMING RIGHTS, AND ADVERTISING STRATEGY

SECTION SIX

In consideration to an assessment of the current situation, market research, and valuation of assets the following strategy has been developed to help the City maximize sponsorship, naming rights, and advertising efforts.

From an overall strategic perspective, three main themes have emerged and are the basis for future recommended action. The City should strive to **MAXIMIZE** the return on its sponsorship, naming rights, and advertising assets. This will entail revisiting existing agreements in place as well and pursuing new opportunities as resources permit. It also means making sure that the term of agreements and actual returns are appropriate for the value offered to partners. The City also needs to **CONSOLIDATE AND ALIGN** its current and future efforts related to sponsorship, naming rights, and advertising. With 8+ departments working hard to secure investment from partners, there is potential for redundancy and perceived lack of coordination and professionalism from the marketplace. Consolidating effort will improve perception and enhance the City's ability to match opportunities with partners in a more effective and polished fashion. The City will also be able to package opportunities in more attractive ways potentially garnering more investment than from the current independent department approach. Finally the City must **NURTURE** the relationships it currently has with partners and the ones it intends to enter into in the future. Sponsorship, naming rights, and advertising are based on a relationship between the City and the sponsors and/or donor. If the relationship is healthy, it can grow and strengthen enhancing existing agreements and also opening the door to new opportunities. If the relationship is not healthy, it does not only impact existing arrangements but it can also impact potential new markets through word of mouth and perception. Nurturing relationships will be key to a thriving and sustained sponsorship, naming rights, and advertising program for the City.

STRATEGIC THEMES

1. **MAXIMIZE**
2. **CONSOLIDATE AND ALIGN**
3. **NURTURE**

In order to act on these strategic themes, and enhance the City's already successful approach to sponsorship, naming rights, and advertising, a phased approach is recommended. Initial steps suggested for administration focus on improving the current situation without investment in significant additional resources. This initial phase is expected to deliver on the strategic themes and improve the current situation but will be limited to focusing on existing relationships; without allocating significant resources to these activities it is not expected that the City will be able to recapture lost opportunities or identify new ones.

The second phase of change requires more substantive organizational change. It suggests legitimizing the sponsorship, naming rights, and advertising function in the City, creating a new consolidated function that can support, and possibly replace in some cases, the current efforts of each of the 8 departments that have a sponsorship, naming rights, and advertising function. This will afford the City to focus on building relationships with existing partners, identify and pursue new opportunities and develop strategies to recapture lost opportunities. The following table explains the two phases in terms of expected functions, resource requirements, and expected return. It is important to note that the phases are progressive; Phase 2 builds upon the successes of Phase 1.

Action Items/ Requirements	Phase 1	Phase 2
Key Action Items	<ol style="list-style-type: none"> 1. Formalize an internal sponsorship, naming rights, and advertising committee with representatives from each of the eight departments to meet and discuss efforts and market dynamics on a regular basis (6 – 12 times per year). 2. Enable staff involved in sponsorship, naming rights, and advertising to participate in professional development opportunities related to these activities. 3. Consolidate the City's entire portfolio (or initially a grouping of multi-department assets) of opportunities into a single, consistent package so that existing and potential partners can explore all opportunities (or a multi-department opportunity) at once. 4. Host an annual workshop with City Council to revisit related policy and report on successes of sponsorship, naming rights, and advertising efforts. 	<ol style="list-style-type: none"> 1. Create a new City department to oversee sponsorship, naming rights, and advertising efforts. 2. Hire staff to operate department consisting of 1.0 FTE sponsorship, naming rights, and advertising professional and 0.5 FTE administrative support. 3. Invest in support infrastructure for the department to thrive (i.e. promotions and marketing budget, administrative space, printing and supplies, etc.). 4. Mandate the department to nurture and strengthen existing relationships (constant contact, partner benefits and enhanced exposure, etc.) as well as market and pursue the new opportunities outlined herein. 5. Enable the department to reengage with existing partners where lost opportunities exist to explore ways to recapture potential returns through added value programs. 6. Manage and document existing and future asset inventories, updating valuations when required.

Action Items/ Requirements	Phase 1	Phase 2
Staff Requirements/ Changes	<ul style="list-style-type: none"> • Ensure that each staff responsible for sponsorships, naming rights, and advertising has the activity outlined formally in their job description. • Formally allocate existing staff time to the activity. • No additional staff required. 	<ul style="list-style-type: none"> • 1 additional FTE specializing in sponsorships, naming rights, and advertising. • 0.5 FTE for administrative support and coordination. • Building upon, not replacing, formal allocations to existing staff from Phase 1.
Expected Costs	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • \$180,000 staff plus benefits. • \$10,000 promotions and marketing. • \$5,000 supplies and administration. • Office space. • \$195,000 total.
Expected Returns/ Key Performance Indicators	<ul style="list-style-type: none"> • 10% growth on current results. 	<ul style="list-style-type: none"> • Growth year over year towards a potential of \$1M+ in annual revenue. • Retention/renewal rates of existing contracts.

The approach outlined gives the City the option to move forward in a phased approach however both steps could be taken at once if desired. It is important to note that Phase 1 is prescribed to sustain existing efforts in a more effective way while Phase 2 is required to not only strengthen and nurture existing relationships but capture lost or potential new opportunities as outlined herein. This strategy, accompanied by the City's new Sponsorship, Naming Rights, and Advertising Council Policy (GOV-013-C) provide strategic guidance and structure for the City to enhance current efforts, maximize opportunities, consolidate and align efforts, and nurture existing and new relationships. The extent to which these action items and strategies are enacted will be directly reflected in future sponsorship, naming rights, and advertising success.

SPONSORSHIP, NAMING RIGHTS, AND ADVERTISING POLICY

APPENDIX A

SPONSORSHIP, NAMING RIGHTS AND ADVERTISING

Date Issued: XXXXX

Mandated by: Council

Current Revision: XX.XXX.XX

Cross Reference:

- Sponsorship, Naming Rights and Advertising Procedure GOV-013-A

Next Review: XX.XXX.19

Responsibility: City Manager

PURPOSE

To establish a sponsorship, naming rights and advertising framework that enables the City to seek revenues through sponsorships, naming rights, advertising sales and donations supporting the delivery of programs, services, facility enhancements and operational budget.

POLICY

Through the ongoing process of sponsorship, the City welcomes and actively seeks sponsorships, naming rights, advertising sales and donations on a variety of assets in order to generate non-tax revenue to fund the provision of City programs, services, facility enhancements and operational budget.

DEFINITIONS

Advertising Sales – shall mean the process of selling display space in or on City assets.

City Council – shall mean the municipal Council for the City.

City Manager – shall mean the Chief Administrative Officer for the City.

Donations – shall mean contributed funds, services or gifts-in-kind without an expectation of recognition or return. All donations will comply with Canada Revenue Agency (CRA) regulations.

External Agencies – shall mean entities not part of the City such as societies, not-for-profit organizations, user groups, foundations and government partners which may have agreements with the City while not under its direct control.

Fulfilment – shall mean the terms of the agreement must be completed by the City and sponsoring party to receive recognition for the sponsorship, naming rights, advertising or donation.

In-kind – shall mean contribution sponsorship received in the form of goods and/or services rather than cash.

Municipal Assets –shall mean facilities, vehicles, equipment, programs, services, publications, websites or events, owned and operated by the City.

Naming Rights – shall mean opportunities for an external sponsor to receive the exclusive right to name a City property under specific terms.

Sponsorship – shall mean a mutually beneficial contractual agreement between the City and an external company, organization, association or individual where the City leverages a municipally owned asset to receive financial or in-kind support in exchange for recognition, exposure, activation opportunities, and/or other commercial benefits.

GUIDING PRINCIPLES

1. City Council is responsible for:
 - 1.1 Determining which assets shall be made available for naming rights opportunities.
 - 1.2 Approving agreements that are greater than \$500,000.
2. The City Manager or designate is responsible for:
 - 2.1 Negotiating and approving agreements related to sponsorships, advertising sales, naming rights and donations that fall within the level of approval for revenue contracts delegated to the City Manager.
 - 2.2 Recommending to Council the agreements with revenue exceeding \$500,000.
 - 2.3 Ensuring legal agreements are secured for all sponsorships, advertising sales, naming rights and donations related to programs, services, physical spaces and operational budget.
 - 2.4 Ensuring that applicable policies and procedures to support sponsorships, naming rights, advertising sales and donations are in place as necessary.
 - 2.5 Ensuring that all sponsorships, naming rights, advertising sales and donation agreements meet the City's legal processes and standards.
 - 2.6 Ensuring resources are allocated appropriately to support the annual sponsorships, naming rights, advertising sales and donation budget.

3. Sponsorships, naming rights, advertising sales and donation revenues and associated expenses shall be allocated to annual programs, services, facility enhancements and operational budget.
4. Sponsorships, naming rights, advertising and donation activities shall safeguard the City's assets and interests.
5. In accordance with Procurement Policy FIN-020-C, sponsorship, naming rights, advertising and donation activities shall not entitle any sponsor or donor to influence any business decisions made by the City.
6. The City will not enter into any sponsorship, naming rights, advertising and donation agreements with companies that have a conflict with the City.
7. Sponsorship, naming rights, advertising and donations will be undertaken in accordance with accepted principles of sound business, legal and financial management.
8. Sponsorship, naming rights, advertising, and donations will not cause a City employee or a member of Council to receive any product, service or assets for personal gain or use.
9. Where there are costs associated with securing funds and fulfilling contractual obligations generated through sponsorship, naming rights, advertising and donations, these costs are reflected in the operating budget and shall not exceed the revenue generated by the agreement.
10. Agreements with external agencies shall reflect this policy.
11. Sponsorship, naming rights, advertising and donations activities shall support the strategic direction and values of Council.

AUTHORITY / RESPONSIBILITY TO IMPLEMENT

1. The City Manager is responsible for the implementation and monitoring of this Policy.

SPONSORSHIP, NAMING RIGHTS, AND ADVERTISING ADMINISTRATIVE PROCEDURE

APPENDIX B

SPONSORSHIP, NAMING RIGHTS AND ADVERTISING

Date Issued: XXXXX

Responsibility: Director, Recreation Services

Current Revision: XX.XXX.XX

Cross Reference:

- Sponsorship, Naming Rights and Advertising Policy GOV-013-C
-

PURPOSE

To set out the processes to enter into sponsorship, naming rights, advertising and donation agreements between the City and external organizations or individuals.

DEFINITIONS

Advertising Sales – shall mean the process of selling display space in or on City assets.

City Council – shall mean the municipal Council for the City.

City Manager – shall mean the Chief Administrative Officer for the City.

Donations – shall mean to contribute funds, services or gifts-in-kind without an expectation of recognition or return. All donations will comply with Canada Revenue Agency (CRA) regulations.

External Agencies – shall mean entities not part of the City such as societies, not-for-profit organizations, user groups, foundations, private companies / entities and government partners which may have agreements with the City while not under its direct control.

Fulfilment – shall mean the terms of the agreement must be completed by the City and sponsoring party to receive recognition for the sponsorship, naming rights, advertising or donation.

In-kind – shall mean contribution sponsorship received in the form of goods and/or services rather than cash.

Municipal Assets – shall mean facilities, vehicles, equipment, programs, services, publications, websites or events, owned and operated by the City.

Naming Rights – shall mean opportunities for an external sponsor to receive the exclusive right to name a City property under specific terms.

Sponsorship – shall mean a mutually beneficial contractual agreement between the City and an external company, organization, association or individual where the City leverages a municipally owned asset to receive financial or in-kind support in exchange for recognition, exposure, activation opportunities, and/or other commercial benefits.

PROCEDURE

Principles

- Departments are responsible for soliciting, negotiating and administering their own sponsorship, advertising, naming rights and donations program and agreements, subject to Administration Policy GOV-013-A.
- Departments are responsible for working with community groups when necessary to ensure the Sponsorship, Naming Rights, Advertising, Council Policy (GOV-013-C) is used.
- Benefits to the sponsor or donor are limited to those expressly stated in the Agreement.
- The City does not endorse the products, services, or ideas of any donor or sponsor.
- All sponsorship, naming rights, advertising and donation agreements must be arranged for a fixed term (not to exceed 10 years unless directed by Council).
- The funding must not create an ongoing financial obligation for the City beyond the term of the agreement.
- Departments to consolidate sponsorship, advertising, naming rights and donation related opportunities across the organization and market via centralized effort when resources are available.
- Create a consistent, professional presence for sponsorship, naming rights, advertising and donations program throughout the organization that fits with the department or branding.

Responsibilities

The City Manager or designate shall:

1. Determine allocation of funds into programs, services, facility enhancements or operational budgets;
2. Determine allocation of sponsorship, naming rights, advertising and donations program fulfillment Expenses;
3. Approve, within signing authority, all sponsorship, naming rights, advertising and donation agreements;
4. Ensure all sponsorship, naming rights, advertising and donation assets are valued using consistent methodology;
5. Establish a process for tracking and reporting all sponsorship, naming rights, advertising and donation agreements; and

6. Ensure organizational structure supports implementation of Sponsorship, Naming Rights and Advertising, Council Policy (GOV-013-C).

Standards

1. Where there are costs associated with sponsorship, naming rights, advertising and donations, these costs are reflected in the operating budget.
2. Sponsorship, naming rights, advertising and donation agreements shall be in the form of a legal document and shall contain:
 - a) Description of the contractual relationship
 - b) Term of agreement
 - c) Renewal terms
 - d) Payment schedule
 - e) Rights and benefits
 - f) Insurance terms
 - g) Release from liability
 - h) Early termination and;
 - i) Confidentiality terms.

INVENTORY AND VALUATION PROCESS

APPENDIX C

The process used to value the City's potential inventory involves a number of different inputs, most of which were provided by the various City departments.

The valuation focuses on the larger assets while providing some insight into additional "added value" opportunities that can be added to the existing program.

A property is valued by assessing the traffic, marketing impressions (including websites, social media, local and regional media) and applying industry standard impression values to each of these numbers.

These values are not fixed amounts but target values that can fluctuate with other variables. All values indicated in the charts below are annual amounts.

SUMMARY

Asset	Sponsorship Valuation (annual)	Current Annual Revenue	Added Value Valuation (annual)	Missed Opportunity from Perpetuity Agreements	New Revenue Potential (annual)
Recreation	\$203,000	\$4,480	\$276,000	\$—	\$474,520
DCC	\$313,750	\$—	\$227,000	\$313,750	\$227,000
NWMP Fort	\$118,000	\$22,480	\$95,520	\$94,400	\$96,640
Culture	\$134,775	\$64,600	\$79,775	\$75,000	\$74,950
"Other" Potential*	\$303,200	\$11,000	\$303,200	\$—	\$595,400
Totals	\$1,072,725	\$102,560	\$981,495	\$483,150	\$1,468,510

* "Other" includes transit advertising, LCD screens, programs, and events.

RECREATION SUMMARY

Asset	Sponsorship Value	Current Revenue	Added Value Valuation	Total New Revenue Potential
JRC Arena	\$32,000	\$4,480	\$101,500	\$129,020
Sportsplex	\$22,000	\$—	\$64,500	\$86,500
Harbour Pool	\$32,000	\$—	\$40,000	\$72,000
West Rivers Edge Park Building	\$9,750	\$—	\$—	\$9,750
Curling Rink	\$20,000	\$—	\$15,000	\$35,000
HP Field (new)	\$30,000	\$—	\$15,000	\$45,000
Off Leash Park	\$15,000	\$—	\$15,000	\$30,000
Spray Park: Kinsmen	\$15,250	\$—	\$—	\$15,250
Outdoor rinks	\$12,000	\$—	\$—	\$12,000
West Rivers Edge Park Building	\$9,750	\$—	\$9,750	\$19,500
Totals	\$197,750	\$4,480	\$260,750	\$454,020

DOW CENTENNIAL CENTRE

Asset	Sponsorship Value	Current Revenue	Added Value Valuation	Total New Revenue Potential
DCC Naming	\$130,000	\$—	\$—	\$130,000
DCC Fitness Centre	\$30,000	\$—	\$25,000	\$55,000
DCC Arena	\$28,000	\$—	\$75,000	\$103,000
DCC Soccer Pitch	\$20,750	\$—	\$88,000	\$108,750
DCC Gym	\$20,750	\$—	\$16,000	\$36,750
DCC Leisure Zone	\$20,250	\$—	\$8,000	\$28,250
DCC Multi purpose Room	\$7,500	\$—	\$5,000	\$12,500
DCC Track	\$23,250	\$—	\$10,000	\$33,250
DCC Games Den/ Childminding	\$13,250	\$—	\$—	\$13,250
DCC Flex Hall	\$20,000	\$—	\$—	\$20,000
Totals	\$313,750	\$—	\$227,000	\$540,750

Note 1: DCC sponsorships were sold in perpetuity when the facility opened. Valuation shows current annual values of major spaces.

NWMP FORT

Asset	Sponsorship Value	Current Revenue	Added Value Valuation	Total New Revenue Potential
Program Space	\$8,000	\$1,000	\$7,000	\$14,000
Stables	\$15,000	\$800	\$14,200	\$28,400
Flag Pole	\$3,000	\$120	\$2,880	\$5,760
Walls and Bastion	\$7,000	\$2,000	\$5,000	\$10,000
Men's Quarters	\$5,000	\$1,600	\$3,400	\$6,800
Kitchen	\$5,000	\$200	\$4,800	\$9,600
Mess	\$10,000	\$600	\$9,400	\$18,800
Fireplace	\$5,000	\$260	\$4,740	\$9,480
Jr. Officers	\$5,000	\$400	\$4,600	\$9,200
Commanding Officers	\$5,000	\$400	\$4,600	\$9,200
Cannon	\$5,000	\$400	\$4,600	\$9,200
Adopt an Officer	\$30,000	\$6,000	\$24,000	\$48,000
Library	\$5,000	\$200	\$4,800	\$9,600
Programs	\$10,000	\$8,500	\$1,500	\$3,000
Totals	\$118,000	\$22,480	\$95,520	\$191,040

Note 1: Current Revenue is based on perpetuity agreements being amortized over 25 years

Note 2: Perpetuity agreements are recent and therefore the added value opportunities are limited.

CULTURE

Asset	Sponsorship Value	Current Revenue	Added Value Valuation	Total New Revenue Potential
Legacy Park Festival and Fun Run	\$14,200	\$9,200	\$34,200	\$39,200
Bandshell	\$10,000	\$—	\$—	\$10,000
Movie Under the Stars	\$4,425	\$2,000	\$4,425	\$6,850
RiverFest	\$5,000	\$—	\$5,000	\$10,000
Canada Day	\$26,400	\$26,400	\$26,400	\$26,400
Shell Theatre	\$80,000	\$27,000	\$25,000	\$78,000
Totals	\$140,025	\$64,600	\$95,025	\$170,450

OTHER SUMMARY

Asset	Current Annual Revenue	Valuation	Total New Revenue Potential
Transit Buses	\$—	\$52,200	\$52,200
Transit Shelters	\$—	\$21,000	\$21,000
Parks	\$—	\$75,000	\$75,000
Program Guide Ads	\$5,000	\$20,000	\$15,000
Programs and Events	\$3,000	\$40,000	\$37,000
Grant Programs	\$—	\$20,000	\$20,000
LCD Screens	\$3,000	\$75,000	\$72,000
Totals	\$11,000	\$303,200	\$292,200



CITY OF
FORT SASKATCHEWAN

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Electronic Meeting Management

Motions:

That Council:

1. authorize Administration to enter into an agreement with eSCRIBE for new Electronic Meeting Management system; and
2. approve the one-time implementation fee and subscription cost of \$22,175 for 2017, to be funded from the Financial Stabilization Reserve.

Purpose:

To provide Council with an update and information on the proposed next steps for the City's Electronic Meeting Management system.

Background:

The City purchased the current Electronic Meeting Management system, SIRE in June 2012 and started providing video streaming to the public in May 2014. The SIRE software has a number of components, such as video streaming, electronic voting, automated minute and agenda development, and workflow.

When the City was implementing the various SIRE software components, we were advised that Hyland Software acquired SIRE Technologies Inc. At that time, there were no concerns with this change because it was Hyland Software's intention to transition the SIRE meeting management system to a new platform called OnBase. Hyland Software has transitioned some of the SIRE components onto the new platform, leaving the City unable to fully utilize the entire new system. This has created challenges for Administration, due to specific components and processes being unavailable for use. The following are examples of the challenges that exist:

- Streaming video to mobile devices: this has created frustration for the public who commonly use mobile devices for streaming.
- Workflow: this component improves efficiency by providing electronic management of agenda report preparation and approval.
- Without being able to obtain the outstanding component, the City is unable to properly update the equipment.
- Resulting from SIRE's inability to stay current, the system routinely experiences error messages, during and post Council meetings. Fortunately, this has not yet resulted in a loss of data or video footage.
- Using the current software, the Legislative Officer is required to use three different software programs to conduct a Council meeting. This can at times create challenges due to technical difficulties.
- Public who use new computing systems are unable to access the streaming, as one of the required software systems currently used for viewing SIRE is obsolete.
- Internet Browsers, such as Chrome and Firefox cannot be used. SIRE is only compatible with Internet Explorer and Windows 10 or lower.

The City has been waiting for the final component of the SIRE software since April 2015. Hyland Software recognizes the frustrations that its customers are experiencing, and is aware that alternatives are being considered.

Similar to SIRE, the eSCRIBE Electronic Meeting Management also contains a number of components, such as meeting and legislative management; meeting templates; workflow for agenda items; electronic voting; agenda and minute preparation; flexible video streaming and archiving; tracking and reporting post-meeting statistics and actions.

The benefits of changing to the eSCRIBE Electronic Meeting Management system have been noted below:

- The software system is current and fully functioning;
- Has a proven record within a number of other municipalities in Canada;
- Provides flexibility in editing, for both live during Council meetings and with post meeting processes;
- the ability to easily stream Council meetings on portable devices;
- eSCRIBE is a Canadian company, and is used by a number of municipalities in Canada, including municipalities in the Capital Region.
- All of its content is cloud-based and is managed and stored in Canada;
- Similar to SIRE, eSCRIBE includes a number of components, all of which are available and ready to use upon installation.
- ESCRIBE representatives have indicated that they will provide the City with an encoder, which is the only new equipment needed to operate the system. The program works with the use of an iPad, so the 7 laptops currently used by members of Council will be added to the IT equipment assets.
- ESCRIBE is compatible with the City's records management software, Laserfiche.
- Using the Workflow component, all agenda document templates and approvals could be done electronically, increasing efficiency for Administration.
- Able to use the equipment currently in place.

In summary, SIRE provided the City with an introduction to electronic meeting management, however the system has not been able to maintain an expected operating level. Moving forward, it is important to consider the functionality of the system, ease of use for members of Council, the public, and Administration. The current system is not meeting the needs of Administration, and a number of comments from the public have been received regarding the incompatibility and usability of the system.

Financial Impacts:

Currently, the annual maintenance fee for SIRE is \$10,700, plus costs associated with the purchase of any equipment.

The subscription price for 2017 has been reduced to reflect the timing within the year, for a total of \$22,175 (\$12,050 subscription fee and \$10,125 one-time implementation fee). Funding is recommended to be taken from the Financial Stabilization Reserve. In subsequent years, the annual subscription amount is anticipated to be \$24,100, which would be incorporated into the IT Department's annual budget.

The City will not need to purchase any additional equipment to get the new system operational. eSCRIBE will provide any necessary equipment, and members of Council will already have access to iPads, which is the device required for this system.

Next Steps:

Should Council support this request to move forward with eSCRIBE, finalization of the agreement and staff training would take place in the fall of 2017. The expectation would be to have the system operational for the next term of Council.

Recommendation:

That Council:

1. authorize Administration to enter into an agreement with eSCRIBE for new Electronic Meeting Management system; and
 2. approve the one-time implementation fee and subscription cost of \$22,175 for 2017, to be funded from the Financial Stabilization Reserve.
-

Prepared by:	Brenda Molter Director, Legislative Services	Date: June 21, 2017
Reviewed by:	Jeremy Emann, Chief Financial Officer	Date: June 21, 2017
Reviewed by:	Troy Fleming Acting City Manager	Date: June 21, 2017
Submitted to:	City Council	Date: June 27, 2017

CITY OF FORT SASKATCHEWAN

Project Management Process Review

Motion:

That Council direct Administration to develop a Major Capital Project Budget Policy to be presented to Council for approval at the September 12, 2017 regular Council meeting.

Purpose:

The purpose of this report is to provide a review of the Project Management Department processes and procedures as they relate capital project management.

Background:

At the December 13, 2016 Regular Council Meeting, Council passed a motion directing Administration to prepare a report:

1. to review policies and processes related to project management, including cost estimation, budgeting, risk mitigation plans, including contingency policies, and construction management best practices;
2. which includes information regarding project deadline policies and best practices from comparable municipalities; and
3. to be presented to Council in the second quarter of 2017.

A review of Project Management policies, procedures and processes was conducted to ensure that processes align with best practices of the industry. Project estimating and budgeting processes were also reviewed in order to make recommendations to improve the process.

Through the review, it was determined that current Construction Management processes follow industry Best Practices, however it was found there are some gaps in the City's Capital Budgeting processes, which could be addressed.

Project Charters are developed and followed, thus ensuring outcomes, scope and affected departments are identified and consulted throughout the project cycle. Project Delivery models for a given project are constantly being evaluated and implemented, when it is appropriate.

Contingencies are set at values in line with Industry Best Practices. The contingencies will vary based on the type of project and stage it is in when it set, but they generally fall within 5 – 15% of the estimated construction value. Contingencies should not be used to account for estimate accuracy, they are intended to cover the costs of issues that arise during construction.

Risk management is identified within the Project Charters. Potential risks are identified as well as actions required. The earlier in a project that budgets are set, the higher the risk and more impact it could have on the project outcome / budget.

Adding time constraints to projects (bonus / penalty) adds risk to the contract and should only be used in exceptional circumstances. If a project needs to be completed for an event or other commitment it could be prudent to include constraints in the contract.

The City of Fort Saskatchewan is currently setting project budgets very early in the project development, which is not unique. The municipalities who responded to the City's survey all set their budgets early, and experience budget adjustments as the project moves forward into tender and construction.

ASTM E2516-11, Standard Classification for Cost Estimate Classification System, identifies the risk associated with setting a budget very early in a project's life. With little to no project definition these estimates can be expected to have an accuracy range of -30% to +50%.

The City of Edmonton and the City of St. Albert have both adopted a change to their capital budgeting process in the last 6 months. These changes were as a result of approved project budgets not aligning with actual construction costs.

The result of the review is a recommendation to change the budget process to help ensure that the approved construction budget is a more accurate estimate of the anticipated construction costs. This process will also allow for a more formal confirmation of priorities and scope as the project moves from design approval into construction approval.

Financial Implications:

There are no direct financial implications of the recommended policy. The recommended policy will, however, result in a more accurate construction budget for Major Capital Projects.

Internal Impacts:

The recommended policy will result in a budgeting process change, however there will be no impacts to resources as a result.

Attachment:

Project Management Process Review, May 26, 2017

File No.:

Prepared by:	Grant Schaffer Director Project Management	Date: June 20, 2017
Reviewed by:	Troy Fleming City Manager	Date: June 21, 2017
Submitted to:	City Council	Date: June 27, 2017

City of Fort Saskatchewan

Project Management Process Review



C I T Y O F
FORT SASKATCHEWAN

Grant Schaffer
5-26-2017

Project Management Process Review

i) Recommendation

As a result of the Project Management Review, a new Major Capital Project Budget Policy is recommended. This Policy would create a two stage budgeting process for major capital projects. The scope and priorities of projects are identified with an order of magnitude cost estimate within a Master Planning document. As the project becomes a priority, a design budget is set to further enhance the design and provide a more accurate Class 2 Estimate (Planning Phase). This estimate is used to set the construction budget for the project (Construction Phase), if Council wishes to proceed. Council will have two approval points for the projects. The first is the approval of design, the second is the approval of construction.

ii) Summary

A review of Project Management policies, procedures and processes was conducted to ensure that our processes align with best practices of the industry. Project estimating and budgeting processes were also reviewed in order to make recommendations to improve the process.

Through the review, it was determined that current Project Management practices follow industry Best Practices. Project Charters are developed and followed, thus ensuring outcomes, scope and affected departments are identified and consulted throughout the project cycle. Project Delivery models are constantly being evaluated and implemented, when it is appropriate, for a given project.

Contingencies are set at values in line with Industry Best Practices. The contingencies will vary based on the type of project and stage it is in when it set, but they generally fall within 5 – 15% of the estimated construction value. Contingencies should not be used to account for estimate accuracy, they are intended to cover the costs of issues that arise during construction.

Risk management is identified within the Project Charters. Potential risks are identified as well as actions required. The earlier in a project that budgets are set, the higher the risk and more impact it could have on the project outcome / budget.

Adding time constraints to projects (bonus / penalty) adds risk to the contract and should only be used in exceptional circumstances. If a project needs to be complete for an event or other commitment it could be prudent to include constraints in the contract.

The City of Fort Saskatchewan is currently setting project budgets very early in the project development, and we are not unique. The municipalities who responded to our survey all set their budgets early, and experience budget adjustments as the project moves forward into tender and construction.

ASTM E2516-11, Standard Classification for Cost Estimate Classification System, identifies the risk associated with setting a budget very early in a project's life. With little to no project definition these estimates can be expected to have an accuracy range of -30% to +50%.

The result of the review is a recommendation to change the budget process to help ensure that the approved construction budget is a more accurate estimate of the anticipated construction costs. This process will also allow for a more formal confirmation of priorities and scope as the project moves from design approval into construction approval.

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Project Management Process Review

1. Current Policy

There is currently one Administrative Project Management Policy in place, GOV-008-A. This policy outlines the need to ensure that all stakeholders and affected departments are consulted prior to and during the project process. Administrative Procedure GOV-008-A outlines the process for ensuring that consultation takes place through the development of a Project Charter. The Charter outlines the project process, responsibilities, timelines and communication needs of the project.

Project Charters have been used on all major Capital projects since the inception of the Policy and Procedure in 2014.

2. Cost Estimates

ASTM has developed standard ASTM E2516-11, Standard Classification for Cost Estimate Classification System.

This standard outlines 5 classes of cost estimate, the work that is put into them, their potential accuracy and what they mean.

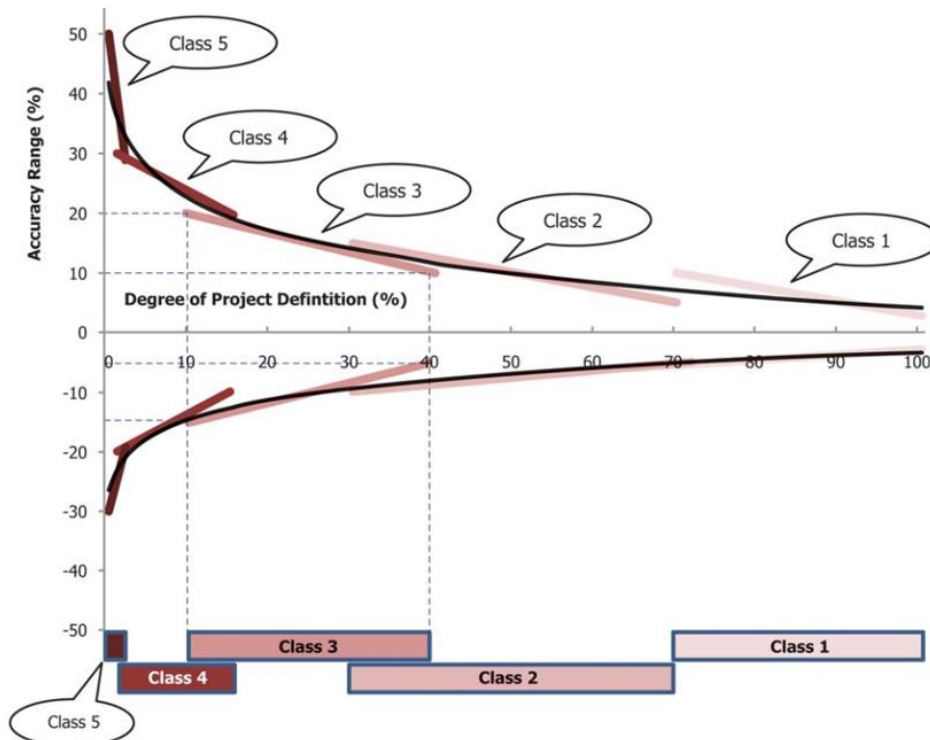
The accuracy of an estimate is related to the Degree of Project Definition. A project is not 100% defined until the design is 100% complete. At this point, everything that can be known about the project before construction has been determined. With a 70-100% complete design, a Class 1 Estimate can be produced with a degree of accuracy of -5% to +10%.

The percent of Design Definition can also be expressed in terms of the percent of effort (% of Design Money) spent to date. A \$10,000,000 project budget would have an approximately \$1,000,000 design budget. The percent of project definition could be calculated by dividing the amount of design money spent by the total design budget.

Classes of estimates have been developed based on the Degree of Project Definition.

Estimate Class	Degree of Project Definition	Expected Accuracy Range
Class 5	0% to 2%	-30% to +50%
Class 4	1% to 15%	-20% to +30%
Class 3	10% to 40%	-15% to +20%
Class 2	30% to 70%	-10% to +15%
Class 1	70% to 100%	-5% to +10%

ASTM Standard E2516-11 – Defines Class 1 to Class 5 Estimates



3. Current Budgeting Practice

Major capital projects are identified in Council Plans and Master Plans. Within these plans a rough concept and estimate are usually included. The plans typically outline the need and priorities for the project, but do not provide detail on the project itself. While a site is usually selected, there are no site investigations to determine potential site constraints, nor is there any investigation into potential technologies to be used in construction or operations. The estimates within these reports are put into the 10-year Capital Plan and are carried forward as the budget for the project.

As projects are brought forward for budget approval, the estimates are reviewed to determine if they are still reasonable, however no additional work is done to define the project.

Once the estimate is approved as part of the current budget, the project budget is set. Setting the budget this early in the design process results in projects that are designed to meet a budget. This could result in not all user needs and expected outcomes being met because the scope of the project is adjusted to meet budget. Alternatively, the projects are brought back to Council for additional funding to ensure the entire scope is met, however this is now over budget.

The City is currently setting major project budgets based on Class 5 Estimates as outlined within Master Plan documents. As an example the Recreation Master Plan identifies approximately \$90,000,000 in projects with only about \$100,000 being spent on concept development. (1.1% of Design Budget)

Project Management Process Review

4. Contingency

Contingencies are built into budgets to address unanticipated issues that arise during the course of construction. They should not be used as a buffer for estimate accuracy. Contingencies will vary on a project-by-project basis between 5% and 15% depending on the complexity, stage and type of project.

A linear project (Water / Sewer / Road) will generally carry less contingency than a new building which will carry less than a renovation project.

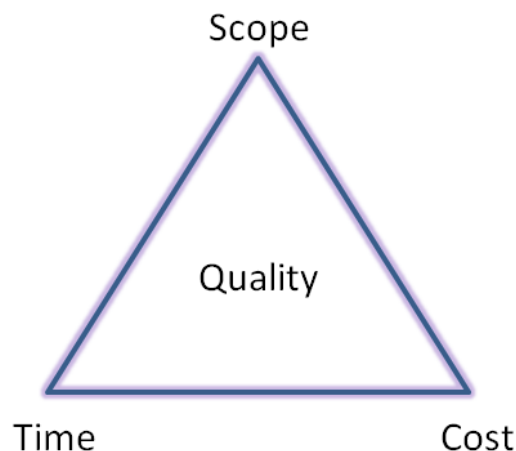
5. Risk Management

As part of the Project Charter development, project risks are identified. These risks are listed with an assessment of the probability, the severity and a high level plan to deal with them should they arise. Risks that pertain to budget have only two options, adjust the scope or increase the budget. In either case, the decision would have to come back to Council to either ensure that the scope change will still meet Council Priorities or to authorize an adjustment to the budget.

The earlier in a project cycle that the budget is set, the higher the risk that budget and scope will be at risk.

6. Schedule

In project management, the Project Management Triangle identifies the three pillars of a project. Quality is never something we want to sacrifice, so it stays constant in the middle of the Triangle. The pillars of Time, Scope, and Cost are balanced to ensure that a quality project is delivered on time, on budget and with the desired outcome (Scope).



What the figure identifies is that if a project is required to deliver a specific scope and a specific cost, then it will take the time it requires to complete the project to the specified quality.

Project Management Process Review

If a time constraint is added to a project, then something needs to change with it. Keeping quality constant, either the cost will increase or the scope will need to be reduced in order to meet a time constraint.



Figure 2: Project Management Triangle
(With a Time Constraint)

Other versions of the Project Management Triangle put quality at the top of the triangle and leave scope as the constant. In this case, Quality and / or cost would be sacrificed with time constraints.

When contractors are bidding on a project, their bid is made up of hard costs (material, equipment, and labour), overhead, profit and risk. The more risk that is put into a contract for the contractor, the higher the risk factor (\$\$) he will apply to his bid. Introducing a bonus and penalty clause into a contract introduces risk. The owner is now setting the schedule with a penalty to the contractor if the schedule is not met and a bonus if they do meet it. Because the contractor has not set the schedule, if the schedule is tight the contractor will bid with more risk, in essence bidding with some included penalty. However, during the course of the contract, the contractor will do what they can to earn the bonus as well. This means that quality of work is put in jeopardy as the time and cost are set.

In some projects, it may be prudent to include penalty and bonus clauses. If something needs to open at a certain time to meet other commitments etc, a bonus and penalty structure may be prudent. However, on most projects, letting the schedule run its course (within reason) is the best way to achieve the quality and cost expected on a project.

7. Regional Comparison

A survey was sent to comparable municipalities in the Capital Region. Three were returned with information on processes provided by an additional two (City of St. Albert and City of Edmonton).

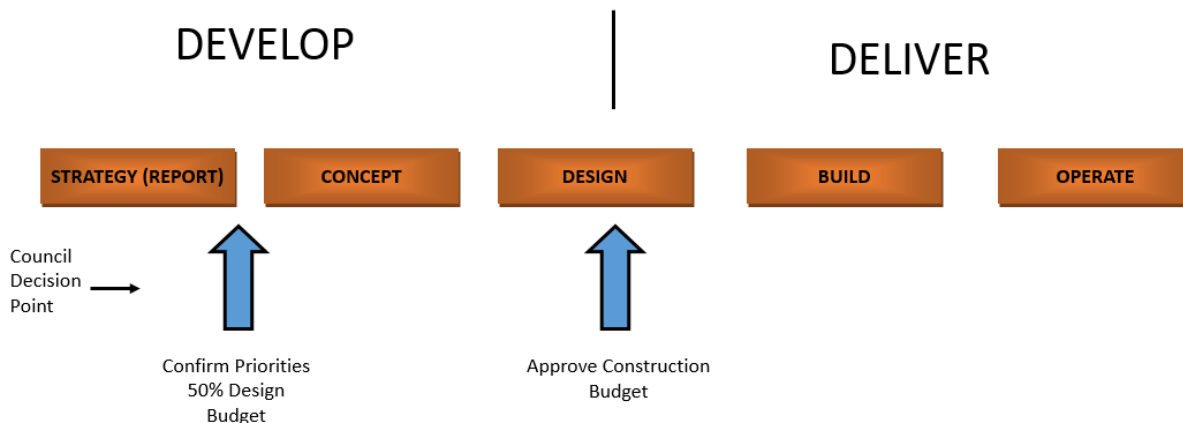
Project Management Process Review

Municipalities in the region generally follow the same process. Budgets are set early and are adjusted once tender approaches or closes. Edmonton and St. Albert have recently adopted new policies and procedures to refine and formalize this process.

Over the past six months, both the City of Edmonton and City of St. Albert have adopted new budgeting policies for Capital Projects. These changes were a result of early cost estimates being carried forward into construction budgets. This resulted in projects being completed over budget or having scope reduced to a point where the desired outcomes were not met.

8. City of Edmonton Model

The City of Edmonton Model is a simple process that breaks the budgeting process into two phases. It ensures that the scope and project priorities are clearly understood before design work begins. It allows the project concept and design to proceed based on scope and project outcomes rather than designing the project to meet a budget.



In the Develop phase, the Master Plan, Needs Assessment or Strategy Report outlines the future projects and timelines with order of magnitude estimates (-30% to +50%, Class 5). As the projects move into the current Capital Plan, Council confirms the priorities and outcomes of the project and kicks off the design phase with 50% of the design money. This allows development of the detailed concepts and brings the detailed design to 60% completion with a Class 2, or better, Estimate (-20% to +15%). At this point, Council approves the final project budget prior to moving into the Deliver phase of the project.

While each major project would have two Council decision points, Council would see the projects and receive updates at the end of concept development prior to detailed design (Class 4 estimate) and again would receive updates during the tender / construction phases.

This model allows Council to approve a scope of work, with an approval of design money, to refine the scope and bring the project to a 60% Design Phase. At 60%, the design is refined with enough detail to show the site constraints, technologies and features that are proposed for the project. The 60% design phase will allow a Class 2 Estimate to be prepared. As well, at the 60% design phase adjustments can still be made to the scope and priorities without significant rework if Council feels this is required.

Project Management Process Review

The City of Edmonton model for Capital Program Budgeting, as described above, is the recommended model for the City of Fort Saskatchewan to implement within a Capital Budgeting Policy. Projects within on-going programs (Neighbourhood and Road Rehab etc.) would be exempt from this process as the unknowns on these types of projects are limited.

Appendix A – Council Decision – December 13, 2016



DATE: December 14th, 2016 **FILE:** 1500/CC/CFU
TO: Troy Fleming, General Manager, Infrastructure & Planning
FROM: Brenda Molter, Director, Legislative Services
SUBJECT: Review of Policies and Practices for Project Management

Reference:

The following was discussed at the Tuesday, December 13th, 2016 regular City of Fort Saskatchewan Council meeting:

- Following a notice of motion presented at the November 22nd meeting, Council was requested to provide direction whether to support a review of Project Management policies and procedures.

Motion:

The following motion was approved:

Due to the Multi-million dollar budget overages seen for the High Performance Sports Field and Curling Rink Revitalization projects, that Council direct Administration to prepare a report for Council:

1. To review policies and processes related to project management, including cost estimation, budgeting, risk mitigation plans, including contingency policies, and construction management best practices;
2. Which includes information regarding project deadline policies and best practices from comparable municipalities; and
3. To be presented to Council in the 2nd Quarter of 2017.

Follow-Up:

- Conduct required research as per the approved motion
- Preparation of a Council report and presentation prior to June 30th, 2017

Brenda Molter,
Director, Legislative Services

cc: Kelly Kloss, City Manager
Grant Schaffer, Director, Project Management
Sheryl Exley, Legislative Officer

Appendix B – Administrative Policy – Project Management GOV-008-A
Administrative Procedure – Project Management – GOV-008-A

PROJECT MANAGEMENT

Date Issued: 17.July.14

Mandated by: City Manager

Current Revision: 17.July.14

Cross Reference:

Next Review Diarized: 01.Jan.16

Responsibility: All Directors

PURPOSE

This policy and its supporting procedures regulate how the City manages projects, to increase our level of accountability and responsibility for projects and to ensure projects are managed and completed on time and on budget.

POLICY

The City takes a disciplined approach to managing projects. Sound project management is the direct responsibility of all managers, directors, and supervisors of the City of Fort Saskatchewan.

EXECUTIVE LIMITATIONS

1. At the outset of every project involving two or more areas of responsibility, each Director is required to ensure a Project Charter is established in accordance with the template included as part of Project Management Administrative Procedure GOV-008-A.
2. Changes in project scope shall be reviewed and approved in accordance with the roles and responsibilities outlined in the Project Charter.

AUTHORITY / RESPONSIBILITY TO IMPLEMENT

1. All Directors, in consultation with General Managers, are responsible for the implementation and compliance monitoring of this policy.
2. The Corporate Strategy Director is authorized to establish procedures to provide for the application of this policy.

City Manager

PROJECT MANAGEMENT

Date Issued: 17.July.14

Mandated by: City Manager

Current Revision: 17.July.14

Cross Reference:

Next Review Dated: 01.Jan.16

Responsibility: Corporate Strategy Director

PURPOSE

The purpose of having a Project Charter Template is 1) to increase our level of accountability and responsibility for projects; and 2) to ensure projects are managed and completed on time and on budget, all people who need to be part of a project are involved appropriately, and that a process is articulated for dealing effectively with changes in project scope.

PROCEDURE

1. At the outset of each project, a Project Charter shall be created in the format included under Attachment 1 to this document.
2. Project Charters shall be signed off by all affected parties as described in the key responsibilities included below.
3. Should a change in scope be required, revised project terms shall be approved by all affected parties. Examples of changes in scope include changes to the nature or timing of milestones or key deliverables; roles and responsibilities; processes to be undertaken to achieve deliverables; or budget.

KEY RESPONSIBILITIES

Following are definitions of the key roles referred to in the Project Charter:

Project Sponsor

The Project Sponsor has responsibility to provide the funding, direction, commitment, resources and approval at specific milestones. The Sponsor may be called upon to work with the Project Team to resolve high ranked project issues and risks.

Project Manager

The Project Manager develops the project work plans and monitors project activities and outcomes to ensure successful delivery of the project deliverables with defined scope, schedule and budget. The Project Manager will facilitate the review sessions and meetings, document outcomes and be accountable to the Project Team for project status information.

Project Team

Project Team members are those individuals identified in the RACI Chart, which sets out project deliverables or activities and assigns individuals as being either **Responsible**, **Accountable**, **Consulted** or **Informed**, as defined below.

Responsible

- Does the step ("the doer")
- Those who do the work to achieve the task. There is at least one role with a participation type of *responsible*; this may also include support resources allocated to the *responsible* and delegated to assist in the work required. Unlike consulted, who may provide input to the task, support resources help to complete the task.

Accountable (also approver or final approving authority)

- Accountable for the step ("the buck stops here")
- The one ultimately answerable for the correct and thorough completion of the deliverable or task, and the one who delegates the work to those *responsible*. In other words, an *accountable* must sign off (approve) on work that *responsible* provides. There **must** be only one *accountable* specified for each task or deliverable.

Consulted

- Consulted with before the step ("in the loop")
- Those whose opinions are sought, typically subject matter experts; and with whom there is two-way communication

Informed

- Informed when the step is completed ("kept in the picture")
- Those who are kept up-to-date on progress, often only on completion of the task or deliverable; and with whom there is just one-way communication.

Very often the role that is *accountable* for a task or deliverable may also be *responsible* for completing it (indicated on the matrix by the task or deliverable having a role *accountable* for it, but no role *responsible* for its completion, i.e. it is implied). Outside of this exception, it is generally recommended that each role in the project or process for each task receive, at most, just one of the participation types. Where more than one participation type is shown, this generally implies that participation has not yet been fully resolved, which can impede the value of this technique in clarifying the participation of each role on each task.

ROLES AND RESPONSIBILITIES MATRIX (RACI CHART)

A summary of key activities to be undertaken along with an indication of individual roles and responsibilities relative to each activity shall be included as part of the Project Charter – this is referred to as the RACI Chart for the project.

A sample RACI Chart is included on the following page.

Sample RACI Chart (Roles and Responsibilities Matrix)

	Facilities Mgr	Plant Mgr	HR	Security	Project Mgr
Identify a minimum of three asphalt contractors from Angie's List	C	-	-	-	R
Arrange for contractor visits and quotes	I	-	-	-	R
Review quotes and references, make contractor selection	A	I	I	-	R
Review and finalize contract, lock in plant shutdown week	I	I	-	-	R
Communicate project to shutdown maintenance crew, make sure all vehicles are removed from the lot	I	I	R	I	I
Provide security gate access codes for asphalt crew by June 15	I	-	A	R	I
Oversee the project during the plant shutdown week, ensure it is completed on time	A	I	I	-	R

R = Responsible, A = Accountable, C = Consulted, I = Informed

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ATTACHMENT 1

City of Fort Saskatchewan Project Charter Template

PROJECT NAME:	
PROJECT START DATE:	TARGET PROJECT COMPLETION DATE:
PROJECT SPONSOR:	PROJECT MANAGER:

A. Project Background

Context for the project including:

- Why the project was started
- Key issues and factors driving the project
- Relevant history

B. Project Purpose

Provides the high level overview of why the project is being undertaken

- What need or opportunity is the project addressing?
- What is the social, economic or environmental impact of the project?
- What are the broad outcomes or deliverables to be achieved?

C. Project Scope

- What must be done to complete this project?
- What must be done now?
- What may be done later?
- Are there any factors that will influence the scope including regulatory timelines?
- What is the project budget?

D. Results to be achieved	
<ul style="list-style-type: none"> Provide the details of what this project aims to accomplish by identifying specific measurable outcomes and then identifying how you will measure whether the results have been achieved 	
Outcomes	Indicators of Success
1.	
2.	
3.	
4.	
5.	

E. Project Team	
<ul style="list-style-type: none"> List all individuals to be involved in the project and their respective roles. As a minimum, one individual must be named as Project Sponsor and one named as Project Manager. Each individual named below is required to approve and sign off the Project Charter. 	
Name	Role
1.	Project Sponsor
2.	Project Manager
3.	Project Team Member
4.	Project Team Member
5.	Project Team Member

F. Assumptions

- List any assumptions being made at the beginning of the project that could affect the outcome in terms of schedule, budget, etc.
- For example:
 - Project Budget will be approved by January 15, 2015
 - Ground conditions will be suitable for a simple foundation
 - Successful Contractor will begin within two weeks of award
 - Staff will be available as required

G. Major Project Risks

Risks	Likelihood	Impact	Risk Response
<ul style="list-style-type: none"> ▪ High level threats to the project 	Low Moderate High	Low Moderate High	<ul style="list-style-type: none"> ▪ What will be done to avoid, mitigate or transfer the risk?
Risks	Likelihood	Impact	Risk Response
1.			
2.			
3.			
4.			
5.			

H. Detailed Project Plan *(attach spreadsheet)*

1. Create Work Breakdown Structures (WBS)
 - Break down the detailed work that needs to be done into Major Phases, Milestones, Activities and Tasks and Deliverables
 - **Phases** represent the major phases of the project such as research, consultation, analysis of findings, drafting of legislation etc.
 - **Milestones** represent interim events or points in time during the project which identify the completion of a significant segment
 - **Activities and tasks** are a further breakdown of the work to be done. Ideally the lowest level tasks should be able to be assigned to one person
 - **Deliverables** should be identified at an appropriate level for the magnitude of the project to provide clarity as to what is required to ensure that a phase, milestone, activity or task is complete
 - Indicate timelines or projected completion date
2. Identify the individuals involved in completing each activity and task via a RACI Chart. This is your project team; each person named will be required to sign off the Project Terms of Reference.
3. Identify any costs associated with completion of the project such as contractors, materials, training etc.

I. Change Order Process

- List of activities that would constitute a change in project scope and a description of the process to be followed for review and approval of such changes.
- Includes who would be responsible, accountable, consulted or informed in the event of such changes in scope.

J. Project Communications Strategy				
<ul style="list-style-type: none"> Identify all communication that must be conducted prior to project start, during the project and upon completion of the project Identify all communication required with stakeholders and partners 				
Communications Needs	Audience	Actions	Timing	Responsibility
1.				
2.				
3.				
4.				
5.				

K. Additional Information
<ul style="list-style-type: none"> List other related documentation such as public engagement plan or Gantt chart Include documents as attachments to the Project Charter
<div></div>

APPROVALS

Project Sponsor

Date

Project Manager

Date

Project Team Member

Date

Project Team Member

Date

Project Team Member

Date

Project Team Member

Date

Appendix C – Regional Survey Summary

Project Management Review

Comparisons to other Municipalities

Question Asked	Leduc County	City of Leduc	Town of Devon
1. Does your Municipality have any Policy or procedure defining appropriate contingency by type or stage of project? If yes, please include or summarize.	No	Currently no policy or procedure used to determine appropriate contingency amount. (normally 10% to 15% of project value)	We do not have a policy to define contingency. 10% is typical, however for planning higher contingencies can be used.
2. Are Contingencies carried on a project by project basis or is there a contingency pool?	For the last few years we have been adding contingencies on each project, however Council is considering using a pool system for most projects going forward.	Contingencies are based on project by project	Project basis.
3. At what point in the project life are project construction budgets set? (Concept Design, Pre-Design, % of Detailed Design, etc) If construction budgets are set very early in the project life, do you have opportunity to adjust them with Council at a later date?	We set budgets very early, usually at the concept stage. Yes, budgets are updated if required at final budget or at tender award.	Budget are set at the pre-Design stage and any adjustment to the budget are done during the spring budget adjustment.	Varies, for larger more complex projects the budgets are adjusted prior to final approval by council as the project moves through design phases into tender. Smaller projects the project can be adjusted according to budget.
4. Do your contracts include Bonus, Penalty, or Liquidated Damages for project schedule? What determines the method used?	No	Bonus and penalty are set based on the project needs and sensitivity of the project location	For larger projects standard CCDC 2 contract is utilized, the contract specifics vary based on consulting firm used for larger contracts. The town has smaller contracts for smaller jobs, the smaller contracts do not include bonus, penalties or liquidated damages.
5. In your experience do Bonus / Penalty clauses provide value? How?	No, typically I have found that the additional conflict that this process adds into the relationship between the owner and the contractor ultimately leads a lower quality of product from the contractor.	In most cases no extra value, just to ensure sensitive projects are done on schedule.	Have not found they worked well in my personal experience. I do think they can if developed properly. Perhaps more effective if a best value procurement method is utilized.
6. Which types of project delivery do you run? (Design/Bid/Build, Design/Construction, Construction Management, Integrated Project Delivery, etc)	Typically we use Design/Bid/Build. However we have recently had good success using a Best Value Procurement model.	Only Design / Bid / Build	Design/bid/build typically

7. If more than one type of project delivery method is used, what criteria are used to determine the best model for the project?	We use Design / Bid / Build for lower complexity projects and Best Value for larger more complex projects.	N/A
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Appendix D – ASTM E2516-11 Standard Classification for Cost Estimate Classification System



Designation: E2516 – 11

Standard Classification for Cost Estimate Classification System^{1, 2}

This standard is issued under the fixed designation E2516; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon (ϵ) indicates an editorial change since the last revision or reapproval.

1. Scope

1.1 This classification provides a generic classification system for cost estimates and provides guidelines for applying the classification to cost estimates.

1.2 This classification maps the phases and stages of cost estimating to a generic maturity and quality matrix, keyed to a degree of project definition, that can be applied across a wide variety of industries.

1.3 The Cost Estimate Classification System has been developed in a way that:

1.3.1 provides a common understanding of the concepts involved with classifying cost estimates;

1.3.2 defines and correlates the major characteristics used in classifying cost estimates, and;

1.3.3 uses the degree of project definition as the primary characteristic used to categorize estimate classes.

2. Referenced Documents

2.1 *ASTM Standards*:³

E631 Terminology of Building Constructions

E833 Terminology of Building Economics

E1804 Practice for Performing and Reporting Cost Analysis During the Design Phase of a Project

2.2 *Other Standards*:

ANSI Z94.2-1989 Industrial Engineering Terminology: Cost Engineering⁴

AACE International Recommended Practice No 17R-97: Cost Estimate Classification System⁵

¹ This specification is under the jurisdiction of ASTM Committee E06 on Performance of Buildings and is the direct responsibility of Subcommittee E06.81 on Building Economics.

Current edition approved April 1, 2011. Published May 2011. Originally approved in 2006. Last previous edition approved in 2006 as E2516 – 06. DOI: 10.1520/E2516-11.

² This classification is based on the AACE International Recommended Practices 17R-97, 18R-97, and 56R-09 pertaining to Cost Estimate Classification System.

³ For referenced ASTM standards, visit the ASTM website, www.astm.org, or contact ASTM Customer Service at service@astm.org. For *Annual Book of ASTM Standards* volume information, refer to the standard's Document Summary page on the ASTM website.

⁴ Available from American National Standards Institute (ANSI), 25 W. 43rd St., 4th Floor, New York, NY 10036, <http://www.ansi.org>.

⁵ Available from the Association of the Advancement of Cost Engineering International (AACE International), 209 Prairie Avenue, Suite 100, Morgantown, WV 26501, <http://www.aacei.org>.

AACE International Recommended Practice No 18R-97: Cost Estimate Classification System: As Applied in Engineering, Procurement, and Construction for the Process Industries⁵

AACE International Recommended Practice No 56R-08: Cost Estimate Classification System – As Applied in Building and General Construction Industries⁵

3. Terminology

3.1 *Definitions*—For definitions of terms used in this practice, refer to Terminology E833 and Terminology E631.

4. Significance and Use

4.1 Use of this classification will improve communication among all the stakeholders involved with preparing, evaluating, and using cost estimates.

4.2 The various parties that use cost estimates often misinterpret the quality and value of the information available to prepare cost estimates, the various methods employed during the estimating process, the accuracy level expected from estimates, and the level of risk associated with estimates.

4.3 This classification applies the degree of project definition as the primary characteristic for determining an estimate's classification.

4.4 Using this classification will help those involved with project estimates to avoid misinterpretation of the various classes of cost estimates and to avoid their misapplication and misrepresentation. Improving communications about estimate classifications reduces business costs and project cycle times by avoiding inappropriate business and financial decisions, actions, delays, or disputes caused by misunderstandings of cost estimates and what they are expected to represent.

4.5 This classification is intended to be generic and so provide a system for the classification of cost estimates in any industry. There are also references to specific industries, for cost estimate classification as applied in: AACE International, Process Industry 18R-97, and AACE International, Building/General Construction Industry 56R-08.

4.6 Estimate classifications provide valuable additional reporting information when used as an adjunct to Practice E1804.

5. Basis of Classification

5.1 There are numerous characteristics that can be used to categorize cost estimate types. The most significant of these are degree of project definition, end usage of the estimate, estimating methodology, and the effort and time needed to prepare the estimate. The primary characteristic used in this guideline to define the classification category is the degree of project definition. The other characteristics are secondary.

5.2 The discrete degrees of project definition used for classifying estimates correspond to the typical phases and gates of evaluation, authorization, and execution often used by project stakeholders during a project life cycle.

5.3 Five cost estimate classes have been established. While the degree of project definition is a continuous spectrum, it has been determined from benchmarking industry practices that three to five discrete categories are commonly used. Five categories are established in this standard classification as it is easier to simplify by combining categories than it is to arbitrarily split a standard.

5.4 In **Table 1** these estimate class designations are labeled Class 1, 2, 3, 4, and 5. A Class 5 estimate is based upon the lowest degree of project definition, and a Class 1 estimate is closest to full project definition and maturity. This countdown approach considers that estimating is an iterative process whereby successive estimates are prepared until a final estimate closes the process.

5.5 The five estimate classes are presented in **Table 1** in relationship to the identified characteristics. It is important to understand that it is only the degree of project definition that determines the estimate class. The other four characteristics are secondary characteristics that are generally correlated with the degree of project definition.

5.6 This generic matrix and guideline provides a high-level estimate classification system that is non-industry specific. The accuracy ranges identified in **Table 1** are indicated as index values so that they may be applied generically to just about any particular industry. A more detailed explanation of these index

values, including two examples of their possible ranges, can be found in **Appendix X1**.

6. Determination of the Cost Estimate Class

6.1 The cost estimator makes the determination of the estimate class based upon the degree of project definition (design % complete). While the determination of the estimate class is somewhat subjective, the design input data, completeness and quality of the design deliverables serve to make the determination more objective.

7. Estimate Characteristics

7.1 The following are brief discussions of the various estimate characteristics used in the estimate classification matrix, **Table 1**. For the secondary characteristics, the overall trend of how each characteristic varies with the degree of project definition (the primary characteristic) is provided.

7.2 Degree of Project Definition (Primary Characteristic):

7.2.1 This characteristic is based upon the level of completion of project definition (roughly corresponding to the percentage completion of architectural/engineering detail and design). The degree of project definition defines maturity, or the extent and types, of input information available to the estimating process. Such inputs include project scope definition, requirements documents, specifications, project plans, drawings, calculations, knowledge and experience gained from past projects, reconnaissance data, and other information that must be used, and developed, to define the project. Each industry will have a typical set of deliverables that are used to support the type of estimates used in that industry. The set of deliverables becomes more definitive and complete as the degree of project definition (such as architecture and engineering) progresses.

7.3 End Usage (Secondary Characteristic):

7.3.1 The various classes (or phases) of cost estimates prepared for a project typically have different end uses or purposes. As the degree of project definition increases, the end

TABLE 1 Generic Cost Estimate Classification Matrix

ESTIMATED CLASS	Primary Characteristic		Secondary Characteristic		
	DEGREE OF PROJECTION DEFINITION	END USAGE	METHODOLOGY	EXPECTED ACCURACY RANGE	PREPARATION EFFORT
	Expressed as % of complete definition	Typical purpose of estimate	Typical estimating method	Typical \pm range relative to index of 1 (that is, Class 1 estimate) ^A	Typical degree of effort relative to least cost index of 1 ^B
Class 5	0 % to 2 %	Screening or feasibility	Stochastic (factors or models, or both) or judgment	4 to 20	1
Class 4	1 % to 15 %	Concept study or feasibility	Primarily stochastic	3 to 12	2 to 4
Class 3	10 % to 40 %	Budget authorization or control	Mixed but primarily stochastic	2 to 6	3 to 10
Class 2	30 % to 70 %	Control or bid/tender	Primarily deterministic	1 to 3	5 to 20
Class 1	70 % to 100 %	Check estimate or bid/tender	Deterministic	1	10 to 100

^A If the expected accuracy range index value of "1" represents +10/-5 %, then an index value of "10" represents +100/-50 %.

^B If the preparation effort index value of "1" represents 0.005 % of project costs, then an index value of "100" represents 0.5 %.

usage of an estimate typically progresses from strategic evaluation and feasibility studies to funding authorization and budgeting, to project control.

7.4 *Estimating Methodology (Secondary Characteristic)*

7.4.1 Estimating methodologies fall into two broad categories: stochastic and deterministic. In stochastic methods, the independent variable(s) used in the cost estimating algorithms are generally something other than a direct measure of the units of the item being estimated. The cost estimating relationships used in stochastic methods are often based on factors, metrics, models, etc. With deterministic methods, the independent variable(s) are more or less a definitive measure of the item being estimated (can include, detailed takeoff, quotes, bids, etc.). A deterministic methodology reduces the level of conjecture inherent in an estimate. As the degree of project definition increases, the estimating methodology tends to progress from stochastic to deterministic methods.

7.5 *Expected Accuracy Range (Secondary Characteristic):*

7.5.1 Estimate accuracy range is an indication of the degree to which the final cost outcome for a given project could vary from the estimated cost. Accuracy is traditionally expressed as a \pm percentage range around the point estimate, after application of contingency, with a stated level of confidence that the actual cost outcome would fall within this range (\pm measures are a useful simplification, given that actual cost outcomes have different frequency distributions for different types of projects). As the degree of project definition increases, the expected accuracy of the estimate tends to improve, as indicated by a narrower \pm range. Additionally, industry experience shows that a percentage range should also vary with the cost magnitude of the project. In addition to the degree of project definition, estimate accuracy is also subject to:

- 7.5.1.1 Level of non-familiar technology in the project.
- 7.5.1.2 Complexity of the project.
- 7.5.1.3 Quality of reference cost estimating data.
- 7.5.1.4 Quality of assumptions used in preparing the estimate.
- 7.5.1.5 Experience and skill level of the estimator.
- 7.5.1.6 Estimating techniques employed.
- 7.5.1.7 Time and level of effort budgeted to prepare the estimate.

NOTE 1—In Table 1, the values in the accuracy range column do not represent plus or minus percentages, but instead represent an index value relative to a best range index value of 1. If, for a particular industry, a Class 1 estimate has an accuracy range of +10/-5 percent, then a Class 5 estimate in that same industry may have an accuracy range of +100/-50 percent.

NOTE 2—Appendix A provides an illustrative example of estimate accuracy ranges for two particular industries.

7.6 *Effort to Prepare Estimate (Secondary Characteristic):*

7.6.1 The level of effort needed to prepare a given estimate is an indication of the cost, time, and resources required. The cost measure of that effort is typically expressed as a percentage of the total project costs for a given project size. As the degree of project definition increases, the amount of effort to prepare an estimate increases, as does its cost relative to the total project cost. The effort to develop the project deliverables is not included in these effort metrics; they only cover the cost to prepare the cost estimate itself.

8. Relationships and Variations of Estimate Characteristics: Discussion

8.1 There are a myriad of complex relationships that may be exhibited among the estimate characteristics within the estimate classifications. The overall trend of how the secondary characteristics vary with the degree of project definition was provided above. This section explores those trends in more detail. Typically, there are commonalities in the secondary characteristics between one estimate and the next, but in any given situation there may be wide variations in usage, methodology, accuracy, and effort.

8.1.1 The level of project definition is the driver of the other characteristics. Typically, all of the secondary characteristics have the level of project definition as a primary determinant. While the other characteristics are important to categorization, they lack complete consensus. For example, one estimator's bid might be another's budget. Characteristics such as methodology and accuracy can vary markedly from one industry to another and even from estimator to estimator within a given industry.

8.2 *Degree of Project Definition:*

8.2.1 Each project (or industry grouping) will have a typical set of deliverables that are used to support a given class of estimate. The availability of these deliverables is directly related to the level of project definition achieved. The variations in the deliverables required for an estimate are too broad to cover in detail here; however, it is important to understand what drives the variations. Each industry group tends to focus on a defining project element that drives the estimate maturity level. For instance, chemical industry projects are process equipment-centric; such as, the level of project definition and subsequent estimate maturity level is significantly determined by how well the equipment is defined. Architectural projects tend to be structure-centric, software projects tend to be function-centric, and so forth. Understanding these drivers puts the differences that may appear in the more detailed industry addenda into perspective.

8.3 *End Usage:*

8.3.1 While there are common end usages of an estimate among different stakeholders, usage is often relative to the stakeholders identity. For instance, an owner company may use a given class of estimate to support project funding, while a contractor may use the same class of estimate to support a contract bid or tender. It is not at all uncommon to find stakeholders categorizing their estimates by usage-related headings such as budget, study, or bid. Depending on the stakeholders perspective and needs, it is important to understand that these may actually be all the same class of estimate (based on the primary characteristic of degree of project definition achieved).

8.4 *Estimating Methodology:*

8.4.1 As stated previously, estimating methodologies fall into two broad categories: stochastic and deterministic. These broad categories encompass scores of individual methodologies. Stochastic methods often involve simple or complex modeling based on inferred or statistical relationships between costs and programmatic or technical parameters, or both.

Deterministic methods tend to be straightforward counts or measures of units of items multiplied by known unit costs or factors. It is important to realize that any combination of methods may be found in any given class of estimate. For example, if a stochastic method is known to be suitably accurate, it may be used in place of a deterministic method even when there is sufficient input information based on the degree of project definition to support a deterministic method. This may be due to the lower level of effort required to prepare an estimate using stochastic methods.

8.5 *Expected Accuracy Range:*

8.5.1 The accuracy range of an estimate is dependent upon a number of characteristics of the estimate input information and the estimating process. The extent of the input information as measured by percentage completion (and related to degree of project definition) is a highly important determinant of accuracy. However, there are factors besides the available input information that also greatly affect estimate accuracy measures. Primary among these are the state of technology in the project and the quality of reference cost estimating data.

8.5.2 *State of Technology*—Technology varies considerably between industries, and thus affects estimate accuracy. The state of technology used here refers primarily to the programmatic or technical uniqueness and complexity of the project. Procedurally, having full extent and maturity in the estimate basis deliverables is deceptive if the deliverables are based upon assumptions regarding uncertain technology. For a first-of-a-kind project there is a lower level of confidence that the execution of the project will be successful (all else being equal). There is generally a higher confidence level for projects that repeat past practices. Projects for which research and development are still under way at the time that the estimate is prepared are particularly subject to low accuracy expectations. The state of technology may have an order of magnitude (10 to 1) effect on the accuracy range.

8.5.3 *Quality of Reference Cost Estimating Data*—Accuracy is also dependent on the quality of reference cost data and history. It is possible to have a project with common practice in technology, but with little cost history available concerning projects using that technology. In addition, the estimating process typically employs a number of factors to adjust for market conditions, project location, environmental considerations, and other estimate-specific conditions that are often uncertain and difficult to assess. The accuracy of the estimate will be better when verified empirical data and

statistics are employed as a basis for the estimating process, rather than assumptions.

8.5.4 In summary, estimate accuracy will generally be correlated with estimate classification (and therefore the degree of project definition), all else being equal. However, specific accuracy ranges will typically vary by industry. Also, the accuracy of any given estimate is not fixed or determined by its classification category. Significant variations in accuracy from estimate to estimate are possible if any of the determinants of accuracy, such as differing technological maturity, quality of reference cost data, quality of the estimating process, and skill and knowledge of the estimator vary. Accuracy is also not necessarily determined by the methodology used or the effort expended. Estimate accuracy must be evaluated on an estimate-by-estimate basis, usually in conjunction with some form of risk analysis process.

8.6 *Effort to Prepare Estimate:*

8.6.1 The effort to prepare an estimate is usually determined by the extent of the input information available. The effort will normally increase as the number and complexity of the project definition deliverables that are produced and assessed increase. However, with an efficient estimating methodology on repetitive projects, this relationship may be less defined. For instance, there are combination design/estimating tools in the process industries that can often automate much of the design and estimating process. These tools can often generate Class 3 deliverables and estimates from the most basic input parameters for repetitive-type projects. There may be similar tools in other industry groupings.

NOTE 3—Estimate preparation costs as a percentage of total project costs will vary inversely with project size in a nonlinear fashion. For a given class of estimate, the preparation cost percentage will decrease as the total project costs increase. Also, at each class of estimate, the preparation costs in different industries will vary markedly. Metrics of estimate preparation costs normally exclude the effort to prepare the defining project deliverables.

9. Keywords

9.1 Bid/tender; Class 1 estimate; Class 2 estimate; Class 3 estimate; Class 4 estimate; Class 5 estimate; Class of estimate; Cost estimate; Cost estimate classification methodology; Degree of project definition; Deterministic; Effort to prepare estimates; End usage; Estimate classification; Estimate classification matrix; Estimating methodology; Expected accuracy range; Life cycle; Maturity and quality matrix; Project; Stochastic

APPENDIX

(Nonmandatory Information)

X1. GUIDANCE NOTES

X1.1 The accuracy ranges identified in Table 1, above, are indicated as index values so that they may be applied generically to just about any particular industry. Any particular industry may have typical norms associated with the accuracy level expected for each class of estimate. The accuracy ranges typically associated with the building and general construction industry will generally be tighter than the accuracy ranges associated with the process industry (see Table X1.1). Both will have tighter accuracy ranges than those associated with the software development industry.

X1.2 Table X1.1, that follows, illustrates typical accuracy ranges that may be associated with the process and general building and construction industries. Depending on the technical and project deliverables associated with each estimate, the accuracy range for any particular estimate is expected to fall into the ranges identified.

X1.3 As noted above in Section 8, there are a myriad of complex relationships that come into play when drafting any statement of accuracy levels for each estimate class. The many sectors of the construction industry do vary significantly in their design, procurement and implementation methodologies, as well as the technologies they employ, the range in their

scope, and the magnitude of their funding needs.

X1.4 Another way to look at the variability associated with estimate accuracy ranges is shown in Fig. X1.1 and Fig. X1.2, that follow. Depending upon the technical complexity of the project, the availability of appropriate cost reference information, the degree of project definition, and the inclusion of appropriate contingency determination, a typical Class 5 estimate for a process industry project may have an accuracy range as broad as –50 % to +100 %, or as narrow as –20 % to +30 %.

X1.5 In these figures, you can also see that the estimating accuracy ranges overlap the estimate classes. There are cases where a Class 5 estimate for a particular project may be as accurate as a Class 3 estimate for a different project. This may be the case if the Class 5 estimate was based on a repeat project with good cost history and data, whereas the Class 3 estimate was for a project involving new technology. It is for this reason that Table 1 provides a range in index values. This permits application of the specific circumstances inherent in a project, and an industry sector, to the indication of realistic estimate class accuracy range percentages.

TABLE X1.1 Illustrative Example of Typical Accuracy Ranges for the Process and General Building Construction Industries

Estimated Class	Primary Characteristic	Secondary Characteristic	
	DEGREE OF PROJECTION	EXPECTED ACCURACY RANGE	
	DEFINITION	Typical variation in low and high ranges ^A	
	Expressed as % of complete definition	Process Industry	Building Construction and General Construction Industry
Class 5	0 % to 2 %	L: –20 % to –50 % H: +30 % to +100 %	L: –20 % to –30 % H: +30 % to + 50 %
Class 4	1 % to 15 %	L: –15 % to –30 % H: +20 % to +100 %	L: –10 % to –20 % H: +20 % to +30 %
Class 3	10 % to 40 %	L: –10 % to –20 % H: –10 to +50	L: –5 % to –15 % H: +10 % to +20 %
Class 2	30 % to 70 %	L: –5 % to –15 % H: +5 % to +20 %	L: –5 % to –10 % H: +5 % to +15 %
Class 1	70 % to 100 %	L: –3 % to –10 % H: +3 % to +15 %	L: –3 % to –5 % H: +3 % to +10 %

^A The state of process technology and availability of applicable reference cost data affect the range markedly. The ± value represents typical percentage variation of actual costs from the cost estimate after application of contingency (typically at a 50 % level of confidence) for a given scope.

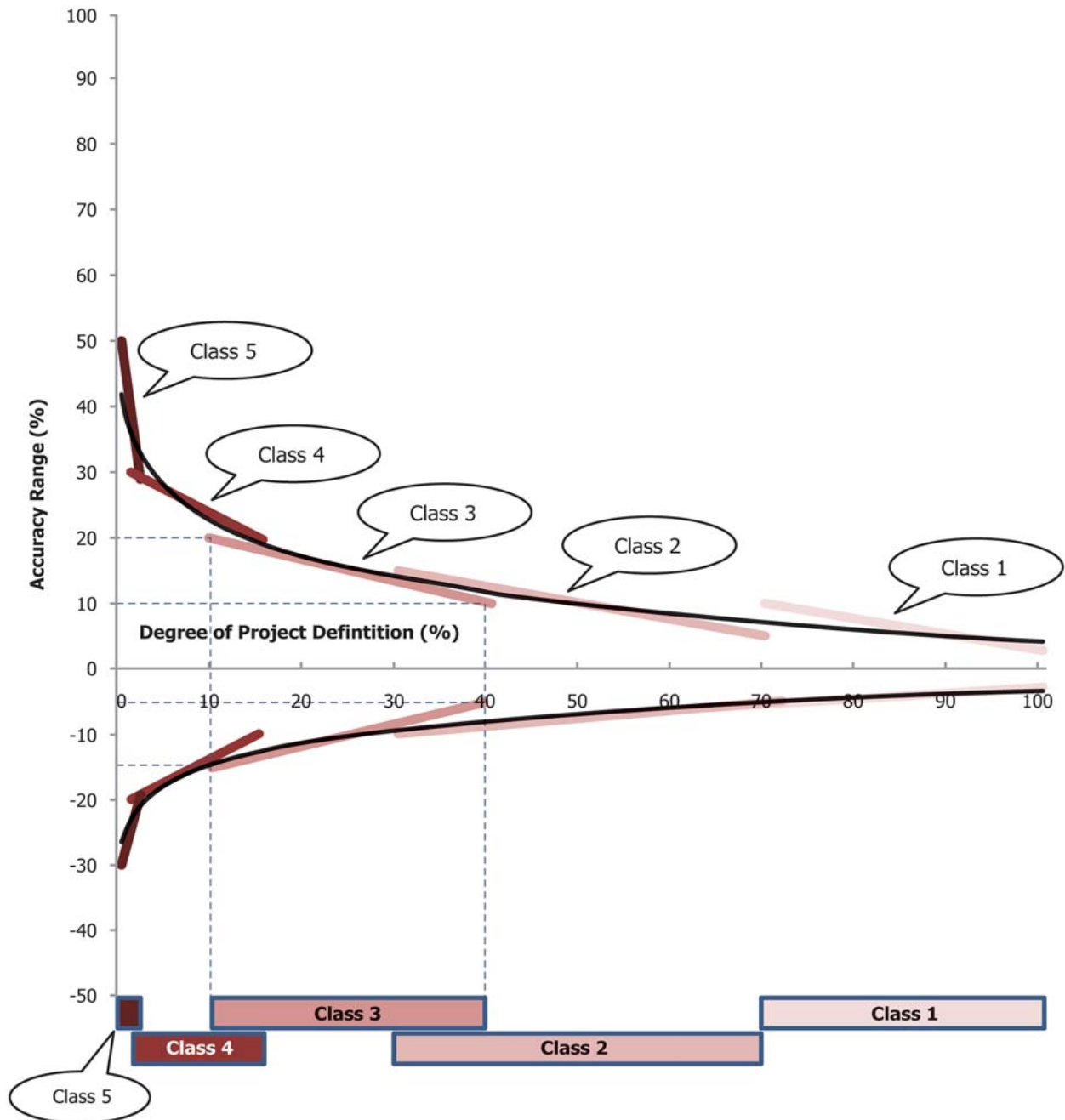


FIG. X1.1 Example of the Variability in Accuracy Ranges for a Building and General Construction Industry Estimate

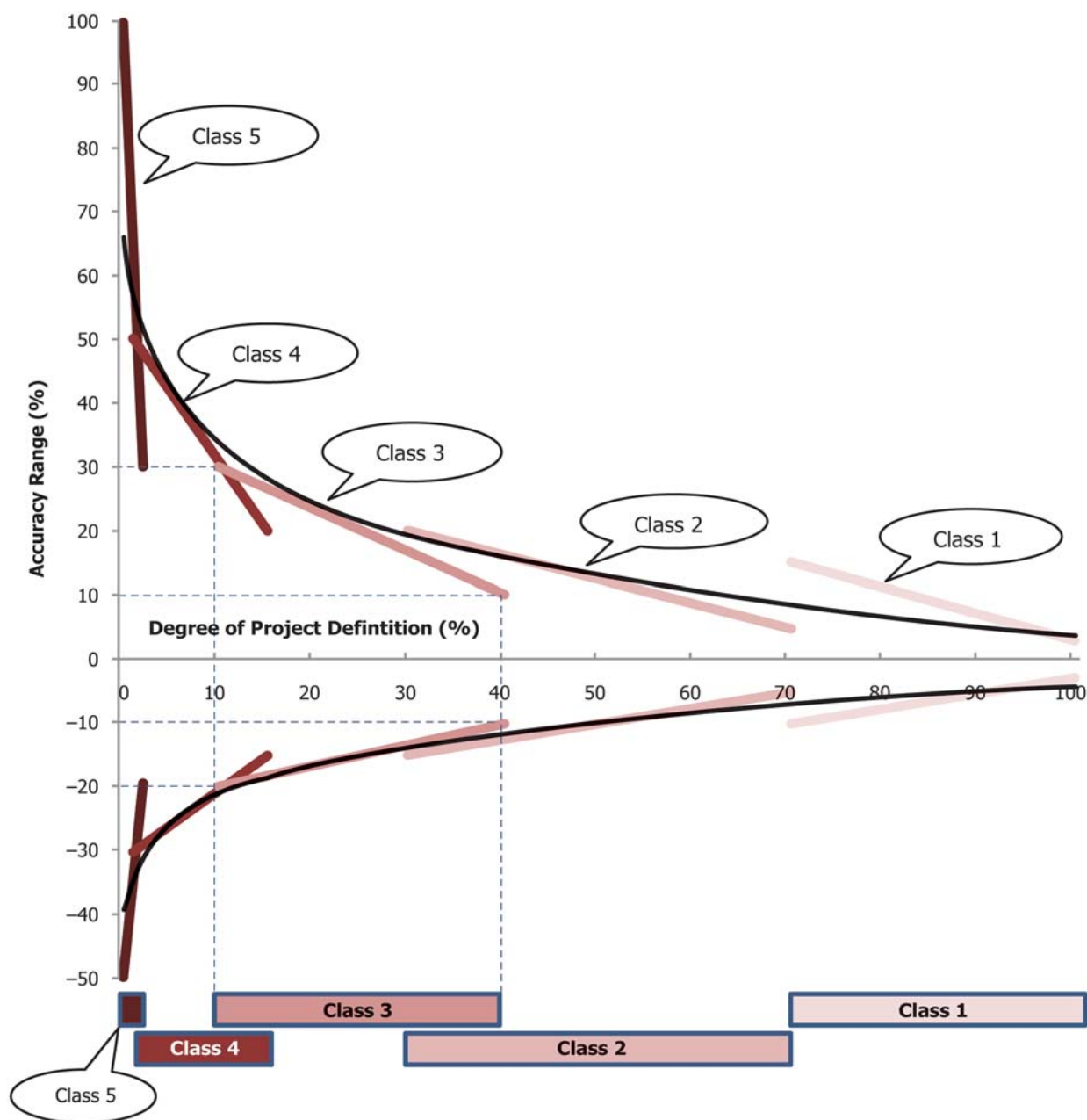


FIG. X1.2 Example of the Variability in Accuracy Ranges for a Process Industry Estimate

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CITY OF FORT SASKATCHEWAN

Capital Project Update - 2017

Purpose:

To provide Council with an update on the status of the 2017 Capital Project Program.

Background:

Overall, capital projects are progressing well and are on schedule and budget. Project Management posts weekly construction updates to the City's website, to help keep the public informed.

The tenders, quotations and Request for Proposals (RFP's) for the projects are posted for vendors on Alberta Purchasing Connection (purchasingconnection.ca). Vendors can sign up for free and indicate their areas of interest. They will be notified of any procurement within their area of interest in the Province.

1. All small equipment has been tendered, ordered and delivered. The specifications are being finalized for the large equipment purchases (loader, backhoe, plow truck) and will be tendered over the summer months.
2. The High Performance Sports Field is progressing well and is on schedule for September completion. The project is also progressing well from a budget perspective.
3. The Curling Rink Revitalization is progressing well and is on schedule and budget. One issue that has arisen and may impact the schedule, is the structural integrity of the existing roof over the existing viewing area. This is being discussed with the Curling Club.
4. Neighbourhood Rehabilitation of Ross Drive has been tendered and awarded. The contractor will be mobilizing to site in early July. Work is expected to be complete by the end of October.
5. The Legacy Park washrooms, trails and parking lot improvements are complete. Some landscaping and cleanup is still required and will be completed over the next couple of weeks. A stamped asphalt product to alter the appearance of the asphalt trails through the Historic Village area, is being investigated.
6. Southfort Drive widening has been tendered and awarded. The contractor is working to core out the roads and prepare the base. Work is expected to continue throughout the summer.
7. The Kinsmen Park playground replacement has been tendered and awarded, with some assistance from the public. Once the equipment arrives, the schedule will be posted.
8. The Sump Pump Retrofit Program has been tendered and awarded, starting with Sienna Gate. The contractor is onsite and has commenced construction activities.
9. Work is continuing to develop the design and concept for the Harbour Pool Universal Change Room. Options along with costing are being considered prior to moving forward with detailed design. Construction activities are expected to begin in early fall, with completion in the spring of 2018.

10. The River Valley Staircase, part of the River Valley Alliance projects, has been tendered and awarded. The contractor is fabricating the structure and will mobilize to site in July. The staircase will be constructed at the end of the pathway off River Park Drive and lead down to the wetlands below.
11. Lights for the pathways in the Historic Precinct and along the Dog Park access road and parking lot will be installed late this summer / early fall, depending on the schedule from Fortis.
12. The 2017 Sewer Reline Project is moving forward. The mainline work is complete. Service relining is scheduled to begin in early July. Notices have been sent to the residents who will be affected by the work.
13. The Water Meter Radio Conversion Project is underway. The work has been tendered and awarded. The contractor has started installing the conversion kits. Work is expected to be complete in late August.
14. The final design requirements have been completed for the Animal Control building. The work will be tendered in the next couple of weeks. Construction is expected to be complete in late fall.
15. The Northeast River Crossing Study is progressing well. The first round of Public Engagement sessions are complete. Options will be developed over the summer. The second round of Public Engagement sessions, where the options are presented to the public, is scheduled for late November.
16. The Alberta Transportation Project to twin the Highway 15 River Crossing is underway. The first design tender has been posted by Alberta Transportation. Project Management staff will be involved and will be able to provide input into the design as it interfaces with and affects City infrastructure. The scope of the project will include twinning the highway from the bridge into Fort Saskatchewan to tie into the already twinned portion within the City. This will include modifying bridge structures to accommodate the wider roadway.

File No.:

Prepared by:	Grant Schaffer Director, Project Management	Date: June 21, 2017
Reviewed by:	Troy Fleming Acting City Manager	Date: June 21, 2017
Submitted to:	City Council	Date: June 27, 2017

CITY OF FORT SASKATCHEWAN

Bylaw C13-17 – Amend Land Use Bylaw C10-13 – Include Kennel as a Discretionary Use in the C5 - Fort Mall Redevelopment District

Motion:

That Council give first reading to Bylaw C13-17 to amend Land Use Bylaw C10-13 to include kennel as a Discretionary Use in the C5 - Fort Mall Redevelopment District.

Purpose:

To present Council with information on including kennel as a Discretionary Use in the C5 – Fort Mall Redevelopment District, and to request consideration of first reading.

Background:

An application to amend Land Use Bylaw C10-13 was submitted by the owner of K9 Play Doggy Daycare Hotel & Spa. The proposed amendments include adding fascia sign as a Permitted Use, and kennel as a Discretionary Use in the C5 – Fort Mall Redevelopment District. The C5 - Fort Mall Redevelopment District regulations are for the Fort Station Site in the downtown (see Appendix A). The C5 – Fort Mall Redevelopment District is part of the commercial development regulations in the Land Use Bylaw.

The C5 – Fort Mall Redevelopment District currently does not allow kennels. Kennels are developments for boarding pets generally for periods of greater than 24 hours, and typically includes outside enclosures, pens, runs or exercise areas.

Kennels are permitted uses in the IL - Light Industrial District and the IM - Medium Industrial District. Kennels are a discretionary use in the C2 - Vehicle Oriented Retail and Service District, and the C3 - Commercial Shopping Centre District. This means that kennels can only be approved at the discretion of the Development Authority depending on compliance with planning regulations and compatibility with surrounding land uses. Adjacent property owners receive a letter notification that a kennel is being applied for near their property.

Regulations for Outside Enclosures

The applicant and owner of K9 Play Doggy Daycare Hotel & Spa would like kennels to include outside enclosures, and has provided the following regulation:

Outdoor enclosures for kennels shall be located to minimize impact on surrounding developments, and shall be enclosed on all sides by fencing or landscaping, or a combination of both. (see Appendix B).

Kennels within the C5 – Fort Mall Redevelopment District would be required to be enclosed by fence and landscaped. The fencing and landscaping may provide a visual buffer between pedestrians and the dogs, and may mitigate some of the barking and noise.

Administration Recommendation

Administration supports amending the district regulations to include fascia signs as a Permitted Use, and kennel as a Discretionary Use. Administration does not support the C5 – Fort Mall Redevelopment District kennel use by having outside enclosures, pens, runs, or exercise areas. Administration supports first reading of Bylaw C13-17 as presented, but would recommend that Council deliberate outside enclosures, pens or runs, and any potential regulations at second and third reading.

It is the opinion of the Administration that outside enclosures with dogs will negatively impact neighboring commercial businesses and residents.

Plans/Standards/Legislation

The site has been designated as “Downtown” in the City’s *Municipal Development Plan*. It has also been designated as “Mall Redevelopment Precinct” in the *Downtown Area Redevelopment Plan & Design Guidelines*.

Should Council give first reading to Bylaw C13-17, a Public Hearing will be scheduled. As per *Municipal Government Act* requirements, affected landowners will be notified by mail. In addition, an advertisement will be published in the local paper for 2 consecutive weeks prior to the hearing. The target date for the Public Hearing is Monday July 10, 2017 and will be held in Council Chambers at 6:00 p.m.

Financial Implications:

Analysis on the financial considerations will be examined and outlined in the subsequent report to Council.

Attachments:

1. Bylaw C13-17
2. Appendix A - Location Maps
3. Appendix B - C5 - Fort Mall Redevelopment District regulations with proposed amendments

File No.: Bylaw C13-17

Prepared by:	Matthew Siddons Current Planner, Planning & Development	Date: June 19, 2017
Approved by:	Dean McCartney Acting Director, Planning & Development	Date: June 21, 2017
Reviewed by:	Troy Fleming Acting City Manager	Date: June 22, 2017
Submitted to:	City Council	Date: June 27, 2017



CITY OF FORT SASKATCHEWAN

A BYLAW OF THE CITY OF FORT SASKATCHEWAN IN THE PROVINCE OF ALBERTA TO AMEND BYLAW C10-13, LAND USE BYLAW

BYLAW C13-17

WHEREAS the *Municipal Government Act, R.S.A. 2000, c.M-26* as amended or repealed and replaced from time to time, provides that a municipality has the power to amend the Land Use Bylaw;

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

1. That Schedule “A” of Bylaw C10-13 be amended as follows:

6.13 C5 – Fort Mall Redevelopment District

- a) Add the following under 6.13.2 (a) C5 Permitted Uses
 - Sign (Fascia)
- b) Add the following under 6.13.2 (b) C5 Discretionary Uses
 - Kennel
- c) Add the following

6.13.15 Outside enclosures for Kennels

- a) Outdoor enclosures for kennels shall be located to minimize impact on surrounding developments, and shall be enclosed on all sides by fencing or landscaping, or a combination of both.
2. This Bylaw is cited as the Amendment to Bylaw C10-13 Land Use Bylaw as amended or repealed and replaced from time to time.
3. If any portion of this Bylaw is declared invalid by a court of competent jurisdiction, then the invalid portion must be severed and the remainder of the Bylaw is deemed valid.

4. This Bylaw becomes effective upon third and final reading.

READ a first time this _____ day of _____ A.D., 2017

READ a second time this _____ day of _____ A.D., 2017

READ a third time and passed this day of A.D., 2017

MAYOR _____

DIRECTOR, LEGISLATIVE SERVICES

DATE SIGNED: _____

APPENDIX A-1



 **Subject Site**



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APPENDIX A-2



Outside Enclosure



Future Multi-Family Residential

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CITY OF
FORT SASKATCHEWAN
ALBERTA

APPENDIX A-3



Outside Enclosure



Outside Wall of Residential Structure

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CITY OF
FORT SASKATCHEWAN
ALBERTA

¹6.13 C5 – Fort Mall Redevelopment District

6.13.1 Purpose

This District is generally intended to provide regulations for the redevelopment of the Fort Mall site as envisioned in the Downtown Area Redevelopment Plan & Design Guidelines (Bylaw C14-08). A variety of land uses are supported in this district including residential, commercial, and mixed-use. Higher densities and scale greater than seen elsewhere in Fort Saskatchewan are supported, with high rise buildings accommodated in specific locations provided that the design ensures development relates to the adjacent areas and provides harmonious transitions. Open space and pedestrian connections will be provided to ensure ease of movement to and from the area, and opportunities for recreation. Special emphasis shall be given for the creation of a high quality public realm including urban plazas, outdoor amenity areas and interactive streetscapes.

6.13.2 C5 Permitted & Discretionary Uses:

(a) C5 Permitted Uses	
<ul style="list-style-type: none"> - ²(Deleted) - Apartment Dwelling - Assisted Living Facility - Business Support Service - Commercial School - Community Service Facility - Custom Manufacturing Establishment - Day Care Facility* - Eating and Drinking Establishment - Eating and Drinking Establishment (limited) - Eating and Drinking Establishment (outdoor) - Emergency Response Service - Health Service - Home Office - Hotel - Indoor Entertainment Facility - Indoor Recreation Facility - ³Multi-attached Dwelling** 	<ul style="list-style-type: none"> - ⁴(Deleted) - Parking Facility - Personal Service - Pet Care Service - Place of Worship - Private Club - Professional, Financial, and Office Service - Public Facility - Retail Store (convenience) - Retail Store (general) - Retail Store (liquor) - Seasonal Garden Centre (temporary) - Show Home - Sign (Fascia) - Sign (Freestanding) - Sign (Identification) - Sign (portable) - Sign (Projecting) - Temporary Sales Centre - ⁵Accessory development to any use listed in subsection 6.13.2(a)

¹ C22-14

² C19-15

³ C10-16

⁴ C19-15

⁵ C19-15

(b) C5 Discretionary Uses	
<ul style="list-style-type: none"> - Casino - Government Service - Greenhouse - Kennel - Late Night Club - Live Work Unit - ¹(Deleted) - Outdoor Recreation Facility - Pawn Shop 	<ul style="list-style-type: none"> - Temporary Outdoor Event - Vehicle Sales, Leasing or Rental Facility (limited) - Veterinarian Clinic - ¹(Deleted) - ¹Accessory development to any use listed in subsection 6.13.2(b)

*Day Care Facility may not occur within an apartment dwelling

** Multi-attached Dwellings shall be limited to the Periphery Zone, as per Figure 6.13a

6.13.3 Site Development Regulations

	Interior or Corner Site	
a) Site Area	Minimum	300.0m ² (3229.2ft ²)
	Maximum	N/A
b) Site Width	Minimum	At the discretion of Development Authority
	Maximum	At the discretion of Development Authority
c) Front Setback	Minimum	<p>²Non-residential uses at ground floor 0.0m (0.0ft) to 1.4m (4.6m) to achieve a continuous pedestrian zone of 3.4m (11.2ft)</p> <p>Residential uses at ground floor 3.0m (9.8ft) with display gardens</p> <p>Residential uses at ground floor abutting MR 1.0m (3.3ft) with display gardens in the MR</p>
d) Side Setback	Minimum	³ 0.0m (0.0ft)
e) Rear Setback	Minimum	<p>⁴0.0m (0.0ft) when abutting a Non-Residential Land Use District</p> <p>4.5m (14.8ft) or one-half (1/2) the height of the building, whichever is greater, for sites abutting a Residential Land Use District</p>

¹ C10-16

² C10-16

³ C10-16

⁴ C10-16

f) Site Coverage	Maximum	70%
g) FAR	Maximum	¹ 4.0
h) Unit Density	Maximum	² 200 units per net developable hectare for sites less than 1500.0m ² 350 units per net developable hectare for sites greater than 1500.0m ²
i) Height		As per Section 6.13.4 of this Bylaw
j) ³ Common Amenity Area	Minimum	Apartment Dwellings 4.5m ² (48.4ft ²) per dwelling unit All other Residential Dwellings At the discretion of the Development Authority. This can include indoor and outdoor amenities such as seating areas and roof top patios
j) ⁴ Private Amenity Area	Minimum	Residential Dwellings at Grade and Above Grade 3.0m ² (32.3ft ²) per dwelling unit to be provided by balconies, decks, patios or rooftop amenity area*** Residential Dwellings Below Grade To be provided through the common amenity area

*** Private Amenity Area shall only be provided by balconies in Apartment Dwellings

Urban Design Regulations

6.13.4 Urban Form

- a) Maximum building height shall be determined based upon:
 - i. ⁵The location of the building in proximity to the public roadways, as per Figure 6.13a; and
 - ii. ⁶Along 98 Avenue, new development shall have a minimum height of 2 storeys when located in the Periphery Zone, and a minimum height of 4 storeys in the Centre Zone, as per Figure 6.13a.

¹ C10-16

² C10-16

³ C10-16

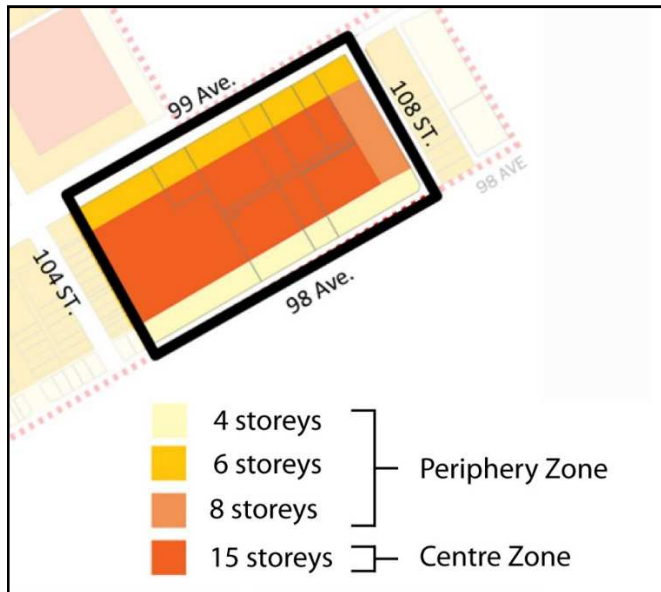
⁴ C10-16

⁵ C23-14

⁶ C10-16

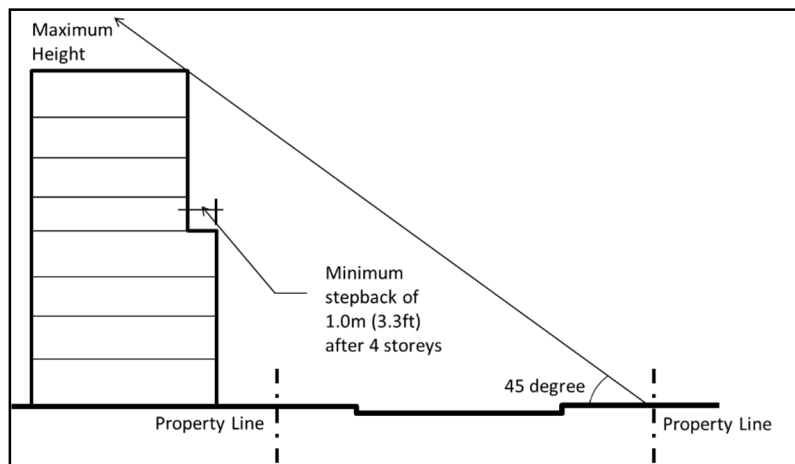
- iii. ¹Building heights shall be transitioned through appropriate stepbacks as per Figure 6.13a.

²³Figure 6.13a: Fort Mall Site Maximum Heights Diagram



- b) The maximum building height for buildings greater than 5 storeys shall be limited by the application of a 45 degree angular plane, as per Figure 6.13b.

Figure 6.13b: 45 Degree Angular Plane Method for Determining Height Maximums



¹ C10-16

² C23-14

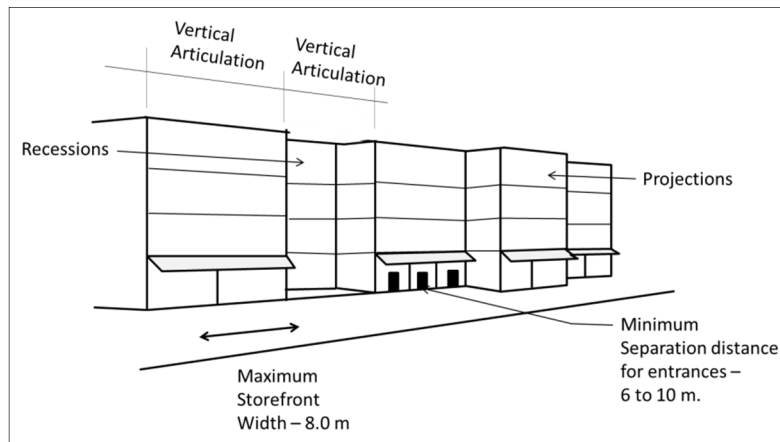
³ C10-16

- c) The maximum parapet height for all new buildings shall not exceed 1.5m (4.9ft); and
- d) Vents, mechanical rooms and equipment, elevator penthouses etc. shall be integrated into the architectural treatment of building roof or screened with materials and finishes compatible with the building.

6.13.5 Street Character and Pedestrian Realm

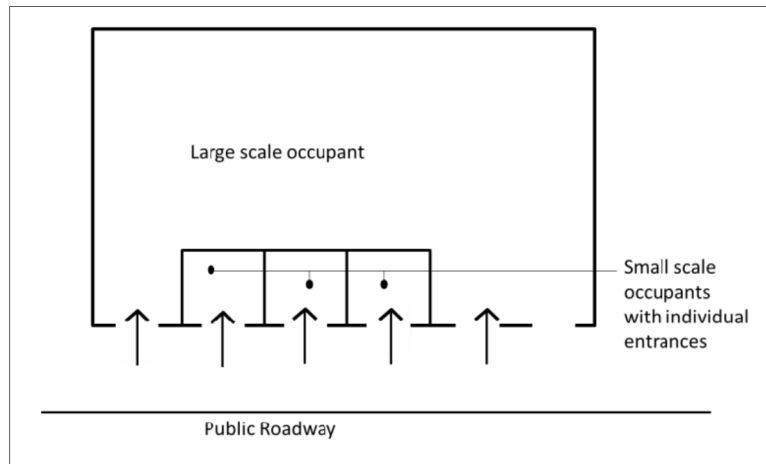
- a) For buildings where the ground floor is occupied by non-residential tenancy, the front setback shall be hard surfaced with a consistent treatment and theme from the City sidewalk to the satisfaction of the Development Authority;
- b) To avoid monotony in architecture, all buildings shall be required to provide a vertical articulation in the streetwall fronting public roads using a variety of colours, materials, projections as well as recessions in the building façade, as per (Figure 6.13c);

Figure 6.13c: Vertical Articulation Specifications



- c) Individual retail store frontages along 99 Avenue at ground floor shall not exceed 8.0m (26.3ft) in width, as per Figure 6.13c;
- d) Where feasible, entrances for commercial and office uses shall be located at intervals of 6.0m to 10.0m (19.7ft to 32.8ft) along building façades fronting public roadway; and
- e) For new construction, large scale commercial uses at ground floor shall be required to provide small scale individualized tenancy fronting the public roadway, as per Figure 6.13d.

Figure 6.13d: Small Scale Occupancy in Large Scale Commercial Uses



6.13.6 Open Space and Linkages

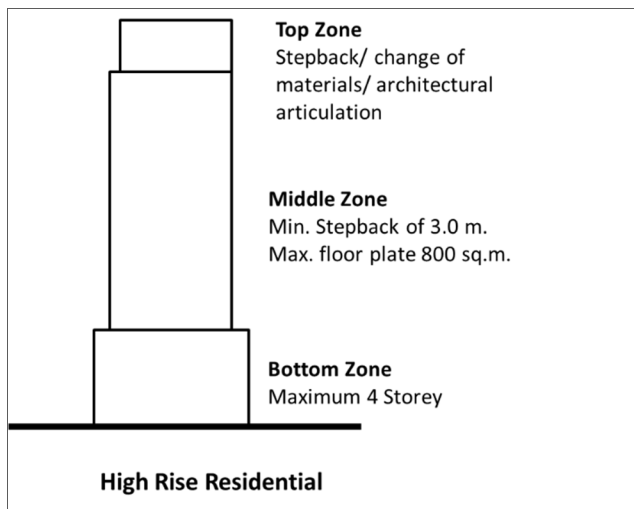
- a) A minimum 15% of the Fort Mall site area shall be dedicated as publically-accessible open space that is connected to the wider city level open space network;
- b) Open space shall be developed and landscaped in accordance with Section 4.8 to 4.11 of this Bylaw. In addition, street furniture such as benches, waste receptacles, garden lighting, etc. may be required to enhance the open space to the satisfaction of Development Authority; and
- c) New private or public roads in this district shall be designed in a manner to re-establish the typical block pattern and the street grid found in Fort Saskatchewan's downtown.

6.13.7 Building Massing and Architectural Character

- a) Buildings at the intersection of the following streets shall be required to incorporate special architectural treatment to mark entrances to the downtown and key focal points:
 - i. 99 Avenue and 106 Street; and
 - ii. 99 Avenue and 108 Street.
- b) Buildings more than 5 storeys shall provide three distinct vertical zones, as per Figure 6.13e, and meet the following step back requirements:

- i. The base zone shall be a minimum of two storeys and a maximum four storeys, and shall be integrated with townhouses, apartments or commercial retail units; and
- ii. The middle zone shall provide a minimum setback of 3.0m (9.8ft) and a maximum floor plate of 800m² (8611ft²).
- iii. The top zone shall be required for high rise buildings and shall include the top three stories. The top zone shall provide either an additional setback or a change in material/colour or special architectural treatment to the satisfaction of the Development Authority.

Figure 6.13e: Vertical Zones in Mid-rise and High-rise Buildings



- c) A minimum separation distance of 25.0m (82.0ft) measured perpendicularly to building face shall be provided between the shafts (middle zones) of two high rise towers;
- d) Building façade on corner sites shall address both public roadways;
- e) New developments shall be encouraged to incorporate public art into building façades; and
- f) Large blank façades with opaque surfaces shall be minimised to the satisfaction of the Development Authority.

6.13.8 Pedestrian Entrances

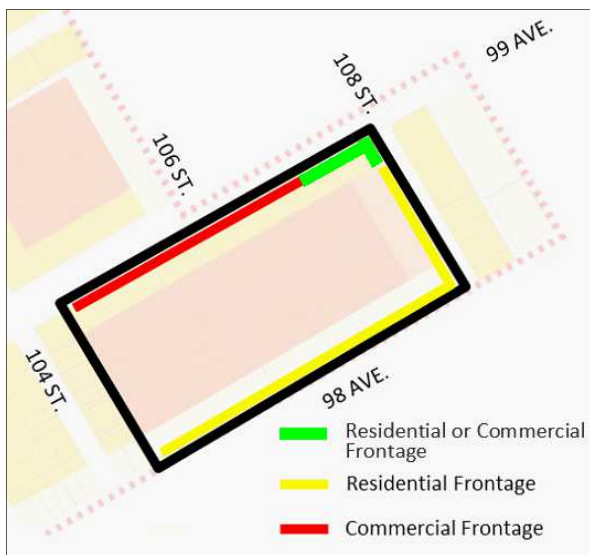
- a) Ground floor entrances for commercial/office uses shall be level with grade of the adjacent sidewalk;

- b) Ground floor entrances for residential units fronting public road shall provide a 1.0m (3.3ft) grade separation from adjacent sidewalk to provide visual privacy for residential units; and
- c) Entrances to commercial uses at ground floor and residential uses above ground level shall be architecturally differentiated from each other.

6.13.9 Ground Floor Treatment

- a) The land uses along ground floors of all buildings shall be as per Figure 6.13f, whereas:
 - i. Ground floor uses along 99 Avenue shall be limited to commercial or residential development;
 - ii. Ground floor uses along 98 Avenue shall be limited to residential development; and
 - iii. ¹(Deleted)

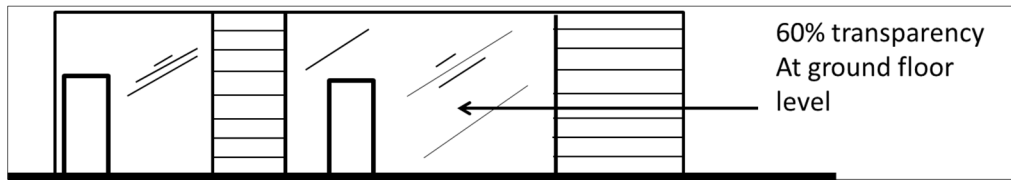
Figure 6.13f: Ground Floor Frontage Use Designations



- b) Facade improvement or facades for newly constructed buildings with non-residential uses located on the ground floor facing a public street or public area shall provide a minimum 60% transparency on the ground floor level to encourage pedestrian interactions and safety, as per Figure 6.13g.

¹ C10-16

Figure 6.13g: Transparency in Ground Level Commercial Developments

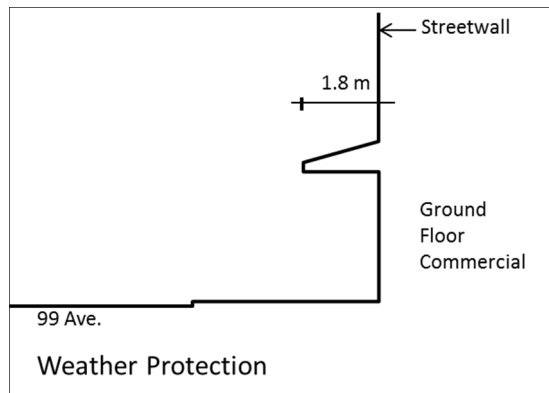


- c) Principal entrances of dwelling units or commercial retail units provided at the ground floor level shall provide direct access to the adjacent public sidewalk.

6.13.10 Canopies and Weather Protection

- a) A continuous weather protection of minimum 1.8m (5.9ft) width at the ground floor of all building façades fronting 99 Avenue shall be encouraged, as per Figure 6.13h.

Figure 6.13h: Canopies and Weather Protection

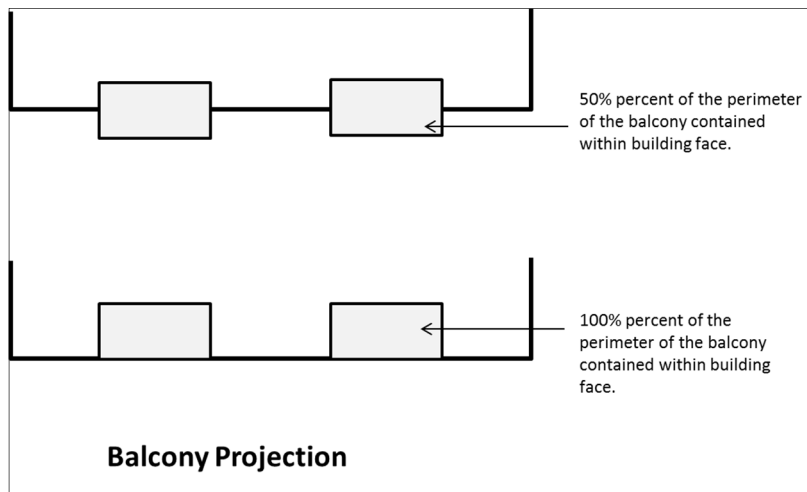


6.13.11 Building Projections

- a) ¹Balconies on the streetwall shall be partly or fully recessed from the building face with approximately 50% of their perimeter contained by exterior walls of the building, as per Figure 6.13i.

¹ C10-16

Figure 6.13i: Balcony Projection



- b) Balcony projections may project beyond the floor plate restrictions or the front streetwall up to a maximum of 1.0m (3.3ft) but shall in no case project beyond the property line.

6.13.12 ¹General Parking Requirements

- a) On-site parking should be provided at the rear or sides of buildings, within underground parkade or above-ground parking structures. Surface parking areas should not be developed adjacent to any public roadway other than a lane, unless a suitable interface with the abutting street is provided to the satisfaction of the Development Authority.
- b) Corner sites may have surface parking areas located on the side of the building, facing the flanking roadway when screened from public view.
- c) The Development Authority may consider granting additional Floor Area Ratio, if the applicant agrees to provide underground parking stalls to meet all parking requirements of the project.
- d) Uses and developments not specified in an approved Parking Impact Assessment shall meet the Minimum Parking Requirements for Downtown, as per Table 11.e. Drive-through service should be limited;
- e) Structured parking facilities shall generally be provided at locations internal to the site. If such parking facilities are located fronting a public roadway, then the following design considerations shall be utilized:

¹ C10-16

- i. Ground floor shall include retail uses with multiple entrances;
- ii. Entrance to the parking facility shall be designed with special architectural treatment to maintain the integrity of retail frontage; and
- iii. The facade of the upper storeys of the parking facility shall be designed to reflect residential or commercial building character.

6.13.13 ¹Circulation, Accesses, Loading and Waste Collection

- a) ²(Deleted)
- b) All vehicular access to parking and on-site service areas, parking facilities, waste storage/collection areas as well as loading facilities shall be screened from public roadways using enhanced landscape treatment or special architectural features.
- c) Where possible, vehicular entrances to underground parking facilities and passenger drop-off areas shall be provided from the rear of buildings.
- d) Internal roadway network shall be designed to improve walkability and reduce shortcutting by vehicular traffic.
- e) ³(Deleted)
- f) ⁴(Deleted)
- g) ⁵(Deleted)
- h) Garbage and recycling containers shall provide a minimum setback of 1.0m (3.3ft) from a property line and be screened using appropriate architectural or landscaping treatment to the satisfaction of Development Authority.
- i) ⁶(Deleted)

¹ C10-16

² C10-16

³ C10-16

⁴ C10-16

⁵ C10-16

⁶ C10-16

6.13.14 Signage

- a) Buildings on corner sites shall provide signage on both building façades; and
- b) Projecting signs may project beyond the streetwall by a maximum of 1.0m (3.3ft) and should be restricted to ground floor only.

6.13.15 Outside enclosures for Kennels

- a) Outdoor enclosures for kennels shall be located to minimize impact on surrounding developments, and shall be enclosed on all sides by fencing or landscaping, or a combination of both.

6.13.16 Additional Development Regulations for C5

- b) ¹All development and uses within this Land Use District are subject to the applicable provisions of Part 4 - General Regulations for all Land Use Districts, Sections 6.1 to 6.7 of Part 6 - Commercial Land Use Districts, Part 11 - Parking and Loading, and Part 12 – Signs.
- c) Except for off-street parking, loading areas and approved patios, all business activities shall be carried out entirely within completely enclosed buildings or structures. Sidewalk sales, tent sales, or farmers markets shall be considered in the approved open space areas such as parking lots or plazas in accordance with the regulations for Temporary Outdoor Events; and
- d) The siting and appearance of all buildings or improvements, and the landscaping of the site shall be to the satisfaction of the Development Authority in order that there shall be general conformity with adjacent buildings, and that there may be adequate protection afforded to the amenities of adjacent buildings and sites. The form and character of buildings shall complement adjacent residential character of the neighbourhood.

¹ C10-16

CITY OF FORT SASKATCHEWAN

Bylaw C14-17 – OFF-SITE LEVY BYLAW

Motion:

That Council give first reading to Bylaw C14-17 to provide for the imposition of an Off-Site Levy for lands proposed for subdivision and development in defined new growth areas within Fort Saskatchewan's municipal boundaries.

Purpose:

The purpose of this report is to give first reading to Off-Site Levy Bylaw C14-17.

Background:

The Levy sets out a fair and equitable means to collect money for the construction of major infrastructure to be shared among the developers within a growth area and helps to ensure that the cost of development is not a burden to existing tax payers.

The Levy rates calculated are set to recover the cost of development for each of the areas. The Off-Site Levy Bylaw and associated reports will be reviewed and updated from time to time, including the actual construction costs of specific projects and to ensure that the inflation calculations reflect the current inflation experienced in the construction industry.

The developers and their representatives have been involved in the development of the Levy models. The Levy reports have been circulated to the developers and their comments have been incorporated and/or taken under consideration.

An Off-Site Levy Bylaw requires advertising in accordance with the *Municipal Government Act* (MGA). Bylaw C14-17 will be advertised in a local newspaper for two consecutive weeks giving notice prior to future readings of the Bylaw. Bylaw C14-17 will come back to Council on Tuesday, July 10, 2017 for consideration of second and third reading.

Plans/Standards/Legislation:

The MGA provides a municipality the right to collect a levy from developing lands for the purpose of constructing major infrastructure that benefits the developing areas. The Levy can be collected for new and expanded water, sanitary sewer, storm sewer, and transportation infrastructure that benefits the developing areas.

Financial Implications:

The financial model for the development of Southfort, Westpark, and the Light / Medium Industrial areas has been reviewed and updated. The model indicates that the proposed levies are set at an appropriate level to recover the cost of construction.

Attachments:

- 1) Bylaw C14-17 and Schedule "A" – Off-Site Levy Rates
- 2) Schedule "B" – Southfort Levy Report – June 2017
- 3) Schedule "C" – Westpark Levy Report – June 2017
- 4) Schedule "D" – Medium Industrial Levy Report – June 2017

File No.:

Prepared by:	Grant Schaffer Director Project Management	Date: June 20, 2017
Reviewed by:	Troy Fleming Acting City Manager	Date: June 21, 2017
Submitted to:	City Council	Date: June 27, 2017



CITY OF FORT SASKATCHEWAN

OFF-SITE LEVY BYLAW

BYLAW NO. C14-17

A BYLAW OF THE CITY OF FORT SASKATCHEWAN IN THE PROVINCE OF ALBERTA TO PROVIDE FOR THE IMPOSITION OF AN OFF-SITE LEVY FOR LANDS PROPOSED FOR SUBDIVISION AND DEVELOPMENT IN DEFINED NEW GROWTH AREAS WITHIN MUNICIPAL BOUNDARIES.

WHEREAS the *Municipal Government Act*, RSA 2000, c.M-26, as amended or repealed and replaced from time to time, permits Council to impose a levy known as an Off-Site Levy in respect of land to be developed or subdivided within a municipality's limits, and to authorize an agreement to be entered into for payment of the levy;

AND WHEREAS the municipality has engaged in consultation with representatives of the development industry to address and define existing and future infrastructure requirements of the municipality with respect to circumstances of the municipality and the benefits of development;

AND WHEREAS Council received advice and reports respecting upgrades to Off-Site Infrastructure which set out a fair and equitable calculation of Off-Site Levies in accordance with the purpose of the *Municipal Government Act*, RSA 2000, c.M-26, as amended or repealed and replaced from time to time;

AND WHEREAS Council advertised its intention to consider the provision of this Bylaw pursuant to the requirements of the *Municipal Government Act*, RSA 2000, c.M-26, as amended or repealed and replaced from time to time.

NOW THEREFORE, the Council of the City of Fort Saskatchewan, duly assembled, enacts as follows:

This Bylaw is cited as the City of Fort Saskatchewan "Off-Site Levy Bylaw".

1. DEFINITIONS

For the purposes of this Bylaw, the following words shall mean:

- (a) "Act" means the *Municipal Government Act*, R.S.A. 2000, c. M-26, as amended or repealed and replaced from time to time;
- (b) "City" means City of Fort Saskatchewan;
- (c) "City Council" means the Council of the City of Fort Saskatchewan;
- (d) "Development Agreement" means an executed contract between a developer and the City of Fort Saskatchewan which establishes servicing and development requirements, and obligations;

- (e) "Developable Land" means all lands utilized and included for the purposes of growth and which are subdivided or developed (as those terms are defined under the Act, s. 616), except for lands:
 - (i) designated as Environmental Reserve,
 - (ii) designated as Municipal Reserve, or
 - (iii) for which an Off-Site Levy was previously paid to the City;excluding the Developed Land.
- (f) "Developed Land" means land:
 - (i) that has been subdivided or developed prior to the date of this Bylaw,
 - (ii) for which all Off-Site Levy payments have been paid, and
 - (iii) for which services have been provided in accordance with a Development Agreement;
- (g) "Environmental Reserve" (ER) means land designated as Environmental Reserve by a subdivision authority or municipality in accordance with the Act;
- (h) "Light / Medium Industrial Development Area" means the area(s) as identified on Appendix "A" of the "Light / Medium Industrial Levies Report" (Schedule "D");
- (i) "Municipal Reserve" (MR) means the land designated as Municipal Reserve by a subdivision authority or municipality in accordance with the Act;
- (j) "Off-Site Levy" means the levy imposed pursuant to Section 5 of this Bylaw;
- (k) "Off-Site Infrastructure" means those components and projects referred to in the Southfort Levies Report, Westpark Levies Report and Light/Medium Industrial Levies Report, in relation to water facilities, sanitary sewer facilities, arterial roads, and storm water management facilities;
- (l) "Southfort Development Area" means the area(s) as identified on Figure 1.1 of the "Southfort Levies Report" (Schedule "B");
- (m) "Subdivision Authority" means the person(s) or body appointed by Council pursuant to Section 623(1) of the Act; and
- (n) "Westpark Development Area" means the area(s) as identified on Figure 1.1 of the "Westpark Levies Report" (Schedule "C").

2. PRINCIPLES

- (a) That a levy shall be imposed, which shall be known as an Off-Site Levy, upon all Developable Land within the Southfort Development Area, the Westpark Development Area and the Light/Medium Industrial Development Area, at the rates prescribed in this Bylaw;
- (b) That this Bylaw has been established to provide funds for the construction of the Off-Site Infrastructure required for growth;
- (c) That municipal infrastructure projects and associated costs have been determined through the preparation of the:
 - (i) Southfort Levies Report – Schedule “B” attached hereto and forming part of this Bylaw;
 - (ii) Westpark Levies Report – Schedule “C” attached hereto and forming part of this Bylaw; and
 - (iii) Light / Medium Industrial Levies Report – Schedule “D” attached hereto and forming part of this Bylaw.
- (d) That the following principles provide guidance for interpretation of this Bylaw and form the basis of the provisions:
 - (i) Collecting Off-Site Levies in the Southfort, Westpark and Light/Medium Industrial Development Areas will provide the capital that will fund the infrastructure required for growth. Those who benefit from the infrastructure, which is defined within the Southfort, Westpark, and Light/Medium Industrial Development Areas, should share proportionally on a per hectare basis, in its costs.
 - (ii) The Off-Site Levy rates may be subject to inflationary increases.
 - (iii) Infrastructure should be provided to maintain cost effective and orderly growth. Thus, non-contiguous development should be discouraged and Off-Site Levy projects should be constructed only when there is a demonstrated need for said infrastructure.
 - (iv) The calculation of the Off-Site Levy should be an open transparent process that is clear and understandable.
 - (v) The management of the Off-Site Levy account should be an audited process, with reports available to the public and industry.
 - (vi) Provisions of Off-Site Infrastructure by developers of Developable Land will not create an advantage or penalty due to the time or location of development.

- (vii) The Off-Site Levy will help allow the City to recover the cost of infrastructure required for growth:
 - a. Using financing strategies that remain sustainable;
 - b. Facilitating development by reducing risk on early developers and ensuring future developers share the costs of the facilities from which they benefit; and
- (viii) Promoting cost effective and orderly development;
- (ix) The Off-Site Levy will help promote orderly development by:
 - a. Providing Off-Site Infrastructure, once the appropriate planning is in place, and when warranted in development; and
 - b. Providing infrastructure for contiguous development;
- (x) The Off-Site Levy will help create transparent process by:
 - a. Providing opportunity for industry input into the levy, its definition and administration;
 - b. Conforming with the Act; and
 - c. Providing reports on levies;
- (xi) The Off-Site Levy will help create clear process for calculation of the rate, levies and credits by:
 - a. Creating consistent and predictable levies and credits;
 - b. Creating predictable and stable levies over time; and
 - c. Documenting a process for establishing the levy rate.

3. APPLICATION

- (a) That the Off-Site Levy, as set out in this Bylaw, is imposed and payable for all lands to be subdivided or developed within the Southfort, Westpark and Light/Medium Industrial Development Areas, excepting all lands designated as Municipal Reserve or Environmental Reserve.
- (b) That the Off-Site Levy is payable in relation to Off-Site Infrastructure set out in Schedules "B", "C" and "D", attached hereto and forming part of this Bylaw.
- (c) That the City shall require that all subdivision and development be carried out in accordance with the executed Development Agreement between the City and a developer(s).

- (d) That all Development Agreements, as per Section 3(3), shall ensure:
 - (i) that provision is made for the payment of the Off-Site Levy as specified in this Bylaw;
 - (ii) that no further Off-Site Levy be required to be paid under Development Agreements where the Off-Site Levy has been previously collected in full in respect to all lands which are the subject of subdivision or development application;
- (e) That subject to the other provisions of this Bylaw, the Off-Site Levy will be assessed on all Developable Land within the Southfort, Westpark, and Light/Medium Industrial Development Areas.
- (f) That notwithstanding the provisions of Section 3(e) above, an Off-Site Levy will be assessed on the greater of the following:
 - (i) the estimated surface area of a storm water management facility during a 1 in 100 year storm event, that is located within a portion of land that is designated Municipal Reserve; or
 - (ii) that area defined legally as a public utility lot.
- (g) That the City's Administration is authorized to enter into Development Agreements on behalf of the City, which agreements may, among other things implement the provisions of this Bylaw and ensure collection of the Off-Site Levy, provided that the terms of the Development Agreements shall comply with the requirements of this Bylaw.
- (h) That unless otherwise specified in a Development Agreement, an Off-Site Levy shall be calculated and become due and payable upon execution of the Development Agreement; if a Development Agreement does provide for deferred payment of any portion of the Off-Site Levy payable under the Development Agreement, the Development Agreement shall provide that:
 - (i) any portion of the Off-Site Levy deferred shall be protected through security, on terms outlined in the Development Agreement;
 - (ii) the deferred portion of the Off-Site Levy shall be subject to adjustment, such that the amount of the Off-Site Levy payable by the developer shall be the off-site levy prescribed by this Bylaw at the time of payment, not at the time of endorsement of the Development Agreement; and
 - (iii) the deferred portion of the Off-Site Levy shall be a maximum of FIFTY (50%) PERCENT of the Off-Site Levy payable, and the maximum period for deferral shall be one (1) year from the date of entry into the Development Agreement: or
 - (iv) any other form of payment deferral for the Light/Medium Industrial Development Area as approved by Council.

- (i) That Council may from time to time adopt policies or guidelines for the assistance and direction of the City's Administration in determining which development and subdivision applications are required for the Development Agreement.

4. LEVY CALCULATION

- (a) That the Off-Site Levy shall be calculated using the rates set out in Schedule "A", and formalized through an executed Development Agreement, as follows:

Assessment formula:

Gross Area – (ER + MR) = Net Area X Levy Rate = Assessed Off-Site Levy

- (b) That prepayment of the Off-Site Levy shall not be permitted under any circumstances.
- (c) In order to implement the spirit and intent of the prohibition that there shall be no prepayment of an Off-Site Levy, the City Administration may:
 - (i) refuse endorsing a Development Agreement (or an addendum for a stage under a Development Agreement); or
 - (ii) require as a term of the Development Agreement (or an addendum for a stage under a Development Agreement) that the developer delay payment of all or part of the Off-Site Levy payable under the Development Agreement (or an addendum for a stage of a Development Agreement)

if it appears that the underground local improvements in relation to the Development Agreement (or a stage under that Development Agreement) will not be constructed to the point of issuance of the Construction Completion Certificate within 12 months of the entry into the Development Agreement (or the addendum for a stage of the Development Agreement). If the City requires the developer to delay payment of the Off-Site Levy payable under a Development Agreement (or an addendum), the City may prescribe the terms for the delayed payment, including provisions for security and adjustment.

5. ACCOUNTING

All funds collected pursuant to this Bylaw shall be accounted for in a special fund and expended only as permitted under the provisions of the Act.

6. REVIEW PROCESS

That this Bylaw shall be reviewed from time to time.

7. SEVERABILITY

That if at any time any provision of this Bylaw is declared or held to be illegal, invalid, or *ultra vires*, in whole or in part, then that provision shall not apply and the remainder of this Bylaw shall continue in full force and effect and shall be constructed as it had been enacted without the illegal, invalid or *ultra vires* provision.

8. TRANSITIONAL PROVISION

That notwithstanding the provisions of this Bylaw, a Development Agreement approved by the City of Fort Saskatchewan prior to the passing of this Bylaw shall remain valid and in effect until such time that all provisions of the agreement have been met.

9. REPEAL

Upon third reading of Bylaw C14-17, Bylaw C1-14 and all amendments thereto are hereby repealed.

10. EFFECTIVE DATE

This Bylaw becomes effective upon third and final reading.

READ a first time this day of 2017.

READ a second time this _____ day of _____ 2017.

READ a third time and finally passed this day of 2017.

Mayor

Director, Legislative Services

Date Signed: _____

SCHEDULE "A" TO BYLAW C14-17

SOUTHFORT DEVELOPMENT AREA LEVY

Description	Current Off-Site Levy
Water	\$14,505.98/ha
Sanitary Sewer	\$ 7,239.91/ha
Transportation	\$57,896.96/ha
Stormwater	\$24,497.41/ha
TOTAL	\$104,140.26/ha

WESTPARK DEVELOPMENT AREA LEVY

Description	Current Off-Site Levy Area #1	Current Off-Site Levy Area #2
Water	\$18,420.16/ha	\$18,420.16/ha
Sanitary Sewer	\$19,131.14/ha	\$19,131.14/ha
Transportation	\$25,389.02/ha	\$25,389.02/ha
Stormwater	\$13,781.61/ha	n/a
TOTAL	\$76,721.93/ha	\$62,940.32/ha

LIGHT/MEDIUM INDUSTRIAL DEVELOPMENT AREA LEVY

Description	Current Off-Site Levy		
	Weighted Average	Low*	High*
Water	\$16,610.00/ha	\$11,494.00/ha	\$21,128.00/ha
Sanitary Sewer	\$30,630.00/ha	-	\$45,328.00/ha
Transportation	\$21,541.00/ha	\$21,541.00/ha	\$21,541.00/ha
Stormwater	\$ 3,958.00/ha	-	\$ 9,221.00/ha
TOTAL	\$72,739.00/ha	\$36,650.00/ha	\$97,219.00/ha

*Rates listed are the Low and High in each category.

Report



C I T Y O F FORT SASKATCHEWAN

**City of Fort
Saskatchewan**

Southfort Levy Report

Schedule “B” to Bylaw C14-17

June 2017

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1

Introduction

1.1 GENERAL

The City of Fort Saskatchewan has identified the Southfort area as being a prime location for development and is currently seeing continued growth within the area. The Southfort Area Structure Plan (ASP) has been developed and updated, in order to assist the City in properly planning and staging this development. The ASP identifies future land uses as well as locations of major infrastructure, which will form the backbone of this community.

The growth and development of a community will generally create some impact on the municipal infrastructure systems. Minimally, development requires an extension of municipal services such as water, sewer, roadways, etc. More extensive and continued growth and development of a community will require the municipal infrastructure systems to be expanded to satisfactorily accommodate such growth.

It is the philosophy of the City of Fort Saskatchewan that development will be responsible for its own municipal infrastructure as well as for its proportionate share of the off-site infrastructure from which it will benefit. This is achieved through the assessment of Development Levies against the individual developers.

In January of 2003, the City of Fort Saskatchewan engaged Associated Engineering Alberta Ltd. to undertake the creation of a clear, concise and defensible model for establishing Development Levies for lands within the Southfort ASP boundaries. The report was updated in January 2017 by the City of Fort Saskatchewan.

1.2 LOCATION

The Southfort area is located on the southeast side of Highway 21, mainly in Sections 29-54-22, 19-54-22, and 20-54-22 and is bounded to the south and east by Strathcona County. It is comprised of existing commercial developments; the Fort Saskatchewan Correctional Facility and agricultural land. Figure 1.1 shows the Southfort area boundary.

1.3 DEVELOPMENT LEVIES

In the context of this report, Development Levies are defined as capital costs, assessed by the City of Fort Saskatchewan, against developing lands for their proportionate share of the costs of municipal infrastructure systems, constructed by the City or other developers, which benefit the development areas.

1.3.1 Off-Site Levies

Under authority of the Municipal Government Act, the City is permitted to impose Off-Site Levies against development to cover the costs of any or all of the following:

- a) New or expanded facilities for the storage, transmission, treatment or supplying of water.
- b) New or expanded facilities for the treatment, movement and disposal of sanitary sewage.
- c) New or expanded storm sewer drainage facilities.
- d) New or expanded roads required for or impacted by a subdivision or development.
- e) Lands required for or in connection with any facilities described in (a) to (d) above.

1.4 CRITERIA

In this study, lands dedicated as Municipal Reserve (MR) are excluded as a Development Levy contributing area. Traditionally, the City has required the Developer to develop the MR lands in accordance with the City's needs, as negotiated through the Development Agreement. Hence, Development Levies are not applied against such lands, thereby reducing the contributing lands area accordingly.

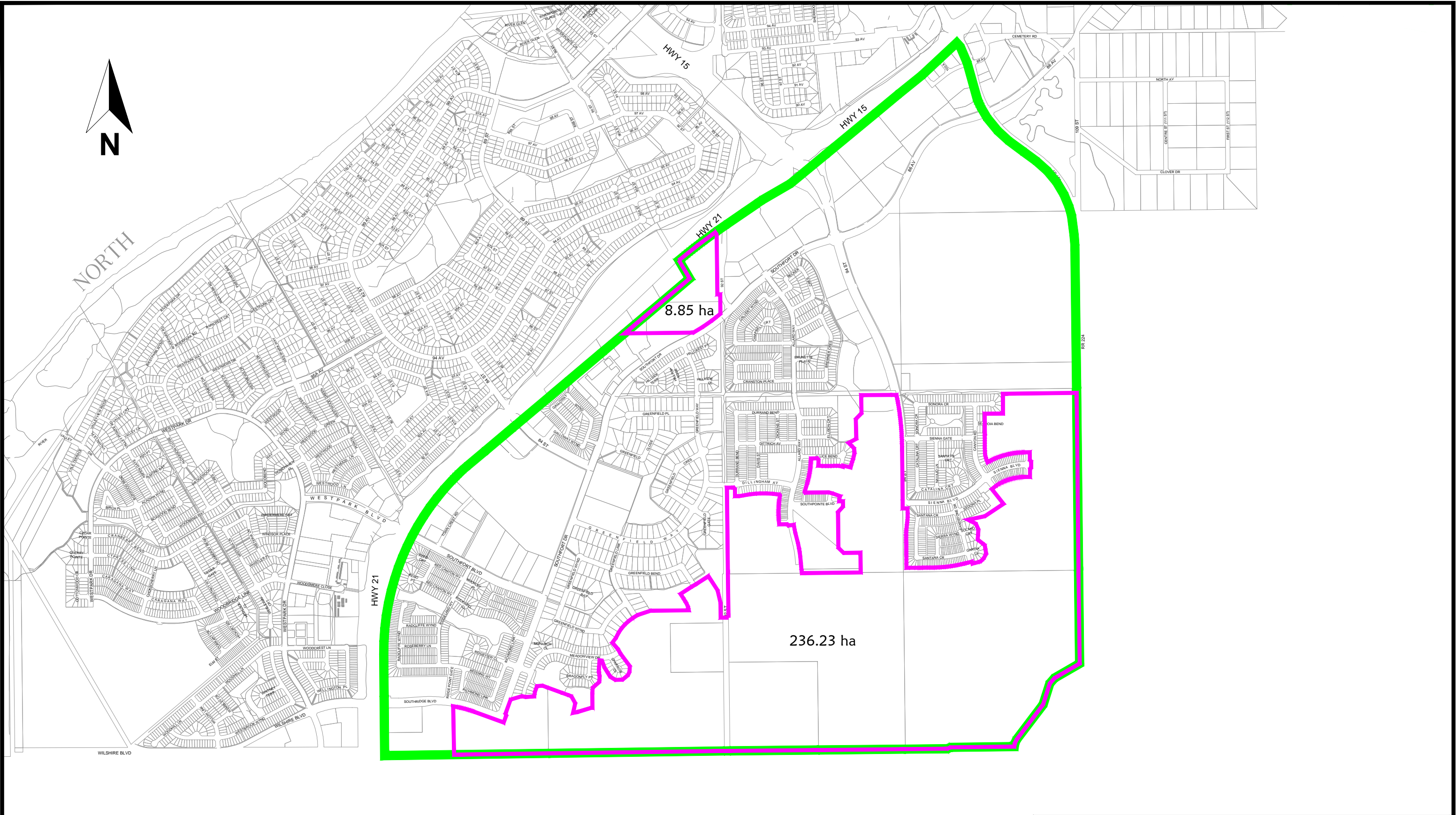
It was also necessary to establish some general assumptions as Development Levy calculation criteria:

- The City will continue to assume responsibility for the provision of those infrastructure systems and facilities which they deem to be a benefit to the City at large and/or a single development parcel.
- The Development Levies are generally based on constructing municipal improvements consistent with the requirements identified in the revised Southfort Area Structure Plan to serve the lands within the plan area.
- The storm drainage infrastructure is based on the Southfort Stormwater Management Plan, prepared for the City of Fort Saskatchewan by Associated Engineering in 2004.
- The Development Levy rates are expressed on a per hectare basis.
- Gross Area is defined as the total area of a parcel(s) of land irrespective of their potential for development or land use.
- Gross Developable Area is defined as the gross area less lands for Municipal Reserve. The Development Levy and charge rates contained in this document are based on Gross Developable Area.
- All costs are estimated in 2016 dollars. These cost estimates should be reviewed annually or no later than every three years, to reflect current year construction costs.
- An inflation factor has been applied to all estimates, to more accurately estimate the construction costs for the projected year of construction. For the January 2017 update, an inflation rate of 2.0% per annum was used.
- Where conditional grants have been secured by the City, towards a specific project, the project cost has been reduced by the amount of the grant.

- Unconditional grants, even though they may have been utilized by the City for financing a project, are not deducted from the final project costs, as it can be rationalized that such funding could have been used for other projects.

Assumptions and/or calculation criteria specific to each Development Levy are further highlighted, in more detail, within each respective section of this report.

It must be clarified what is intended, when it is stated that the City will continue to assume the responsibility for certain infrastructure systems and facilities. Historically the City has designed and constructed sanitary trunk sewer facilities, arterial roadways, water reservoirs, trunk watermains and stormwater management facilities, which serve more than a single development area. Although the City accepts this responsibility, each development agreement can define whether the City or the developer designs and constructs these major facilities. If the development agreement establishes that the developer will undertake this work, then presumably it will also establish the formula and schedule for recovery from other benefiting developments.



Southfort Area Boundary

Undeveloped Boundary (as of December 31, 2016)

Gross Area (Total) = 575.00 ha

Gross Area (Developed) = 329.92 ha

Gross Area (Undeveloped) = 245.08 ha




Figure 1.1
Southfort Area Boundary

Southfort Development Levies		Dwg. No.
Revision: B	Date: January 25, 2017	1.1
NOT TO SCALE	Drawn: CL	

2

Waterworks System

2.1 GENERAL

The City's water supply is treated water, purchased from the City of Edmonton (EPCOR) through the Capital Region Northeast Water Services Commission (CRNWSC). The treated water is distributed by the City, to its customers, through its waterworks system consisting of water storage reservoirs and pumping facilities, primary feeder mains and distribution mains.

2.2 EXPANSION AND FINANCING OF WATERWORKS SYSTEM

Traditionally, the City's philosophy regarding its waterworks system expansion has been that development is responsible, at their entire cost, for the construction of all new distribution mains up to a specified diameter. Primary feeder mains, treated water storage reservoirs and pumping facilities benefit the entire water distribution system and thus, the City has assumed responsibility for their construction. The costs of such facilities are then assessed proportionately against lands through a Water Off-Site Levy.

Capital improvements to the water supply system are the responsibility of the CRNWSC, of which the City of Fort Saskatchewan is a member. The costs of such improvements are assessed proportionately, against the City, through the Commission's water utility rate structure. Therefore, these costs are not included in the City's Water Off-Site Levy.

The Westpark Reservoir and Pumphouse are currently included as an off-site levy for the Westpark Development, proportionate to its projected usage. The remainder of the expenditure will be included in the Southfort Levy costs.

2.3 EXISTING WATER LEVIES

The existing completed waterworks projects can be found in Table 2.1. The table shows the levied costs for the infrastructure.

2.4 WATER SYSTEM DEVELOPMENT LEVIES

In conducting this study, it was necessary to make some basic assumptions, namely:

- Water supply for the City will continue to be from the City of Edmonton through the CRNWSC, who shall continue to be responsible for all capital improvements/expansions to the supply systems. Such costs are therefore not included in the calculation of the City's Water Off-Site Levy.
- The City will be responsible for the construction of the alternate reservoir supply line, off the CRNWSC transmission main. These expenditures will be included as off-site levies to the development of Southfort.

- Development will continue to be responsible, at its entire cost, for the construction of all distribution mains, up to and including 400 mm diameter in size, to serve the Southfort area.
- The City will continue to be responsible for the construction of all primary feeder mains, treated water storage reservoirs and pumping facilities. These expenditures will be included as off-site levies to the development of Southfort.
- Conditional grants, such as those secured through the Alberta Transportation and Utilities Municipal Water and Wastewater Partnership Program*, will be applied to the specific projects, thereby reducing the overall project cost used in calculating the Water Off-site Levy Rate. Currently the level of funding available to the City through this program is approximately 30% of the eligible project costs.
- Unconditional grants, even if applied against waterworks system improvements, will not be considered when calculating the Water Off-Site Levy Rate.

* *The AT&U Municipal Water and Wastewater Partnership Program grant funding formula is based on the population of the community. Under the formula, as the population of the community increases, the percentage of cost covered by the program decreases. Therefore, it is prudent to update project costs regularly, to ensure that the off-site levy rates are current and meet the financial requirements of the City.*

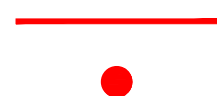
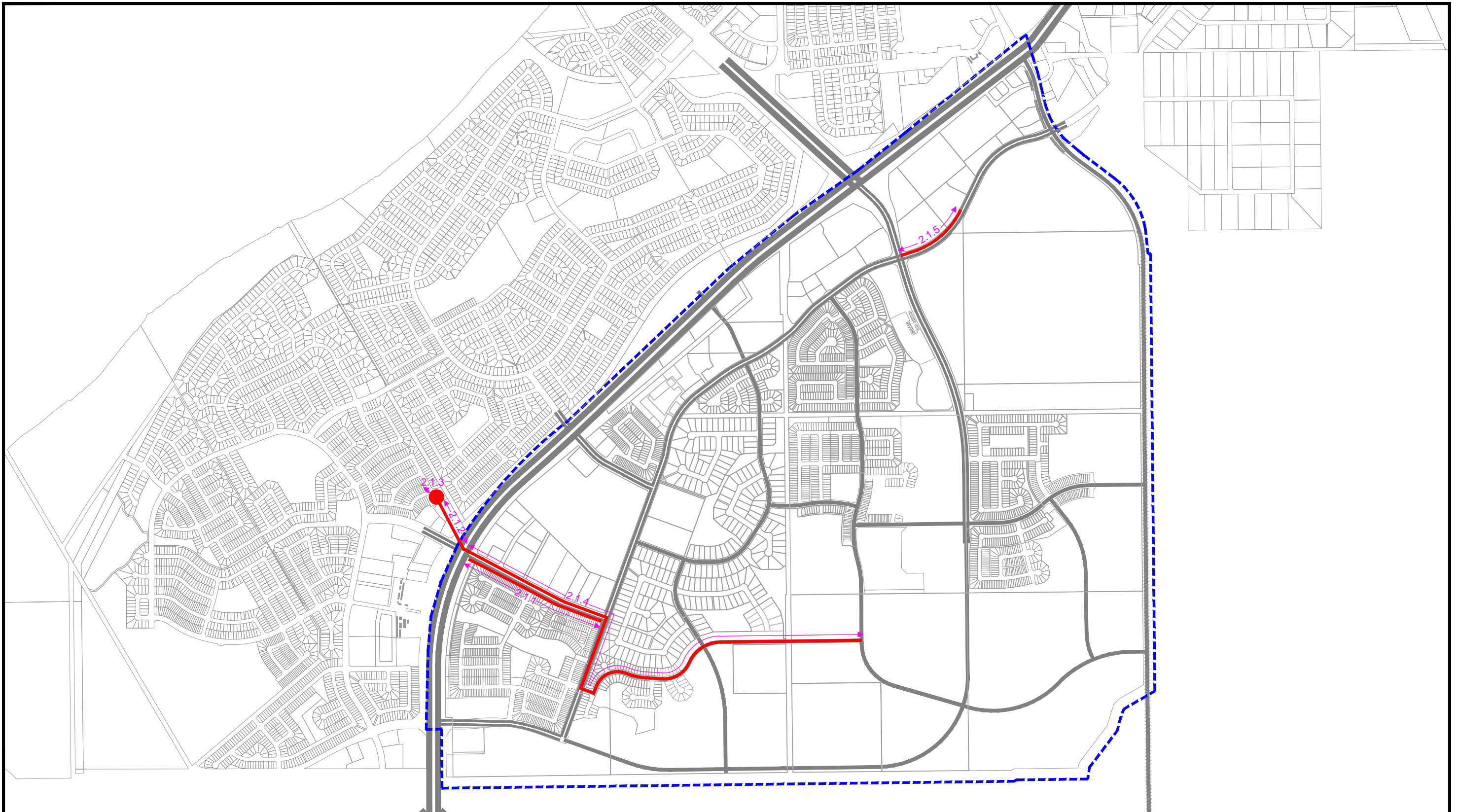
Figure 2.1 represents the Southfort area water system as envisioned in the Southfort ASP and City of Fort Saskatchewan Water Distribution System Master Plan. As per the assumptions previously outlined, the City assumes the responsibility for constructing all watermains greater than 400 mm in diameter. The cost of this construction will be included in the calculation for Water System Development Levies.

Table 2.1 outlines a cost estimate for each improvement based on 2016 dollars and future construction costs, with an inflation rate as indicated. Conditional grants, which had previously been secured for a specific project, have been incorporated to arrive at the estimated net cost to the City.

For future waterworks system improvements, it has been assumed that there will be no grant funding available for such projects. This assumption is based on the fact that the amount of grant funding available to a municipality will continue to be directly related to its population. The need for constructing the future reservoir storage capacities will, to a large degree, be directly related to increases in the population of the City. Such increased population, however, will decrease the amount of grant funding available.

2.5 TABLE 2.1 – WATER INFRASTRUCTURE COSTS

Item	Project Description	Year of Construction	Historical Project Cost Up to Dec 31, 2013	Historical Project Costs from Jan 1, 2014 to Dec 31, 2016	Future Cost Estimate for Remainder of Work	Total
Water						
2.1.1	450mm SOUTHFORT BOULEVARD WATER LINE (66.8% SHARE)	COMPLETE	\$815,723.15	\$0.00	\$0.00	\$815,723.15
2.1.2	WESTPARK RESERVOIR & 450mm WATERMAIN (66.8% SHARE)	COMPLETE	\$2,452,968.31	\$0.00	\$0.00	\$2,452,968.31
2.1.3	WESTPARK RESERVOIR EXPANSION (66.8% SHARE)	COMPLETE	\$216,809.08	\$2,847,502.84	\$0.00	\$3,064,311.92
2.1.4	300 mm WATER SUPPLY LINE (66.8% SHARE)	COMPLETE	\$1,031,385.92	\$43,598.44	\$0.00	\$1,074,984.36
2.1.5	300mm 86 AVENUE WATER CONNECTOR	COMPLETE	\$72,384.00	\$0.00	\$0.00	\$72,384.00
2.2	MODELLING	COMPLETE	\$15,000.00	\$0.00	\$0.00	\$15,000.00
			\$4,604,270.46	\$2,891,101.28	\$0.00	\$7,495,371.74



Watermain
Westpark Reservoir



Figure 2.1 Waterworks System Improvements

Southfort Development Levies

Revision: B

Date: January 20, 2017

Dwg. No.

Scale: NTS

Drawn: CL

2.1

3

Sanitary Sewer System

3.1 GENERAL

The sanitary sewage collection system in the Southfort area will be comprised of a series of lateral (local), collector and trunk sewers, intercepting wastewater from the various individual contributors and conveying this wastewater to an existing 750 mm diameter main in the northeast corner of the Area Structure Plan (ASP) boundary. The point of discharge for the City sanitary sewage is the Alberta Capital Region Wastewater Commission (ACRWC) Regional Trunk Sewer, which conveys the wastewater to the ACRWC Sewage Treatment Plant.

Capital improvements to the regional trunk line are the responsibility of the ACRWC of which the City of Fort Saskatchewan is a member. The costs of such capital improvements are assessed proportionately against the City through the Commission's sewage utility rate structure. Therefore, they are not included in the City's Sanitary Sewer Off-Site Levy calculations.

The Sanitary Servicing Plan, as identified in the Southfort ASP, indicates that the majority of the lands within the ASP boundary generally slope toward the northeast and that a gravity system will service most of the area. The extreme southeast catchment will require a Sanitary Lift Station, to pump the sewage into the proposed gravity system.

3.2 EXPANSION AND FINANCING OF SANITARY SEWER SYSTEMS

Traditionally, the City's philosophy regarding sanitary sewer systems has been that development shall be responsible for the entire cost of constructing laterals and collectors. The City assumes the responsibility for constructing all trunk mains 525 mm in diameter and larger. The cost of this construction will be included in the calculation for Sanitary Sewer System Development Levies.

3.3 EXISTING SANITARY SEWER OFF-SITE LEVY

The existing Ross Creek Sanitary Trunk Sewer was constructed in 1976/1977. The total project cost was established as \$2.83 million in 1977. The portion of the total project costs assigned to the Southfort area is 28%, based on total service area. The cost share was calculated on the basis of actual project costs plus actual debenture charges for the financing of the project.

The existing completed sanitary projects are found in Table 3.1. The table shows the levied cost for these infrastructures.

3.4 SANITARY SEWER SYSTEM DEVELOPMENT LEVIES

In conducting this study, it was necessary to make some basic assumptions:

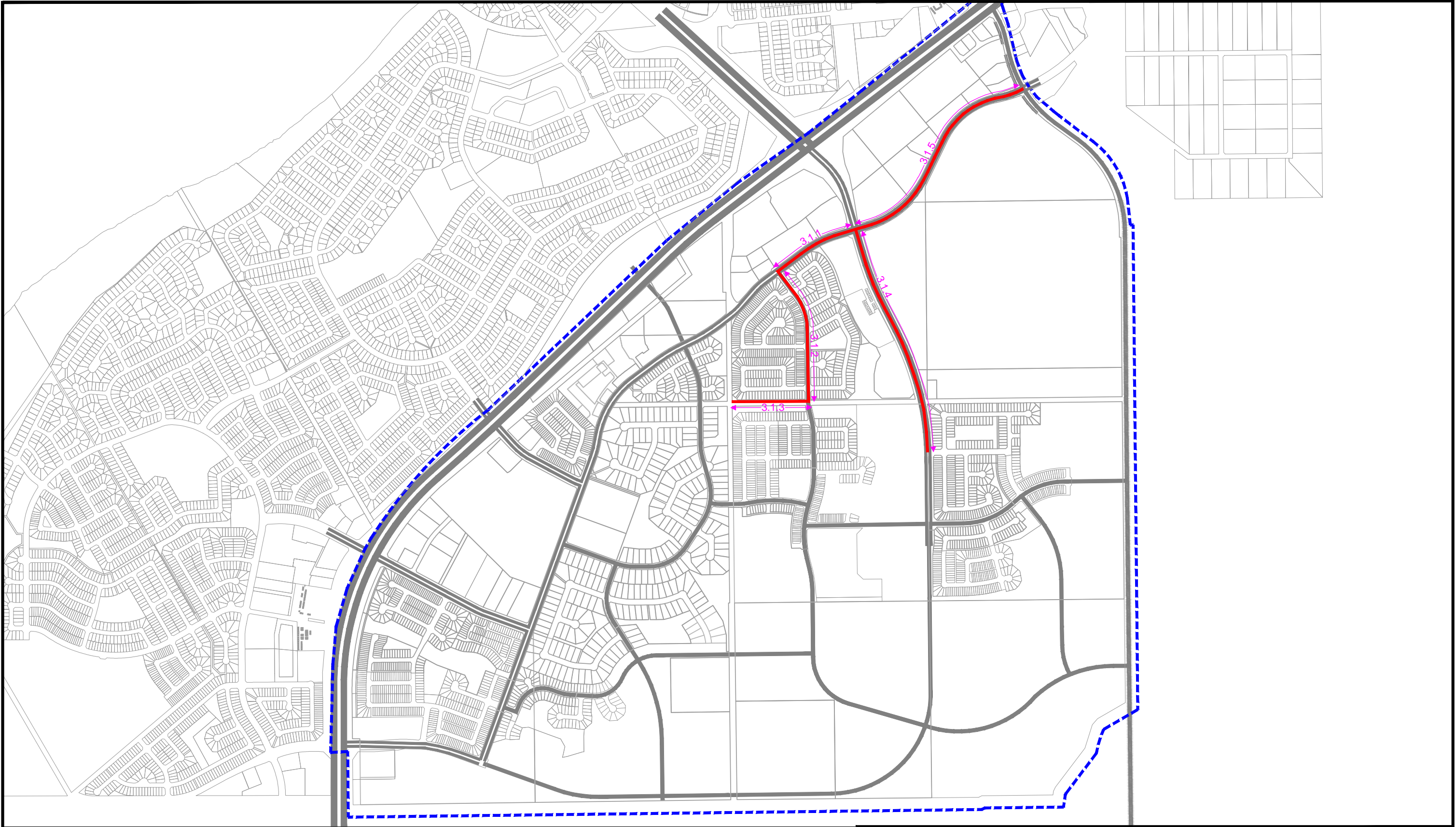
- The Developer will continue to be responsible for the construction of lateral and collector sanitary sewer systems.
- The City of Fort Saskatchewan will continue to be a member of the ACRWC. Any expansion or improvement costs, related to the Commission System, will be assessed against the City by the Commission, through its sewer utility rate structure. Therefore, costs related to the Commission System have not been included in the City's Sanitary Sewer Off-Site Levy calculations.
- Sanitary Sewers 525 mm diameter and larger are considered to be Trunk Sanitary Sewers.
- No grant funding will be available towards the construction of trunk sewer systems.
- The cost of all leviable projects will be applied against all lands within the ASP boundary.

Figure 3.1 shows the sanitary servicing plan, as developed in the Southfort ASP.

Table 3.1 outlines a cost estimate for each improvement based on 2016 dollars and future construction costs, with an inflation rate as indicated.

3.5 TABLE 3.1 – SANITARY INFRASTRUCTURE COSTS

Item	Project Description	Year of Construction	Historical Project Cost Up to Dec 31, 2013	Historical Project Costs from Jan 1, 2014 to Dec 31, 2016	Future Cost Estimate for Remainder of Work	Total
Sanitary						
3.1.1	675mm SOUTHFORT DRIVE SANITARY TRUNK	COMPLETE	\$233,840.00	\$0.00	\$0.00	\$233,840.00
3.1.2	675mm ALLARD WAY SANITARY TRUNK	COMPLETE	\$360,240.00	\$0.00	\$0.00	\$360,240.00
3.1.3	525mm 92 ST. GREENWAY SANITARY TRUNK	COMPLETE	\$284,400.00	\$0.00	\$0.00	\$284,400.00
3.1.4	525mm 94 STREET DEEP SANITARY	2020	\$1,448,969.44	\$0.00	\$430,362.29	\$1,879,331.73
3.1.5	750mm 86 AVE SANITARY TRUNK	COMPLETE	\$850,000.00	\$0.00	\$0.00	\$850,000.00
3.1.6	EXISTING 86 AVE TRUNK DEBENTURE	COMPLETE	\$118,114.00	\$0.00	\$0.00	\$118,114.00
3.1.7	SANITARY MODEL	COMPLETE	\$15,000.00	\$0.00	\$0.00	\$15,000.00
			\$3,310,563.44	\$0.00	\$430,362.29	\$3,740,925.73



Sanitary Line



Figure 3.1
Sanitary System Improvements
Southfort Development Levies

Revision: A

Date: December 2016

Dwg. No.

Scale: NTS

Drawn: MK/SK

3.1

4

Transportation System

4.1 GENERAL

The City of Fort Saskatchewan maintains a roadway classification system generally consistent with the definitions for arterial, collector and local roads contained in the “Geometric Design Standards for Canadian Roads and Streets,” a manual published by the Transportation Association of Canada.

In the hierarchy of roadway classifications, the principle function of arterial roads is to provide for the efficient movement of people, goods and services between the primary traffic generation areas of a community. Typically, arterial roadways are designed as relatively free-flowing facilities, intersected by other arterial or major collector type roadways but provide no direct access to individual properties. Arterial roadways are generally considered to be a greater benefit to the City at large rather than directly to individual developers. However, this does not negate developers’ responsibility to contribute their proportionate share towards the cost of these arterials, since to a large degree development generates the need for these arterial roadways.

An updated Transportation Study for the Southfort Area Structure Plan was completed in September 2015.

4.2 EXISTING ROADWAY LEVIES

The existing transportation projects completed are found in Table 4.1. The table shows the levied cost for these infrastructures.

4.3 ROADWAY DEVELOPMENT LEVIES

In conducting this study, it was necessary to make certain assumptions:

- Arterial roadways included in the Transportation Off-Site Levy calculations are those highlighted in Figure 4.1.
- Arterial roadways will typically be constructed to an ultimate 4-lane, divided, paved urban structure and are the standards upon which the cost estimates are based.
- Arterial roadways will typically be constructed in two stages with the first or initial stage being a two-laned urban roadway complete with street lighting and the ultimate stormwater drainage system. The second stage is all works remaining to complete the arterial roadway. Additional improvements may be required depending on pace of growth and need.
- A blanket assessment levy for roads is recommended against all development irrespective of land use.
- Right-of-ways to facilitate construction of arterial roadways will be acquired through the subdivision development process.

Table 4.1 outlines the cost estimates for the Transportation Off-Site Levy rate.

4.4 TABLE 4.1 – TRANSPORTATION INFRASTRUCTURE COSTS

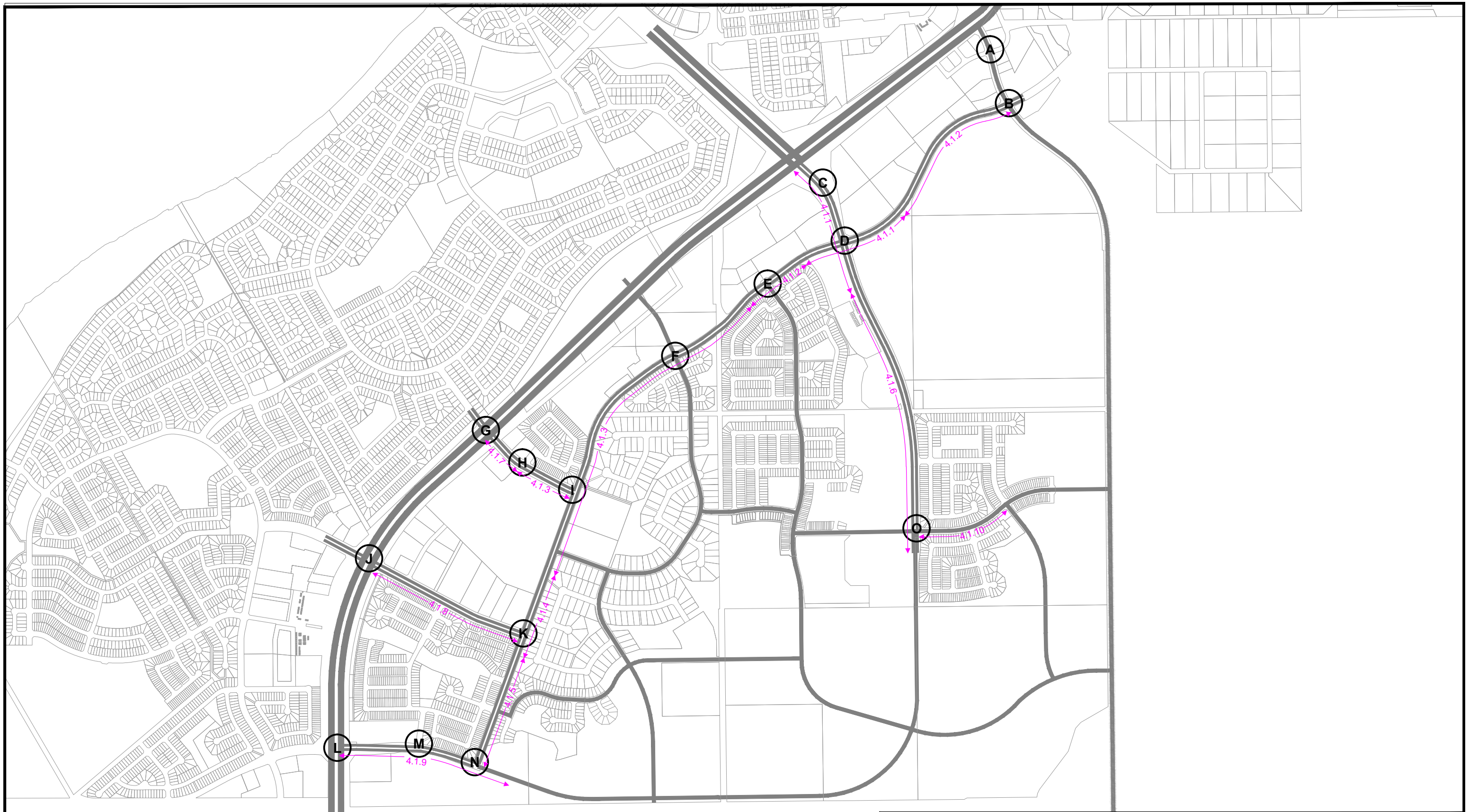
(continued on following page)

Item	Project Description	Year of Construction	Historical Project Cost Up to Dec 31, 2013	Historical Project Costs from Jan 1, 2014 to Dec 31, 2016	Future Cost Estimate for Remainder of Work	Total
Transportation						
4.1.1	WIDENING SOUTHFORT DRIVE & 94TH STREET - PHASE 1 INCLUDING INTERSECTION D SIGNALIZATION	COMPLETE	\$5,690,445.78	\$10,129.30	\$0.00	\$5,700,575.08
4.1.2	WIDENING SOUTHFORT DRIVE / 86TH AVENUE - PHASE 1 INCLUDING INTERSECTION E	COMPLETE	\$2,306,934.01	\$2,231,738.92	\$0.00	\$4,538,672.93
4.1.3	WIDENING SOUTHFORT DRIVE FROM ALLARD WAY TO SOUTH GREENFIELD WAY & 84TH STREET FROM SOUTHFORT DRIVE TO GALLOWAY WYND INCLUDING INTERSECTION F & I SIGNALIZATION	2017	\$0.00	\$0.00	\$4,250,000.00	\$4,250,000.00
4.1.4	WIDENING SOUTHFORT DRIVE FROM SOUTH GREENFIELD WAY TO SOUTHFORT BOULEVARD	2020	\$0.00	\$0.00	\$1,000,000.00	\$1,000,000.00
4.1.5	WIDENING SOUTHFORT DRIVE FROM SOUTHFORT BOULEVARD TO SOUTHRIDGE BOULEVARD	2023	\$0.00	\$0.00	\$2,200,000.00	\$2,200,000.00
4.1.6	WIDENING 94TH STREET FROM HOSPITAL TO SIENNA BOULEVARD	2020	\$0.00	\$0.00	\$2,850,000.00	\$2,850,000.00
4.1.7	WIDENING 84TH STREET FROM HWY 21 to GALLOWAY WYND INCLUDING INTERSECTION G	COMPLETE	\$1,394,397.11	\$0.00	\$0.00	\$1,394,397.11
4.1.8	WIDENING SOUTHFORT BOULEVARD FROM HWY 21 TO SOUTHFORT DRIVE	2021	\$0.00	\$0.00	\$2,500,000.00	\$2,500,000.00
4.1.9	SOUTHRIDGE BOULEVARD INCLUDING INTERSECTION L	2017	\$404,093.54	\$1,871,812.44	\$231,964.60	\$2,507,870.58
4.1.10	SIENNA BOULEVARD WIDENING	COMPLETE	\$0.00	\$264,239.66	\$0.00	\$264,239.66
4A	88TH AVENUE AND 101 STREET INTERSECTION A SIGNALIZATION	2030	\$0.00	\$0.00	\$388,081.99	\$388,081.99
4B	86TH AVENUE AND 101 STREET INTERSECTION B SIGNALIZATION	COMPLETE	\$200,000.00	\$0.00	\$0.00	\$200,000.00
4C	94TH STREET & CORNERSTONE/SOUTHPOINTE COMMERCIAL INTERSECTION SIGNALIZATION	2017	\$0.00	\$0.00	\$300,000.00	\$300,000.00
4H	GALLOWAY WYND AND 84TH STREET INTERSECTION K SIGNALIZATION	2019	\$0.00	\$0.00	\$312,120.00	\$312,120.00
4K	SOUTHFORT DR AND SOUTHFORT BLVD INTERSECTION SIGNALIZATION	2020	\$0.00	\$0.00	\$318,362.40	\$318,362.40
4M	RIDGEPOINT GATE AND SOUTHRIDGE BLVD INTERSECTION SIGNALIZATION	2027	\$0.00	\$0.00	\$365,698.33	\$365,698.33

TABLE 4.1 – TRANSPORTATION INFRASTRUCTURE COSTS

(continued from previous page)

Item	Project Description	Year of Construction	Historical Project Cost Up to Dec 31, 2013	Historical Project Costs from Jan 1, 2014 to Dec 31, 2016	Future Cost Estimate for Remainder of Work	Total
Transportation						
4N	SOUTHFORT DR AND SOUTHRIDGE BLVD INTERSECTION SIGNALIZATION	2023	\$0.00	\$0.00	\$337,848.73	\$337,848.73
4O	SIENNA BLVD AND 94TH ST INTERSECTION SIGNALIZATION	2020	\$0.00	\$0.00	\$318,362.40	\$318,362.40
4.2	TRANSPORTATION MODELLING	COMPLETE	\$30,000.00	\$0.00	\$0.00	\$30,000.00
4.3	TRANSPORTATION MASTER PLAN	COMPLETE	\$34,650.00	\$0.00	\$0.00	\$34,650.00
4.4	AREA STRUCTURE PLAN	COMPLETE	\$35,000.00	\$0.00	\$0.00	\$35,000.00
4.5	AREA STRUCTURE PLAN UPDATE	2027	\$0.00	\$0.00	\$70,000.00	\$70,000.00
			\$10,095,520.44	\$4,377,920.32	\$15,442,438.45	\$29,915,879.21



Arterial Roadway



Intersection Improvement



Figure 4.1 Transportation Improvements

Southfort Development Levies

Revision: B	Date: January 17, 2017	Dwg. No. 4.1
Scale: NTS	Drawn: CL	

5

Stormwater Drainage System

5.1 GENERAL

Management of stormwater is an important component in the development of a community. It must be handled effectively, to preserve and promote the general health, welfare, security and economic well-being of the public. Traditionally, in urban centres, stormwater is handled in keeping with the minor/major drainage concept wherein:

- Minor systems are designed and implemented to accommodate drainage to avoid property damage and flooding and to minimize inconvenience to the public from 1 in 5 year rainfall events.
- Major systems are designed and implemented for flood control to avoid loss of life, injuries and significant damage to property, from events greater than 1 in 5 year return, producing unusual, high intensity rainfall and/or large volume runoff.

Minor systems are typically comprised of underground piping, manholes, catch basins and outfall structures but can also be designed as a rural-type drainage system consisting of ditches and culverts.

Major systems can be large diameter underground piping, open channels, stormwater detention/retention ponds, natural streams or any combination thereof, capable of conveying runoff from events up to and including a 1 in 100 year return period, to the ultimate receiving stream or water body.

5.2 SOUTHFORT AREA STORMWATER MANAGEMENT PLAN

The Southfort Area Structure Plan (ASP) identified several stormwater ponds and trunk sewers within the ASP boundary. Much of the area north of 94th Street forms part of a separate basin with a portion (Penitentiary Lands) being outside of the Gross Developable Area as identified in this study.

There are two separate outfalls which ultimately discharge to Ross Creek.

A Southfort Stormwater Management Plan (SWMP) was undertaken by Associated Engineering in 2004/2005. The development of this SWMP involved input from the engineering consultants for the major developers in the area, in addition to the City Public Works department. Option 4 of this SWMP has been recommended. Development Levies related to the major infrastructure presented in Option 4 have been incorporated into this document.

5.3 EXISTING STORMWATER LEVIES

The existing stormwater projects completed are found in Table 5.1. The table shows the levied cost for this infrastructure.

5.4 STORMWATER DEVELOPMENT LEVIES

In conducting this study, it was necessary to make certain assumptions:

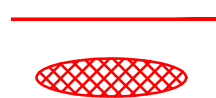
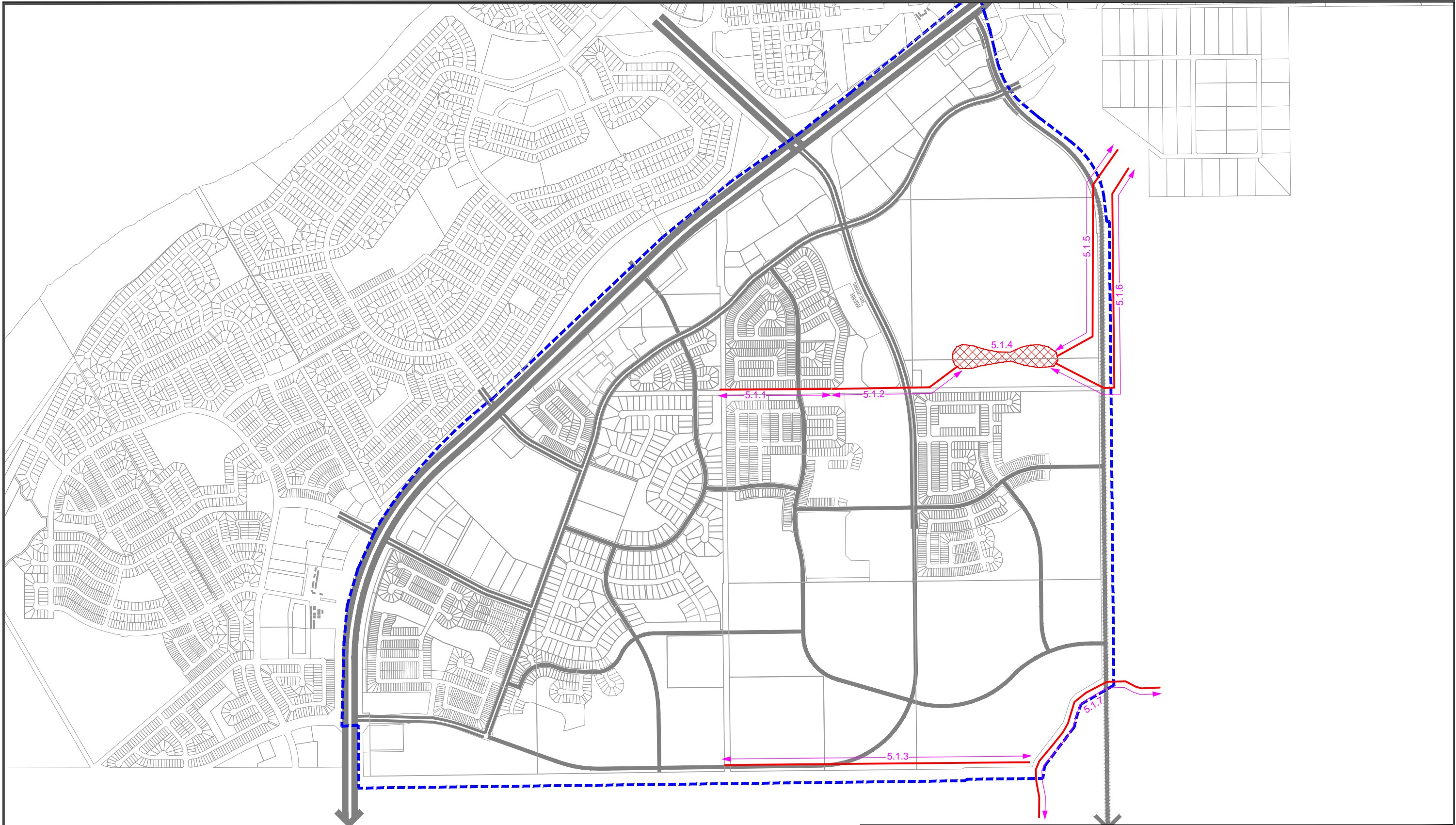
- The Developer will continue to be responsible for the construction of catch basins and storm sewers up to and including 1200 mm diameter in size.
- Storm sewers greater than 1200 mm diameter in size are considered to be trunk sewers. The costs of these sewers will be included in the Stormwater Development Levies.
- There is no grant funding available towards the construction of trunk sewer systems.
- All stormwater management ponds will be the responsibility of the developer, with the exception of Wetland E. Each stormwater management basin area is considered to be responsible for the stormwater management pond serving that basin area.
- Drainage parkways I and II, Wetland E, the Outfall Ditch and Overflow to Ross Creek, the Yorkville Ditch upgrade, the 2005 Southfort Stormwater Management Plan and the Ross Creek Floodplain study are all considered to be cost recoverable against the entire Southfort Development Area.
- Note: If storm sewers larger than 1200 mm diameter are constructed in lieu of parkways, these costs will be assessed against the entire Southfort Development Area.

Figure 5.1 shows the stormwater infrastructure projects included in the Southfort Off-site Levy.

Table 5.1 outlines a cost estimate for each improvement based on 2016 dollars and future construction costs, with an inflation rate as indicated.

5.5 TABLE 5.1 – STORM MANAGEMENT INFRASTRUCTURE COSTS

Item	Project Description	Year of Construction	Historical Project Cost Up to Dec 31, 2013	Historical Project Costs from Jan 1, 2014 to Dec 31, 2016	Future Cost Estimate for Remainder of Work	Total
Storm						
5.1.1	DRAINAGE PARKWAY 2 - POND 9 TO POND 11	COMPLETE	\$395,231.83	\$0.00	\$0.00	\$395,231.83
5.1.2	DRAINAGE PARKWAY 2 - POND 11 TO WETLAND E	COMPLETE	\$196,203.43	\$0.00	\$0.00	\$196,203.43
5.1.3	DRAINAGE PARKWAY 1	2030	\$0.00	\$0.00	\$2,588,180.88	\$2,588,180.88
5.1.4	WETLAND E	2027	\$2,581,457.48	\$0.00	\$1,208,267.27	\$3,789,724.75
5.1.5	OUTFALL FROM WETLAND E TO ROSS CREEK	COMPLETE	\$1,724,660.73	\$436,616.45	\$0.00	\$2,161,277.18
5.1.6	OVERFLOW FROM WETLAND E TO ROSS CREEK	2027	\$0.00	\$0.00	\$1,206,062.84	\$1,206,062.84
5.1.7	YORKVILLE DITCH UPGRADE	2030	\$0.00	\$0.00	\$2,193,603.71	\$2,193,603.71
5.1.8	ROSS CREEK FLOODPLAIN STUDY	COMPLETE	\$57,750.00	\$0.00	\$0.00	\$57,750.00
5.1.9	STORM MANAGEMENT PLAN	COMPLETE	\$70,000.00	\$0.00	\$0.00	\$70,000.00
			\$5,025,303.47	\$436,616.45	\$7,196,114.70	\$12,658,034.62



Drainage Parkway or Ditch

Wetland



Figure 5.1 Storm System Improvements

Southfort Development Levies

Revision: A

Date: December 2016

Dwg. No.

Scale: NTS

Drawn: SK

5.1

6

Recommendations

Based on the findings of this study, it is recommended that:

- The City of Fort Saskatchewan continues to assume responsibility for the construction of the municipal infrastructure systems which they deem to be of benefit to the City at large.
- The City maintains its current philosophy that development will be responsible for its proportionate share of the cost of municipal infrastructure systems expansion through the assessment of development levies against all benefiting lands.
- The City maintain its existing philosophy regarding storm water drainage systems, wherein the development industry is required to manage stormwater in accordance with the Alberta Environmental Protection guidelines respecting stormwater release rates and the City of Fort Saskatchewan Municipal Engineering Standards requirements.
- The City periodically reviews the Development Levies to ensure that the rates are consistent with the overall City funding requirements.
- The Off-Site Levies be established at:
 - Water Levy \$ 14,505.98 / ha
 - Sanitary Sewer Levy \$ 7,239.91 / ha
 - Transportation Levy \$ 57,896.96 / ha
 - Stormwater Levy \$ 24,497.41 / ha

The combined Southfort Levy will be \$ 104,140.26 / ha.

Table 6.1 is a summary of the combined Southfort Levy in 2016 dollars.

6.1 TABLE 6.1 – OFF-SITE LEVIES

Summary			
Development Area	Hectares		
TOTAL AREA	575		
UNDEVELOPED AREA (DEC 31/16)	245.080		
10% MUNICIPAL RESERVE	24.508		
LEVIABLE AREA	220.572		
Levy Cost Breakdown			
Item	Total Cost	% of Levy Cost	
WATER	\$7,495,371.74	13.93%	\$14,505.98
SANITARY	\$3,740,925.73	6.95%	\$7,239.91
TRANSPORTATION	\$29,915,879.21	55.60%	\$57,896.96
STORM	\$12,658,034.62	23.52%	\$24,497.41
TOTAL	\$53,810,211.30	100.00%	\$104,140.26
Collected			
LEVY FUNDS (DEC 31/16)	\$30,022,038.18		
TOTAL INTEREST (DEC 31/16)	\$817,746.73		
TOTAL	\$30,839,784.91		
Total Levy Funds Required			
TOTAL LEVY FUNDS REQUIRED	\$22,970,426.39		
Current Levy Rate per Hectare			
CURRENT LEVY RATE PER HECTARE	\$104,140.26		

Report



C I T Y O F FORT SASKATCHEWAN

**City of Fort
Saskatchewan**

Westpark Levy Report

Schedule “C” to Bylaw C14-17

June 2017

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1

Introduction

1.1 GENERAL

The Westpark area has been in development since the mid 1980's. It is approximately 85% developed with all of its major capital projects constructed.

The City of Fort Saskatchewan has identified the Westpark area as being a prime location for development and is currently seeing growth into the area. The Westpark Area Structure Plan (ASP) was developed to assist the City in properly planning and staging this development. The ASP identifies future land uses as well as major infrastructure which will form the backbone of this new community.

The growth and development of a community will generally create some impact on the municipal infrastructure systems. Minimally, development requires an extension of municipal services such as water, sewer, roadways, etc.; more extensive and continued growth and development of a community will require the municipal infrastructure systems to be expanded to satisfactorily accommodate such growth.

It is the philosophy of the City of Fort Saskatchewan that development will be responsible for its own municipal infrastructure as well as for its proportionate share of the off-site infrastructure from which it will benefit. This is achieved through the assessment of Development Levies against the individual developers.

1.2 LOCATION

The Westpark area is located on the northwest side of Highway 21, mainly in River Lot 19 and River Lot 21, and is bounded to the south by Strathcona County and to the west by the North Saskatchewan River. It is comprised of existing commercial developments, existing residential developments, agricultural land, and recreation reserve lands. Figure 1.1 shows the Westpark area boundary.

1.3 DEVELOPMENT LEVIES

In the context of this report, Development Levies are defined as those capital costs assessed by the City of Fort Saskatchewan against developing lands for their proportionate share of the costs of municipal infrastructure systems constructed by the City or other developers which benefit the development areas.

1.3.1 Off-Site Levies

Under authority of the Municipal Government Act, the City is permitted to impose Off-Site Levies against development to cover the costs of any or all of the following:

- a) New or expanded facilities for the storage, transmission, treatment or supplying of water.
- b) New or expanded facilities for the treatment, movement and disposal of sanitary sewage.
- c) New or expanded storm sewer drainage facilities.

- d) New or expanded roads required for or impacted by a subdivision or development.
- e) Lands required for or in connection with any facilities described in (a) to (d) above.

1.4 CRITERIA

In this study, lands dedicated as Municipal Reserve (MR) are excluded as a Development Levy contributing area. Traditionally, the City has required the developer to develop the MR lands in accordance with the City's needs, as negotiated through the Development Agreement. Hence, Development Levies are not applied against such lands, thereby reducing the contributing lands area accordingly.

It was also necessary to establish some general assumptions as Development Levy calculation criteria:

- The City will continue to assume responsibility for the provision of those infrastructure systems and facilities which they deem to be a benefit to the City at large and/or a single development parcel.
- The Development Levies are generally based on constructing municipal improvements consistent with the requirements identified in the Westpark Area Structure Plan to serve the lands within the plan area.
- The storm drainage infrastructure is based on the Westpark Stormwater Management Plan prepared for the City of Fort Saskatchewan by Stanley Consulting in 1997 and updated by Focus Intech in 2002.
- The Development Levy rates are expressed on a per hectare basis.
- Gross Area is defined as the total area of a parcel(s) of land irrespective of their potential for development or land use.
- Gross Developable Area is defined as the gross area less lands for Environmental and Municipal Reserve. The development levy rates contained in this document are based on Gross Developable Area.
- All costs are estimated in 2016 dollars. These cost estimates should be reviewed annually or no later than every three years, to reflect current year construction costs.
- An inflation factor has been applied to all estimates to more accurately estimate the construction costs for the projected year of construction.
- Where conditional grants have been secured by the City towards a specific project, the project cost has been reduced by the amount of the grant.
- Unconditional grants, even though they may have been utilized by the City for financing a project, are not deducted from the final project costs, as it can be rationalized that such funding could have been used for other projects.

Assumptions and/or calculation criteria specific to each Development Levy are further highlighted in more detail within each respective section of this report.

It must be clarified what is intended, when it is stated that the City will continue to assume the responsibility for certain infrastructure systems and facilities. Historically the City has designed and constructed sanitary trunk sewer facilities, arterial roadways, water reservoirs, trunk watermain and stormwater management

facilities, which serve more than a single development area. Although the City accepts this responsibility, each development agreement can define whether the City or the developer designs and constructs these major facilities. If the development agreement establishes that the developer will undertake this work, then presumably it will also establish the formula and schedule for recovery from other benefiting developments.



NORTH

AREA 1
24.521 ha

AREA 2
25.445 ha



Westpark Area Boundary



Undeveloped Boundary (as of December 31, 2016)

Gross Area (Total) = 287.172 ha

Gross Area (Developed) = 237.206 ha

Gross Area (Undeveloped) = 49.966 ha



Figure 1.1
Westpark Area Boundary

Westpark Development Levies		Dwg. No.
Revision: B	Date: April 24, 2017	1.1
NOT TO SCALE	Drawn: CL	

2

Waterworks System

2.1 GENERAL

The City's water supply is treated water purchased from the City of Edmonton (EPCOR) through the Capital Region Northeast Water Services Commission (CRNWSC). The treated water is then distributed by the City to its customers through its waterworks system consisting of water storage reservoirs and pumping facilities, primary feeder mains and distribution mains.

2.2 EXPANSION AND FINANCING OF WATERWORKS SYSTEM

Traditionally, the City's philosophy regarding its waterworks system expansion has been that development is responsible, at their entire cost, for the construction of all new distribution mains up to a specified diameter. Primary feeder mains, treated water storage reservoirs and pumping facilities benefit the entire water distribution system and thus, the City has assumed responsibility for their construction. The cost of such facilities is then assessed proportionately against lands through a Water Off-Site Levy.

Capital improvements to the water supply system are the responsibility of the Capital Region Northeast Water Services Commission of which the City of Fort Saskatchewan is a member. The costs of such improvements are assessed proportionately against the City through the Commission's water utility rate structure and therefore these costs are not included in the City's Water Off-Site Levy.

The Westpark Reservoir and Pumphouse are currently included as an off-site levy for the Westpark Development, proportionate to its projected usage. The remainder of the expenditure will be included in the Southfort Levy costs.

2.3 EXISTING WATER LEVIES

The existing waterworks projects completed are found in Table 2.1 and show the levied cost for these infrastructures. This table also shows the levied costs for the infrastructure.

2.4 WATER SYSTEM DEVELOPMENT LEVIES

In conducting this study, it was necessary to make some basic assumptions, namely:

- Water supply for the City will continue to be from the City of Edmonton through the Capital Region Northeast Water Services Commission (CRNWSC), who shall continue to be responsible for all capital improvements/expansions to the supply systems; such costs are therefore not included in the calculation of the City's Water Off-Site Levy.
- The City will be responsible for the construction of the alternate reservoir supply line, off the CRNWSC transmission main.

- Development will continue to be responsible, at its entire cost, for the construction of all distribution mains up to and including 400 mm diameter in size to serve the Westpark area.
 - The City will continue to be responsible for the construction of all primary feeder mains, treated water storage reservoirs and pumping facilities.
 - Conditional grants, such as those secured through the Alberta Transportation and Utilities Municipal Water and Wastewater Partnership Program*, will be applied to the specific projects, thereby reducing the overall project cost used in calculating the Water Off-Site Levy Rate (currently the level of funding available to the City through this program is approximately 30% of the eligible project costs).
 - Unconditional grants, even if applied against waterworks system improvements, will not be considered when calculating the Water Off-Site Levy rate.
- * The AT&U Municipal Water and Wastewater Partnership Program grant funding formula is based on the population of the community. Under the formula, as the population of the community increases, the percentage of cost covered by the program decreases. It is therefore, prudent to update project costs regularly to ensure that the off-site levy rates are current and meet the financial requirements of the City.

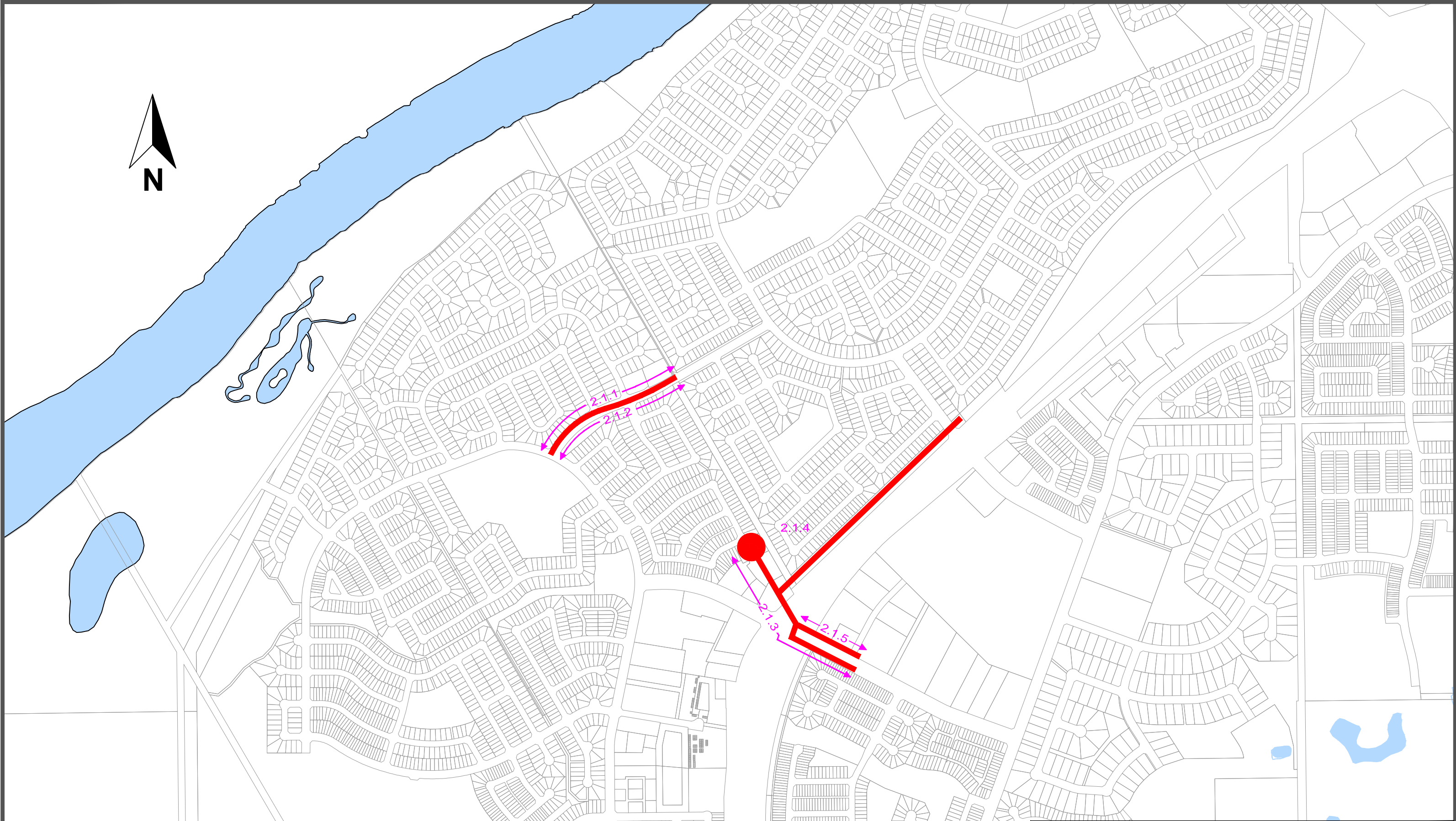
Figure 2.1 represents the Westpark area water system as envisioned in the Westpark Area Structure Plan (ASP). As per the assumptions previously outlined, the City assumes the responsibility for constructing all watermains greater than 400 mm in diameter. The cost of this construction will be included in the calculation for Water System Development Levies.

Table 2.1 outlines a cost estimate for each improvement based on 2016 dollars and future construction cost with an inflation rate as indicated. Conditional grants, which had previously been secured for a specific project, have been incorporated to arrive at the estimated net cost to the City.

For future waterworks system improvements, it has been assumed that there will be no grant funding available for such projects. This assumption is based on the fact that the amount of grant funding available to a municipality will continue to be directly related to its population. The need for constructing the future reservoir storage capacities will, to a large degree, be directly related to increases in the population of the City. Such increased population, however, will decrease the amount of grant funding available.

2.5 TABLE 2.1 – WATER INFRASTRUCTURE COSTS

Item	Project Description	Year of Construction	Historical Project Cost Up to Dec 31, 2013	Historical Project Cost from Jan 1, 2014 to Dec 31, 2016	Future Cost Estimate for Remainder of Work	Total
Water						
2.1.1	DISTRIBUTION MAIN 95A AVENUE	1988	\$37,000.00	\$0.00	\$0.00	\$37,000.00
2.1.2	95 A AVENUE WATER MAIN OVER SIZING	1999	\$41,713.00	\$0.00	\$0.00	\$41,713.00
2.1.3	WESTPARK RESERVOIR / 450mm WATERMAIN	2000	\$1,219,139.94	\$0.00	\$0.00	\$1,219,139.94
2.1.4	5000 m ³ RESERVOIR EXPANSION	2014	\$131,375.68	\$1,267,241.77	\$0.00	\$1,398,617.45
2.1.5	ALTERNATE RESERVOIR SUPPLY LINE	2013	\$163,403.00	\$385,177.26	\$0.00	\$548,580.26
			\$1,592,631.62	\$1,652,419.03	\$0.00	\$3,245,050.65



Watermain



Westpark Reservoir



Figure 2.1
Waterworks System Improvements

Westpark Development Leves

Revision: B

Date: January 27, 2017

NOT TO SCALE

Drawn: CL

Dwg. No.

2.1

3

Sanitary Sewer System

3.1 GENERAL

The sanitary sewage collection system in the Westpark area will be comprised of a series of lateral (local), collector and trunk sewers intercepting wastewater from the various individual contributors and conveying this wastewater to an existing 450 mm diameter main in the northeast corner of River Lot 21 which discharges into an existing Lift Station in the northeast corner of River Lot 19. This lift station pumps through a 250mm forcemain and tie into to a 375 mm gravity trunk sewer at 88 St and 100 Ave. The point of discharge for the City sanitary sewage is the Alberta Capital Region Wastewater Commission (ACRWC) Regional Trunk Sewer, which conveys the wastewater to the ACRWC Sewage Treatment Plant.

Capital improvements to the regional trunk line are the responsibility of the ACRWC of which the City of Fort Saskatchewan is a member. The costs of such capital improvements are assessed proportionately against the City through the Commission's sewage utility rate structure and therefore are not included in the City's Sanitary Sewer Off-Site Levy calculations.

The Sanitary Servicing Plan as identified in the Westpark Area Structure Plan (ASP) indicates that the majority of the lands within the ASP boundary generally slope toward the northwest and that a gravity system will service most of the area. The extreme west catchment will require a Sanitary Lift Station, to pump the sewage into the proposed gravity system.

3.2 EXPANSION AND FINANCING OF SANITARY SEWER SYSTEMS

Traditionally, the City's philosophy regarding sanitary sewer systems has been that development shall be responsible for the entire cost of constructing laterals and collectors. The City assumes the responsibility for constructing all trunk mains 525 mm in diameter and larger. The cost of this construction will be included in the calculation for Sanitary Sewer System Development Levies.

3.3 EXISTING SANITARY SEWER LEVIES

The existing sanitary projects completed are found in Table 3.1 and show the levied cost for these infrastructures.

3.4 SANITARY SEWER SYSTEM DEVELOPMENT LEVIES

In conducting this study, it was necessary to make some basic assumptions:

- The Developer will continue to be responsible for the construction of lateral and collector sanitary sewer systems.

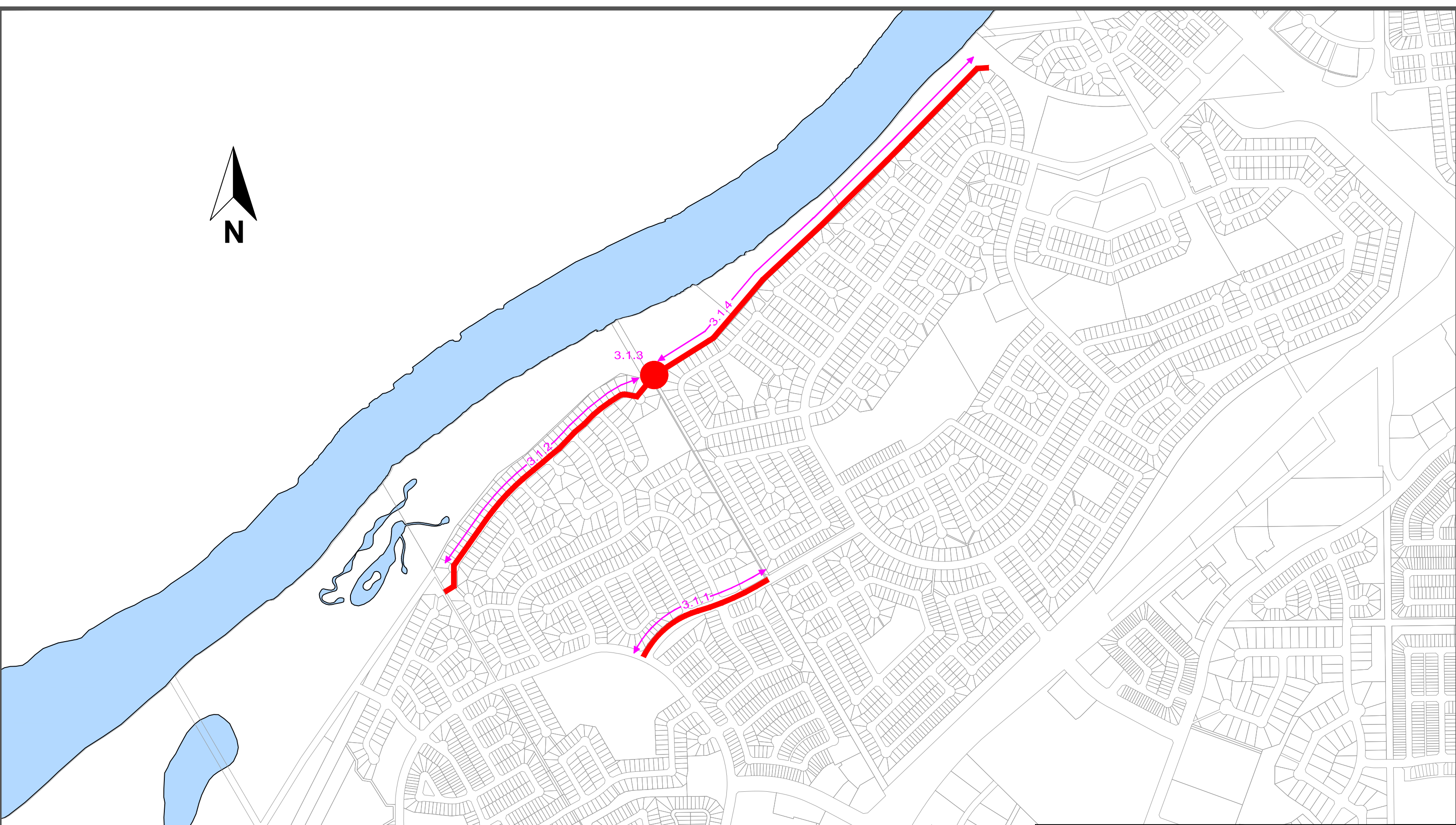
-
- The City of Fort Saskatchewan will continue to be a member of the ACRWC and any expansion or improvement costs related to the Commission System will be assessed against the City by the Commission through its sewer utility rate structure; costs related to the Commission System have, therefore, not been included in the City's Sanitary Sewer Off-Site Levy calculations.
 - Sanitary Sewers 525 mm diameter and larger are considered to be Trunk Sanitary Sewers.
 - Little or no grant funding is, or will be, available towards the construction of trunk sewer systems.
 - The cost of all trunk mains and the Sanitary Lift Station will be applied against all lands within the ASP boundary.

Figure 3.1 shows the sanitary servicing plan, as developed in the Westpark Area Structure Plan.

Table 3.1 outlines a cost estimate for each improvement based on 2016 dollars and future construction costs, with an inflation rate as indicated.

3.5 TABLE 3.1 – SANITARY SEWER INFRASTRUCTURE

Item	Project Description	Year of Construction	Historical Project Cost Up to Dec 31, 2013	Historical Project Cost from Jan 1, 2014 to Dec 31, 2016	Future Cost Estimate for Remainder of Work	Total
Sanitary						
3.1.1	375 mm SANITARY TRUNK 95A AVENUE	1988	\$53,000.00	\$0.00	\$0.00	\$53,000.00
3.1.2	450 mm SANITARY TRUNK RIVERPARK DRIVE	1988	\$446,000.00	\$0.00	\$0.00	\$446,000.00
3.1.3	WESTPARK LIFT STATION-INTERIM	1988	\$130,000.00	\$0.00	\$0.00	\$130,000.00
3.1.4	WESTPARK LIFTSTATION UPGRADE AND SANITARY FORCEMAIN	2009	\$2,701,271.47	\$26,131.73	\$0.00	\$2,727,403.20
3.1.5	STAGE 8B SANITARY OVER-SIZE		\$13,900.00	\$0.00	\$0.00	\$13,900.00
			\$3,344,171.47	\$26,131.73	\$0.00	\$3,370,303.20



Sanitary Main



Westpark Lift Station




Figure 3.1

Sanitary System Improvements

Westpark Development Levies		Dwg. No.
Revision: B	Date: January 27, 2017	3.1
NOT TO SCALE	Drawn: CL	

4

Transportation System

4.1 GENERAL

The City of Fort Saskatchewan maintains a roadway classification system generally consistent with the definitions for arterial, collector and local roads contained in the “Geometric Design Standards for Canadian Roads and Streets,” a manual published by the Transportation Association of Canada.

In the hierarchy of roadway classifications, the principle function of arterial roads is to provide for the efficient movement of people, goods and services between the primary traffic generation areas of a community. Typically, arterial roadways are designed as relatively free-flowing facilities, intersected by other arterial or major collector type roadways, and provide no direct access to individual properties. Arterial roadways are generally considered to be a greater benefit to the City at large than directly to individual developers. This does not, however, negate developers’ responsibility to contribute their proportionate share towards the cost of these arterials, since to a large degree, development generates the need for these arterial roadways.

4.2 EXISTING TRANSPORTATION LEVIES

The existing transportation projects completed are found in Table 4.1 and show the levied cost for these infrastructures.

4.3 TRANSPORTATION DEVELOPMENT LEVIES

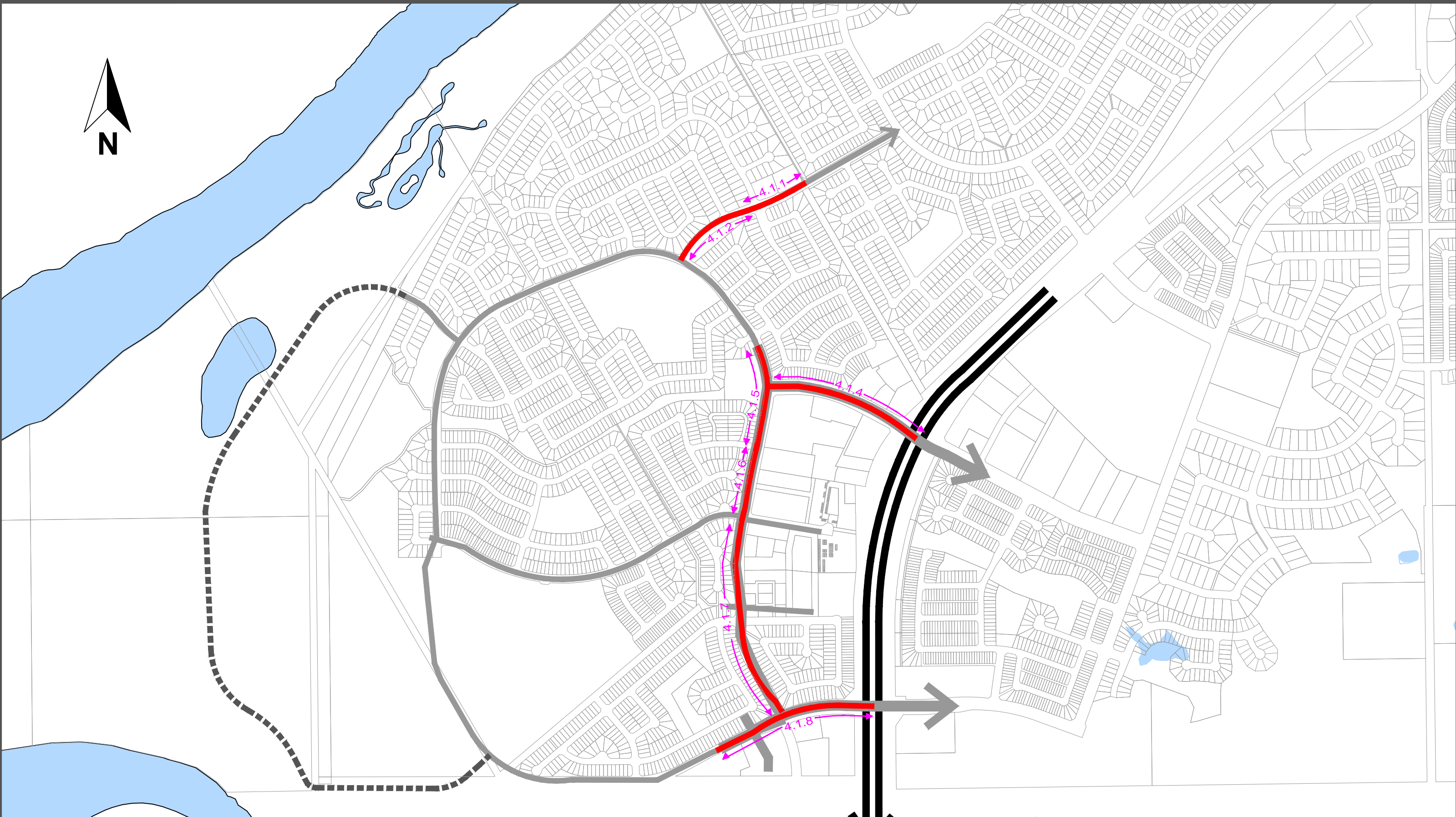
In conducting this study, it was necessary to make certain assumptions:

- Arterial roadways included in the Roadway Off-Site Levy calculations are those highlighted in Figure 4.1.
- Arterial roadways will typically be constructed to an ultimate 4-lane, divided, paved urban structure and are the standards upon which the cost estimates are based.
- Arterial roadways will typically be constructed in two stages with the first or initial stage being a two-laned urban roadway complete with street lighting and the ultimate stormwater drainage system. The second stage is all works remaining to complete the arterial roadway. Additional improvements may be required depending on the pace of growth and need.
- A blanket assessment levy for roads is recommended against all development irrespective of land use.
- Right-of-ways to facilitate construction of arterial roadways will be acquired through the subdivision development process.


Table 4.1 outlines the cost estimates for Transportation Off-site Levy rate.

4.4 TABLE 4.1 – TRANSPORTATION INFRASTRUCTURE COSTS

Item	Project Description	Year of Construction	Historical Project Cost Up to Dec 31, 2013	Historical Project Cost from Jan 1, 2014 to Dec 31, 2016	Future Cost Estimate for Remainder of Work	Total
Transportation						
4.1.1	95A AVENUE 16m ARTERIAL ACCESS	1988	\$80,466.00	\$0.00	\$0.00	\$80,466.00
4.1.2	95A AVENUE 16m ARTERIAL EXTENSION	1997	\$85,000.00	\$0.00	\$0.00	\$85,000.00
4.1.3	TEMPORARY ACCESS	1994	\$173,838.00	\$0.00	\$0.00	\$173,838.00
4.1.4	WESTPARK BLVD 15.8m ARTERIAL ACCESS	1999	\$1,287,914.00	\$0.00	\$0.00	\$1,287,914.00
4.1.5	OVER SIZING FROM 11.5 m TO 15.8 m	2000	\$316,986.00	\$0.00	\$0.00	\$316,986.00
4.1.6	BRADSON RECOVERIES	2001	\$113,215.00	\$0.00	\$0.00	\$113,215.00
4.1.7	OVER SIZING FROM 11.5 m TO 15.8 m (FUTURE)	2008	\$56,828.88	\$0.00	\$0.00	\$56,828.88
4.1.8	SOUTH WESTPARK ARTERIAL ACCESS	2008	\$2,317,496.58	\$0.00	\$0.00	\$2,317,496.58
4.1.9	AREA STRUCTURE PLAN	1987	\$16,000.00	\$0.00	\$0.00	\$16,000.00
4.1.10	AREA STRUCTURE PLAN UPDATE	2003	\$25,000.00	\$0.00	\$0.00	\$25,000.00
			\$4,472,744.46	\$0.00	\$0.00	\$4,472,744.46



 Arterial Roadway

		Figure 4.1 Transportation Improvements	
		Westpark Development Levies	
Revision: B	Date: January 27, 2017	Dwg. No. 4.1	
NOT TO SCALE	Drawn: CL		

5

Stormwater Drainage System

5.1 GENERAL

Management of stormwater is an important component in the development of a community and must be handled effectively to preserve and promote the general health, welfare, security and economic well being of the public. Traditionally, in urban centres, stormwater is handled in keeping with the minor/major drainage concept wherein:

- Minor systems are designed and implemented to accommodate drainage to avoid property damage and flooding and to minimize inconvenience to the public from 1 in 5 year rainfall events.
- Major systems are designed and implemented for flood control to avoid loss of life, injuries, and significant damage to property from events greater than 1 in 5 year return, producing unusual high intensity rainfall and/or large volume runoff.

Minor systems are typically comprised of underground piping, manholes, catch basins, and outfall structures but can also be designed as a rural-type drainage system consisting of ditches and culverts.

Major systems can be large diameter underground piping, open channels, stormwater detention/retention ponds, natural streams, or any combination thereof, capable of conveying runoff from events up to and including a 1 in 100 year return period, to the ultimate receiving stream or water body.

5.2 WESTPARK AREA STORMWATER MANAGEMENT PLAN

The Westpark Area Structure Plan identified several stormwater ponds and trunk sewers within the ASP boundary.

The stormwater systems from River Lots 19 and 21 discharge through the River's Edge Wetland. The wetland was designed and constructed to provide treatment of the stormwater before it discharges into the North Saskatchewan River. The area south of River Lot 21 and portions of River Lot 21 below the valley break will discharge through a separate outfall and stormwater treatment facility to the North Saskatchewan River.

A Westpark Stormwater Management Plan (SWMP) was undertaken by Stanley Consulting in 1997 and later update by Focus Intec in 2002. Development Levies related to the major infrastructure presented in the plans have been incorporated into this document.

5.3 EXISTING STORMWATER LEVIES

The existing storm water projects completed are found in Table 5.1 and show the levied cost for these infrastructures.

5.4 STORMWATER DEVELOPMENT LEVIES

In conducting this study, it was necessary to make certain assumptions:

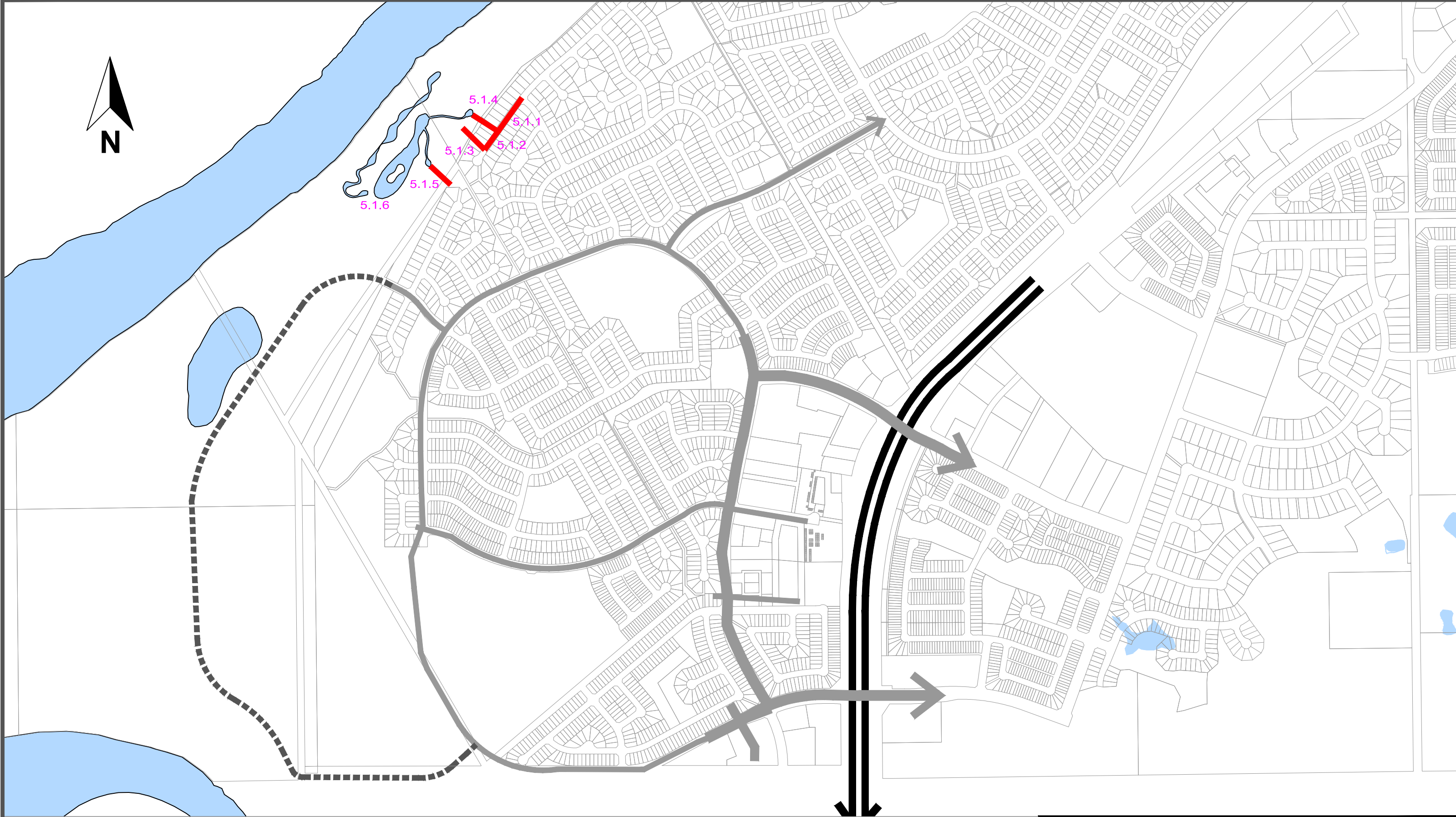
- The Developer will continue to be responsible for the construction of catch basins and storm sewers up to and including 1200 mm diameter in size.
- Storm sewers greater than 1200 mm diameter in size are considered to be trunk sewers. The costs of these sewers will be included in the Stormwater Development Levies.
- No grant funding is available towards the construction of trunk sewer systems.
- All stormwater management ponds will be the responsibility of the developer. Each stormwater management area is considered to be responsible for the stormwater management pond serving that area.
- The costs associated with construction of stormwater treatment facilities will be included in the Stormwater Development Levies.

Figure 5.1 shows the stormwater servicing plan, as developed in the Westpark Stormwater Management Plan 2002.

Table 5.1 outlines a cost estimate based on Gross Developable Area in 2016 dollars and future construction cost with an inflation rate as indicated.

5.5 TABLE 5.1 – STORM MANAGEMENT INFRASTRUCTURE COSTS

Item	Project Description	Year of Construction	Historical Project Cost Up to Dec 31, 2013	Historical Project Cost from Jan 1, 2014 to Dec 31, 2016	Future Cost Estimate for Remainder of Work	Total
Storm						
5.1.1	1200mm STORM TRUNK	1996	\$173,000.00	\$0.00	\$0.00	\$173,000.00
5.1.2	WESTPARK STORM SEWER SYSTEM	1997	\$12,008.00	\$0.00	\$0.00	\$12,008.00
5.1.3	RIVER LOT 19 STORM OUTFALL - INTERIM	1988	\$33,332.00	\$0.00	\$0.00	\$33,332.00
5.1.4	RIVER LOT 19 STORM - PERMANENT	1999	\$117,799.00	\$0.00	\$0.00	\$117,799.00
5.1.5	RIVER LOT 19 STORM OUTFALL	2000	\$113,593.00	\$0.00	\$0.00	\$113,593.00
5.1.6	WETLANDS	2001	\$709,776.00	\$0.00	\$0.00	\$709,776.00
5.1.7	STORM MANAGEMENT REPORT	1987	\$32,000.00	\$0.00	\$0.00	\$32,000.00
			\$1,191,508.00	\$0.00	\$0.00	\$1,191,508.00



Storm Sewer Main



Figure 5.1 Storm System Improvements

Westpark Development Levies		Dwg. No. 5.1
Revision: B	Date: January 27, 2017	
NOT TO SCALE	Drawn: CL	

6

Other Leviable Charges

Leviable projects completed by developers within their subdivision were reimbursed to the developer as separate payments after the work was completed. These project costs were accounted for in the specific lists but levy payments were not attributed to them. Those payments are identified and quantified here.

Table 6.1 outlines these payments from the levy account to specific developers.

6.2 TABLE 6.1 – OTHER COMBINED PAYMENTS FOR LEVIABLE PROJECTS PREVIOUSLY LISTED (WATER, SEWER, ROADS, STORM)

ITEM		ORIGINAL ESTIMATE	TOTAL EXISTING COST	TOTAL FUTURE COST	TOTAL COST
6.1 OTHER COMBINED					
6.1.1	BRADSON GROUP - COST RECOVERIES	\$263,389.00	\$263,389.00		\$263,389.00
6.1.2	95A AVENUE/WESTPARK INFRASTRUCTURE	\$199,000.00	\$199,000.00		\$199,000.00
6.1.3	WESTPARK INFRASTRUCTURE	\$76,691.00	\$76,691.00		\$76,691.00
6.1.4	TRANSFER TO WESTPARK COMMUNITY ENHANCEMENT RESERVE	\$18,641.00	\$18,641.00		\$18,641.00
		\$557,721.00	\$557,721.00		\$557,721.00

7

Recommendations

Based on the findings of this study, it is recommended that:

- The City of Fort Saskatchewan continues to assume responsibility for the construction of the municipal infrastructure systems which they deem to be of benefit to the City at large.
- The City maintains its current philosophy that development will be responsible for its proportionate share of the cost of municipal infrastructure systems expansion through the assessment of off-site levies against all benefiting lands.
- The City maintain its existing philosophy regarding stormwater drainage systems wherein the development industry is required to manage stormwater in accordance with the Alberta Environmental Protection guidelines respecting stormwater release rates and the City of Fort Saskatchewan Municipal Engineering Standards requirements.
- The City periodically reviews the Development Levies to ensure that the rates are consistent with the overall City funding requirements.
- The Development Levies for Westpark will be set as follows:
 - Water System Levy \$ 18,420.16 / ha
 - Sanitary Sewer Levy \$ 19,131.14 / ha
 - Transportation Levy \$ 25,389.02 / ha
 - Stormwater Levy \$ 13,781.61 / ha

The levy is proportioned appropriately according to the developable/developed area receiving service. The stormwater levy has been proportioned and applies to Area 1, outlined in Figure 1.1, as the current items listed in Table 5.1 service Area 1 only. The water, sanitary, and transportation levies are applicable to both Area 1 and Area 2. The combined levies for each area are as follows:

- Area 1 \$ 76,721.93 / ha
- Area 2 \$ 62,940.32 / ha

Table 7.1 is a summary of the levy for Westpark in 2016 dollars.

7.1 TABLE 7.1 – OFF-SITE LEVIES

Summary			
Development Area	Hectares		
TOTAL DEVELOPMENT AREA	287.172		
UNDEVELOPED AREA (DEC 31/16)	49.966		
10% MUNICIPAL RESERVE	4.997		
TOTAL LEVIABLE AREA	44.969		
AREA 1	22.069		
AREA 2	22.900		
Total Levy Cost Breakdown			
Item	Total Cost	% of Total Levy Cost	Collected (w/ interest)
WATER	\$3,245,050.65	26.43%	\$2,416,712.07
SANITARY	\$3,370,303.20	27.45%	\$2,509,992.39
TRANSPORTATION	\$4,472,744.46	36.42%	\$3,331,022.13
STORM	\$1,191,508.00	9.70%	\$887,361.12
TOTAL	\$12,279,606.31	100.00%	\$9,145,087.70
Levy Funds Collected - Breakdown			
LEVY FUNDS (DEC 31/16)	\$9,088,258.82		
TOTAL INTEREST (DEC 31/16)	\$56,828.88		
TOTAL	\$9,145,087.70		
Levy Funds Required			
Item	Total Leviable Area		
WATER	\$828,338.58		
SANITARY	\$860,310.81		
TRANSPORTATION	\$1,141,722.33		
STORM*	\$304,146.88		
TOTAL	\$3,134,518.61		
Current Levy Rates per Hectare			
Item	Area 1	Area 2	
WATER	\$18,420.16	\$18,420.16	
SANITARY	\$19,131.14	\$19,131.14	
TRANSPORTATION	\$25,389.02	\$25,389.02	
STORM*	\$13,781.61	n/a	
TOTAL	\$76,721.93	\$62,940.32	

* Only Area 1 contributes to the portion of the levy designated for the stormwater sewerage system, as the projects outlined in the stormwater section are to service Area 1 only. Other rates are based off of the percentage of the total undeveloped leviable area (Areas 1 and 2).

Report



C I T Y O F FORT SASKATCHEWAN

City of Fort Saskatchewan

Light / Medium Industrial Area Levy Report

Schedule “D” to Bylaw C14-17

June 2017



City of Fort Saskatchewan: Light/Medium Industrial Area Offsite Levy Review

Version 3
June 24th, 2016

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1 DOCUMENT INFORMATION

Version		
Number	Revision Date	Summary of Changes and Author
1.0	April 25 th , 2016	Created by CORVUS Business Advisors
2.0	June 13 th , 2016	Reviewed by Project Team

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3 INTRODUCTION

3.1 Introduction

Bylaw C1-14, established by the City of Fort Saskatchewan (“the City”) in 2014, defines offsite levy rates for the City’s Light/Medium Industrial Area. The bylaw includes an offsite levy rate of \$68,568 per net hectare (Water \$23,999 + Sanitary \$17,379 + Transportation \$3,051 + Stormwater \$24,139), which is based on infrastructure cost estimates of approximately \$34.90 million (\$51.05 million including inflation) and land development of 745 ha. The 2014 rate is applied uniformly across all areas and does not make any accommodation for actual benefitting areas, infrastructure staging impacts, development staging impacts, specific payback periods, or reserve interest impacts, etc.

The City wishes to facilitate growth in the Light/Medium Industrial Area by updating transportation, water, sanitary, and stormwater offsite infrastructure requirements to ensure they meet the needs of development in the Light/Medium Industrial Area, and also ensure that accompanying charges are fair and equitable, comply with legislative and regulatory requirements, and recover the full cost of the infrastructure in order to ensure a financially sustainable community.

This report outlines the methodology and information used in updating transportation, water, sanitary, and stormwater offsite levy rates for the Light/Medium Industrial Area, as well as other key findings and recommendations.

3.2 Methodology

The City of Fort Saskatchewan has created various infrastructure master plans, and these plans have been used as key inputs into this offsite levy rate review. City staff reviewed existing plans and identified offsite projects for transportation, water, sanitary, and stormwater infrastructure¹. Each project was assessed for benefitting areas using the offsite levy areas identified in this report. The City’s assessment also included determination of benefits to existing development and future development.

Support provided by CORVUS Business Advisors included:

- Provision of the CORVUS offsite levy model, including configuration, priming, and data loading.
- Facilitation of a workshop to determine offsite levy area boundaries.
- Incorporation of offsite levy area measurements and land development forecasts (provided by City planning staff).
- Incorporation of infrastructure costs and allocation percentages for existing development, new development, and other parties (provided by City engineering staff).

¹ It was not within CORVUS’ scope of work to review the City’s master plans.

- Establishment of offsite levy reserve opening balances (details provided by City staff).
- Development of transportation, water, sanitary, and stormwater offsite levy rates for each offsite levy area.
- Presentation of offsite levy rates and background information to Administration, Council, and the public.

Offsite levy rates are forecast using a rolling 25-year review period. During this review, a cut-off date of December 31st, 2015 was established, and so the review period stems from 2016 to 2040. Costs that benefit development prior to and within the review period are included in rates. Costs that benefit development beyond the review period (called financial “oversizing”) are excluded from rates. In future years, when rates are updated and the rolling 25-year period moves further out, offsite infrastructure costs beyond 2040 will gradually find their way into rates.

The cut-off date coincides with the City’s most recent year-end. Project expenditures, offsite levy receipts etc. were gathered as “actuals” from the City’s financial records up to the cut-off date. Beyond the cut-off date, all financial details are estimates. When the City completes its next rate update, information from January 1st, 2016 up to the new cut-off date will be converted from estimates to actuals.

4 KEY FINDINGS

Key findings pertaining to the establishment of City offsite levy rates are as follows:

- Offsite infrastructure costs to be included in the offsite levy bylaw total approximately \$29.09 million (2016 dollars), a decrease of 17% from 2014 (a decrease in infrastructure costs places downward pressure on rates). An overview of offsite infrastructure costs and maps is provided in Appendices B1, C1, D1, and E1.

Before determining how the infrastructure costs will be allocated to parties that benefit (e.g., existing development, new development, other municipalities etc.), offsite infrastructure costs are always reduced by special ear-marked grants and development contributions. An overview of grants and contributions and resulting net costs is provided in Appendices B2, C2, D2, and E2.

Financial oversizing (the amount of cost which is allocated to future development beyond the 25-year review period) is based on the anticipated year of construction. An overview of construction staging is provided in Appendices B3, C3, D3, and E3.

That portion of cost which is allocated to future development (versus existing development and other allocations) is provided in Appendices B4, C4, D4, and E4.

Before allocating infrastructure costs to benefitting lands, offsite levy costs must be reduced by amounts collected to date. An overview of offsite levies that have been collected by the City is provided in Appendices B5, C5, D5, and E5.

Of the \$29.09 million in total offsite infrastructure costs, the share allocated to future development that is included in rates today (the offsite levy share) is \$21.72 million, as shown in the table below. The share allocated to future development that is

beyond the 25-year review period (financial oversizing) is \$6.29 million. The share allocated to existing development (the City's share) is \$0.21 million; and, the share allocated to other stakeholders (e.g., Strathcona County) is \$0.00. A complete summary of offsite infrastructure net cost "flow-thru" is provided in Appendices B6, C6, D6, and E6.

Summary of Infrastructure Costs & Allocations

Infrastructure	Muni Share of Costs	Other's Share (e.g., County)	Developer Cost (Fin Oversizing)	Developer Costs (In Rates)	Total Costs
Transportation	\$ 207,000	\$ -	\$ 1,697,951	\$ 5,771,242	\$ 7,676,193
Water	\$ -	\$ -	\$ 2,762,362	\$ 6,095,746	\$ 9,741,028
Sanitary	\$ -	\$ -	\$ 1,155,505	\$ 8,121,015	\$ 9,276,519
Stormwater	\$ -	\$ -	\$ 672,000	\$ 1,728,000	\$ 2,400,000
Total	\$ 207,000	\$ -	\$ 6,287,818	\$ 21,716,002	\$ 29,093,740

- Lands do not necessarily benefit from all offsite levy infrastructure. In order to equitably facilitate the allocation of infrastructure costs to those lands that benefit from the infrastructure, the Light/Medium Industrial Area is parsed into several smaller offsite levy areas. The area boundaries, numbering schema, and area measurements are described in Appendix A along with an offsite levy map; and, an overview of which offsite infrastructure has been allocated to each area is provided in B7, C7, D7, and E7.
- To calculate offsite levy rates, it is necessary to forecast the amount of land that will develop during the 25-year review period. Land development forms the denominator of the rate calculation. A larger denominator reduces rates, but could potentially result in under-collection thereby placing an increased burden on tax payers. A smaller denominator increases rates, but could potentially result in over-collection thereby placing an increased burden on future development. Accordingly, land development forecasts need to be (a) reasonable and reflect current planning assumptions including the current pace of development in the community, and (b) updated regularly.

For this review, the City is forecasting development in the Light/Medium Industrial Area of approximately 226 ha. over the 25-year review period (approximately 9.0 ha. per year on average). This is a decrease of 70% from the 2014 bylaw (a decrease in land development places upward pressure on rates). The land development forecast and underpinning assumptions are shown in Appendix A.

- Offsite Levy Reserves. The City is currently managing offsite levy receipts and withdrawals via a single reserve/account. However, the MGA requires that offsite levy monies be managed separately (i.e., one reserve/account for each infrastructure type). The reason this is a requirement is because offsite levies collected can only be used for the type of infrastructure for which they were collected (e.g., water levies can only be used to construct water offsite infrastructure, not sanitary infrastructure). To facilitate the establishment of 4 reserves/accounts, a reconciliation of the exiting reserve activity is shown in Appendix G, and an overview of opening balances for the new reserves/accounts is shown in Appendices B8, C8, D8, and E8.
- Interest. Offsite levy reserves/accounts (both actual and forecast) are impacted by interest. Actual reserve inflows, and forecast reserve balances that are in a positive

position earn interest (as required by the MGA). Actual reserve outflows, and forecast reserve balances that are in a negative position are charged interest (negative forecast balances indicate that front-ending will be required).

An overview of reserve/account interest rates and forecast balances over the 25-year review period is shown in Appendices B9, C9, D9, and E9.

- **Front-ending.** Front-ending is an extremely important concept that underpins rigorous management of offsite levies. Front-ending represents debts owed by future development to the municipality for past construction undertaken by the municipality on behalf of future development—i.e., a municipality will often pay for its share of an offsite infrastructure project in addition to that portion of the project which benefits future development when offsite levy reserve balances are insufficient to pay for future development's share of infrastructure.

Because front-ending balances represent debts owed to the municipality, they need to be clearly reflected in official municipal documents such as levy account/reserve balances, financial statements (e.g., front-ending notes), or accounts receivables, etc. This documentation enables the municipality to collect on these debts as future development occurs, and offsite levies are collected.

5 RATES

For future development to pay for its share of the \$29.09 million infrastructure costs in the Light/Medium Industrial Area, rates range from \$36,650 to \$97,219 per net hectare (depending on location), with the weighted average offsite levy rate being \$72,739 per net hectare, as shown in tables below. The average rate is generally lower than other municipalities of similar size in Alberta (a comparison of rates to other municipalities is outlined in Appendix F). Most importantly, these rates reflect the actual cost of infrastructure required to facilitate development in the City's Light/Medium Industrial Area.

Weighted Averages

	Transportation Charges (\$/Net Ha)	Water Charges (\$/Net Ha)	Sanitary Charges (\$/Net Ha)	Storm Charges (\$/Net Ha)	Total
High	\$ 21,541	\$ 21,128	\$ 45,328	\$ 9,221	\$ 97,219
Low	\$ 21,541	\$ 11,494	\$ -	\$ -	\$ 36,650
Weighted Average	\$ 21,541	\$ 16,610	\$ 30,630	\$ 3,958	\$ 72,739

*Weighted averages are shown above are for information purposes only. Developers pay the offsite levy rate specific to their offsite levy area, as shown in the table below.

Summary of Offsite Levies by Area

Area Ref. #	Transportation Charges (\$/Net Ha)	Water Charges (\$/Net Ha)	Sanitary Charges (\$/Net Ha)	Storm Charges (\$/Net Ha)	Total (\$/Net Ha)
1.0	\$ 21,541	\$ 15,108	\$ -	\$ -	\$ 36,650
2.0	\$ 21,541	\$ 15,108	\$ 3,887	\$ -	\$ 40,536
3.0	\$ 21,541	\$ 21,128	\$ 3,887	\$ -	\$ 46,556
4.0	\$ 21,541	\$ 21,128	\$ 45,328	\$ -	\$ 87,997
5.0	\$ 21,541	\$ 21,128	\$ 45,328	\$ 9,221	\$ 97,219
6.0	\$ 21,541	\$ 11,494	\$ 45,328	\$ 9,221	\$ 87,584
7.0	\$ 21,541	\$ 11,494	\$ 45,328	\$ -	\$ 78,363

6 RECOMMENDATIONS

CORVUS recommends the following:

1. Implement the offsite levy rates outlined in Section 5.
2. Ensure the offsite levy bylaw reflects the requirement for an annual update of offsite levy rates and delivery of an annual update report to Council. In addition to enabling compliance with MGA requirements, regular updates ensure offsite levy rates do not “decay”, and Council is apprised regularly of the status of changes, reserves balances, etc.
3. Establish 4 separate offsite levy reserves/accounts as required by the MGA—one for each infrastructure type (i.e., transportation, water, sanitary, and stormwater), with opening balances as reflected in Appendices B8, C8, D8, and E8.
4. Establish sub-ledgers for each reserve/account to track amounts owed to front-ending parties.
5. Update offsite levy reserve/account balances annually (and financial statements, and other internal documentation) to reflect the “true” balance, including front-ending.
6. During the reconciliation of future reserve balances, the interest earning and charge rates that underpin the offsite levy bylaw for that time period should be used to determine reserve interest impacts. This is outlined in the offsite levy model user guide and instructions for the annual rate update.
7. Develop an offsite levy policy framework to aide in effective implementation of the bylaw.
8. Undertake a water and sewer utility rates study to enable sustainable funding of the City’s share of offsite infrastructure projects. Current utility rates should be brought current and in alignment with current master plans and offsite levy financing summarized in this report, etc.
9. Implement a long term financial sustainability assessment model that provides Council with confidence that the City is on a financially sustainable path, contains reasonable tax impacts, and includes the impact of the City’s share of various

development costs plus any front-ending that will be required on behalf of various offsite levy reserves.

10. Recent changes to the MGA will enable municipalities to charge separately for offsite levies (i.e., transportation vs. water vs. sewer vs stormwater). Accordingly, the City should maintain accurate records to reflect which properties pay which offsite levies, and build this into the City's administrative procedures.

7 ACKNOWLEDGEMENTS

CORVUS Business Advisors would like to thank all City of Fort Saskatchewan staff and advisors from Engineering, Planning, and Finance, who supported the work of this review.

8 DISCLAIMER

CORVUS Business Advisor has relied upon City of Fort Saskatchewan to provide all of the data and information used to construct the offsite levy model and create the rates, such as planning data and assumptions, development forecasts and assumptions, infrastructure costs and costs estimates, allocations to benefitting parties, allocation to benefitting areas, and other assumptions etc. As such, CORVUS Business Advisors makes no guarantee as to the accuracy of the input data and information provided by these groups or the results that stem from this data and information.

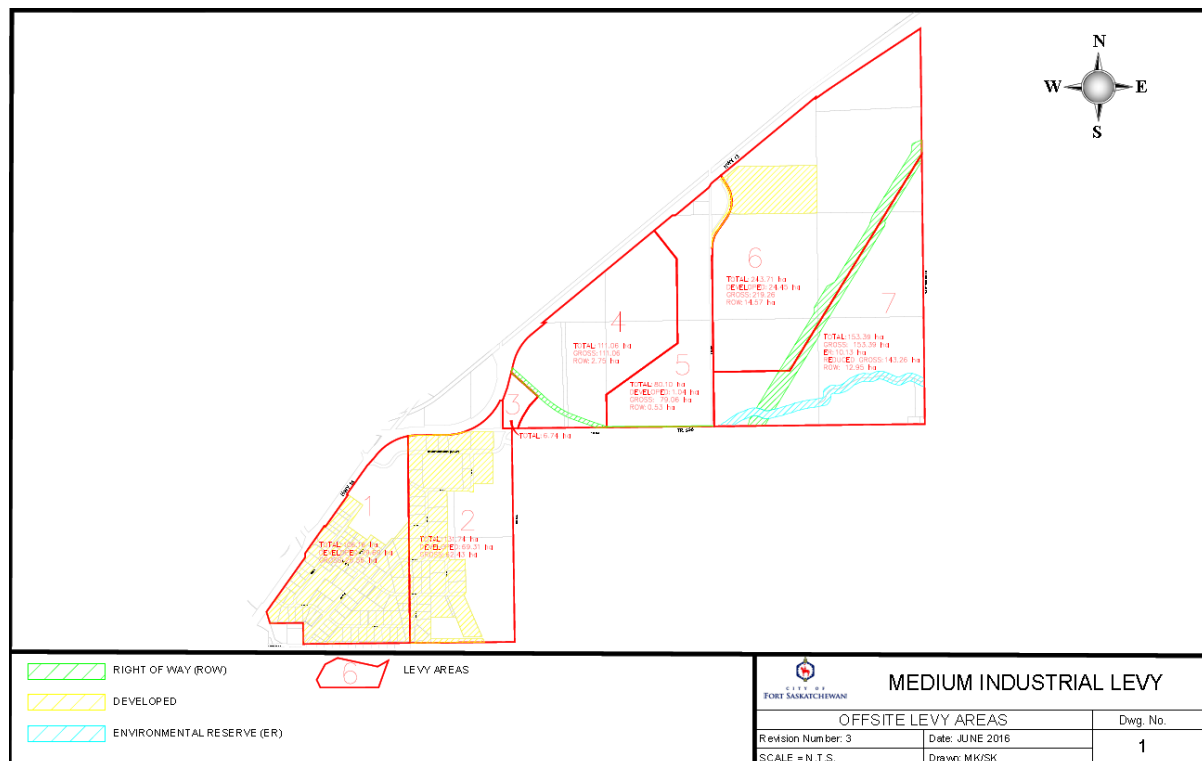
Offsite levy rates are not intended to stay static; they are based upon educated assumptions and the best available information of the day. Planning assumptions, cost estimates etc. can change each year. Accordingly, the Municipal Government Act requires that offsite levy rates be updated with the most available information on a regular basis (usually annually). When information changes, it will be reflected in a future update, and rates adjusted accordingly.

APPENDIX A: OFFSITE LEVY AREAS AND STAGING

A1. Offsite Levy Areas

In order to equitably facilitate the allocation of infrastructure to benefiting lands, the City's Light/Medium Industrial Area is parsed into 7 offsite levy areas, as shown in the map below. These areas are generally about a quarter section in size but also take into consideration existing/planned infrastructure basins (i.e., transportation, water, sanitary, and stormwater basins) as well as natural and man-made barriers (e.g., rivers, highways, etc.). All offsite levy infrastructure costs are allocated to one or more areas.

Offsite Levy Areas



Total net development area, the amount of land available for development across all offsite levy areas, is approximately 553 net ha. In calculating net development area only those lands remaining to be developed within the area that have not previously paid offsite levies have been considered (as required by legislation/regulation). Further, allowances have been made to net development area calculations for environmental reserves, municipal reserves, and arterial road right of way.

Offsite Levy Net Development Area

Area Ref. #	Development Area Location	Land Use	Gross Area (ha.)	Environmental Reserves (ha.)	Sub-total	Municipal Reserves	Arterial Right of Way	Net Development Area (ha.)
1.0	Existing Light	Industrial	26.56		26.56	2.66		23.90
2.0	Existing Light and Medium	Industrial	62.43		62.43	6.24		56.19
3.0	Future Medium Full Servicing	Industrial	6.74		6.74	0.67		6.07
4.0	Future Medium Full Servicing	Industrial	111.06		111.06	11.11	2.75	97.20
5.0	Future Medium Full Servicing	Industrial	79.06		79.06	7.91	0.53	70.62
6.0	Future Medium Reduced Servicing	Industrial	219.26		219.26	21.93	14.57	182.76
7.0	Future Medium Reduced Servicing	Industrial	153.39	10.13	143.26	14.33	12.95	115.98
		Total	658.50	10.13	648.37	64.84	30.80	552.73

Summary of Offsite Levy Net Development Area

Description	ha.
Gross Development Area	658.50
Less Environment Reserve	10.13
Less Municipal Reserve	64.84
Less ROW Allowance	30.80
Net Development Area	552.73

*Note: 1 Hectare (ha.) = ~2.47 Acres

Net development area definitions will be applied in determining offsite levy obligations of developers on application for subdivision or development within City of Fort Saskatchewan. Net development area is defined as follows:

- Gross Area – The area of lands to be developed in hectares that have not previously paid an offsite levy.
 - Less: Any environmental reserves contained within the development area.
 - Less: A 10% allowance for Municipal Reserves.
 - Less: Arterial road right of way that bisects the development lands.
- Equals: Net Developable Area, which is the area subject to offsite levies.

A2. Development Staging

A rate planning period of 25-years underpins the offsite levy model and rate calculations. This planning period is used by many municipalities as it provides a reasonable time frame to recoup the costs associated with offsite levy infrastructure construction, and it aligns with the timeframes of many municipal capital planning and construction cycles.

Of the 553 net ha. of development area available across all offsite levy development areas, planners estimate that approximately 226 ha. (41%) of this land will develop during the next 25-years (the rate planning period) as shown in the tables below.

Anticipated Development During the 25-year Rate Planning Period²

Area Ref. #	Area Developed in Next 25 years	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1.0	23.000	-	-	-	-	-	-	-	-	-	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-	-	-	-	-	-	
2.0	49.000	1.00	2.00	1.00	5.00	6.00	6.00	6.00	6.00	6.00	4.00	3.00	3.00	-	-	-	-	-	-	-	-	-	-	-	-	
3.0	6.000	-	-	6.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.0	51.000	-	-	-	1.00	4.00	4.00	4.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
5.0	36.000	-	-	-	-	-	-	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
6.0	61.000	-	-	-	-	-	-	-	-	-	-	-	-	3.00	3.00	2.00	2.00	3.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	
7.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	226.00	1.00	2.00	7.00	6.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	

Summary of Anticipated Development during the 25-year Rate Planning Period

Developed In Next 25 Years	226.00	40.9%
Developed Beyond 25 Years	326.73	59.1%
Net Development Area	552.73	

² Assumptions:

1. In general, Areas 2, 3, and 4 will experience new development before the other areas.
2. TAG lands will be developed before Busse lands in Area 1.
3. New development will concentrate near Highway 15 and will progress southeast.
4. Lower than average development activity is expected for 2016-2019.
5. The annual absorption rate will be approximately 10 ha.

APPENDIX B: WATER OFFSITE INFRASTRUCTURE

B1. Water Offsite Infrastructure Costs

In order to support future growth, water offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately \$9.74 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City engineering staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Water Offsite Infrastructure

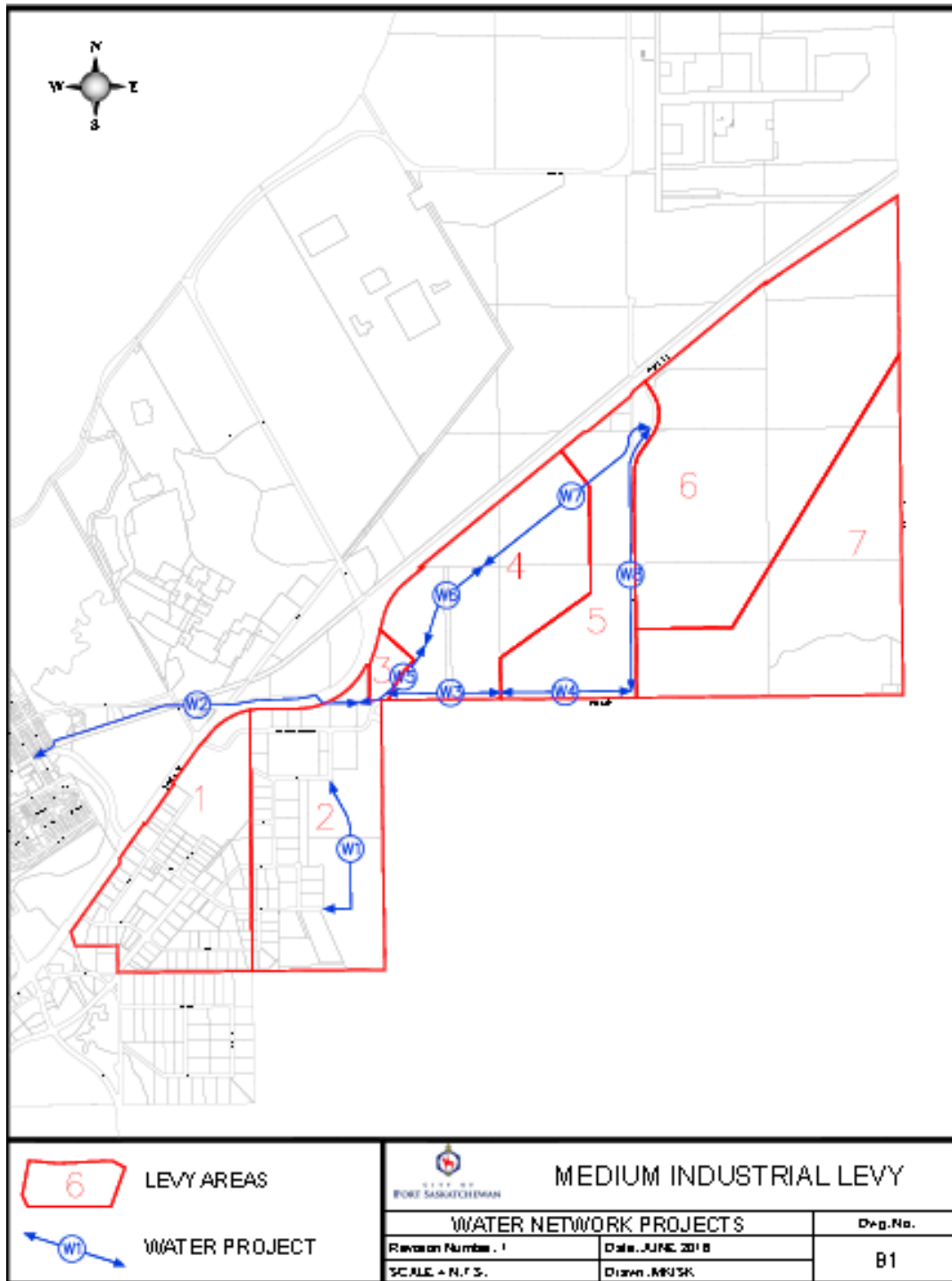
Item	Project Description	Cost of Completed Work	Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	400mm Watermain Along 118 St.	\$ -	\$ -	\$ 879,046	\$ 879,046
2	450mm Watermain to Area 2	\$ 2,784,799	\$ -	\$ -	\$ 2,784,799
3	450mm watermain along Josephburg Road to Area 5	\$ -	\$ -	\$ 969,803	\$ 969,803
4	450mm watermain along Josephburg Road to 125 St.	\$ -	\$ -	\$ 1,019,324	\$ 1,019,324
5	450mm Watermain Area 3	\$ -	\$ -	\$ 560,898	\$ 560,898
6	450mm Watermain Area 3 to DOW	\$ -	\$ -	\$ 622,130	\$ 622,130
7	450mm Watermain Dow to 125 St.	\$ -	\$ -	\$ 1,345,968	\$ 1,345,968
8	400mm Watermain Along 125 St.	\$ -	\$ -	\$ 1,559,060	\$ 1,559,060
		\$ 2,784,799	\$ -	\$ 6,956,229	\$ 9,741,028

*Costs are based on 2015/16 estimates.

**Estimates include engineering (10%) and contingencies (10%).

A map showing the location of this infrastructure is shown below.

Location of Water Offsite Infrastructure



B2. Water Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City of Fort Saskatchewan received \$0.88 million in special grants and contributions for water offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is \$8.86 million.

Special Grants and Contributions for Water Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants	Developer Agreement Contributions	Reduced Project Estimated Cost
1	400mm Watermain Along 118 St.	\$ 879,046	\$ -	\$ -	\$ 879,046
2	450mm Watermain to Area 2	\$ 2,784,799	\$ -	\$ 464,397	\$ 2,320,401
3	450mm watermain along Josephburg Road to Area 5	\$ 969,803	\$ -	\$ -	\$ 969,803
4	450mm watermain along Josephburg Road to 125 St.	\$ 1,019,324	\$ -	\$ -	\$ 1,019,324
5	450mm Watermain Area 3	\$ 560,898	\$ -	\$ 92,823	\$ 468,075
6	450mm Watermain Area 3 to DOW	\$ 622,130	\$ -	\$ 102,956	\$ 519,174
7	450mm Watermain Dow to 125 St.	\$ 1,345,968	\$ -	\$ 222,744	\$ 1,123,224
8	400mm Watermain Along 125 St.	\$ 1,559,060	\$ -	\$ -	\$ 1,559,060
		\$ 9,741,028	\$ -	\$ 882,920	\$ 8,858,107

*\$882,920 grant received from Dow Chemical allocated to various benefitting projects.

B3. Water Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the City's annual rate/bylaw updates.

Water Infrastructure Staging

Item	Project Description	Construction Start Year
1	400mm Watermain Along 118 St.	2020
2	450mm Watermain to Area 2	2014
3	450mm watermain along Josephburg Road to Area 5	2020
4	450mm watermain along Josephburg Road to 125 St.	2034
5	450mm Watermain Area 3	2017
6	450mm Watermain Area 3 to DOW	2019
7	450mm Watermain Dow to 125 St.	2025
8	400mm Watermain Along 125 St.	2036

*The share of projects constructed beyond the 25-year review period (2040) are not included in rates today (see financial oversizing in next Section).

B4. Water Offsite Infrastructure Benefiting Parties

The water offsite infrastructure previously outlined will benefit various parties to varying degrees. During this review three potential benefiting parties were identified including:

- City of Fort Saskatchewan – a portion of the water infrastructure which is required to service existing residents.
- Other Stakeholders and Financial Oversizing – other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits future development beyond the 25-year review period (“financial oversizing”).
- City of Fort Saskatchewan Future Development – all growth related infrastructure (i.e., levyable water infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of water offsite levy infrastructure costs to benefiting parties. Project allocations were determined by City engineering staff.

Allocation of Water Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share & Financial Oversizing %	OSL / Developer Share %
1	400mm Watermain Along 118 St.	\$ 879,046		16.0%	84.0%
2	450mm Watermain to Area 2	\$ 2,320,401		0.0%	100.0%
3	450mm watermain along Josephburg Road to Area 5	\$ 969,803		16.0%	84.0%
4	450mm watermain along Josephburg Road to 125 St.	\$ 1,019,324		72.0%	28.0%
5	450mm Watermain Area 3	\$ 468,075		4.0%	96.0%
6	450mm Watermain Area 3 to DOW	\$ 519,174		12.0%	88.0%
7	450mm Watermain Dow to 125 St.	\$ 1,123,224		36.0%	64.0%
8	400mm Watermain Along 125 St.	\$ 1,559,060		80.0%	20.0%
		\$ 8,858,107			

*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. Oversizing shown as 100% reflects projects constructed entirely beyond the 25-year review period.

B5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately \$6.10 million. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected \$2.66 million in offsite levies to date. This results in an adjusted offsite levy cost of approximately \$3.43 million.

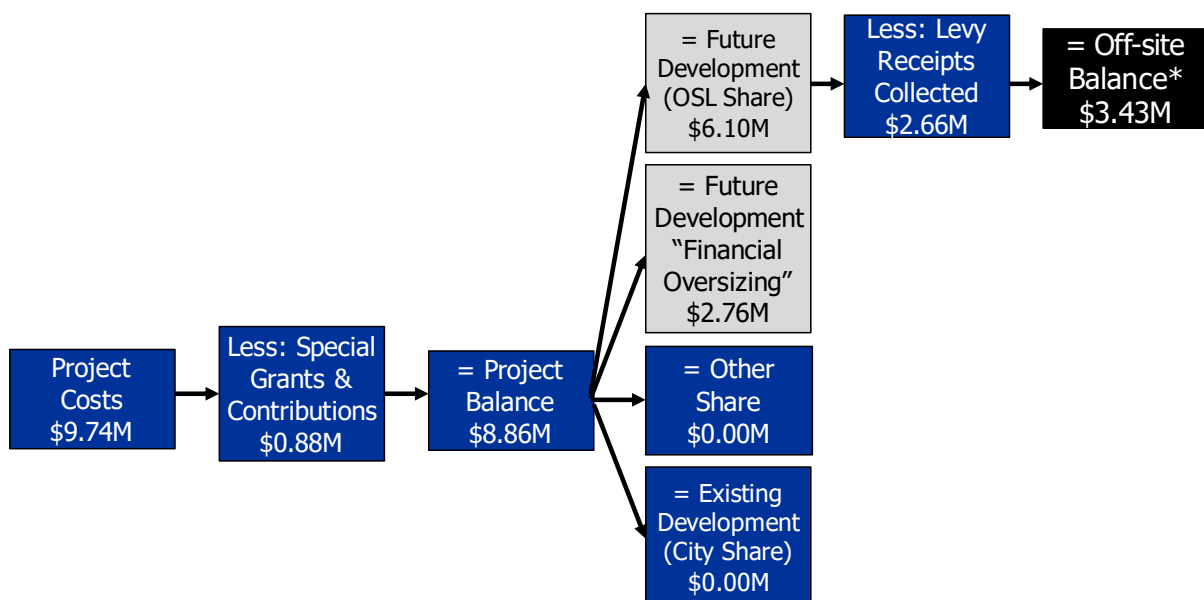
Offsite Levy Funds Collected to Date & Adjusted Levy Cost

Item	Project Description	Developer Cost (Leviable Costs)	Offsite Levy Funds Collected to Dec 31, 2015	Offsite Levy Funds Collected Starting Jan 1, 2016	Adjusted Developer (Levy) Cost
1	400mm Watermain Along 118 St.	\$ 738,399	\$ 240,285	\$ -	\$ 498,114
2	450mm Watermain to Area 2	\$ 2,320,401	\$ 761,217	\$ -	\$ 1,559,184
3	450mm watermain along Josephburg Road to Area 5	\$ 814,634	\$ 265,093	\$ -	\$ 549,541
4	450mm watermain along Josephburg Road to 125 St.	\$ 285,411	\$ 278,629	\$ -	\$ 6,781
5	450mm Watermain Area 3	\$ 449,352	\$ 153,320	\$ -	\$ 296,032
6	450mm Watermain Area 3 to DOW	\$ 456,873	\$ 170,057	\$ -	\$ 286,815
7	450mm Watermain Dow to 125 St.	\$ 718,863	\$ 367,917	\$ -	\$ 350,947
8	400mm Watermain Along 125 St.	\$ 311,812	\$ 426,165	\$ -	\$ (114,353)
		\$ 6,095,746	\$ 2,662,683	\$ -	\$ 3,433,063

*Offsite levies collected to Dec. 31st, 2015 were allocated to projects based on the pro rata proportion of total estimated project cost.

B6. Summary of Water Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for water infrastructure that forms the basis of the rate is approximately \$3.43 million. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section B4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Water Offsite Levy Costs**B7. Water Infrastructure Benefiting Areas**

Net developer costs for each project have been allocated to multiple benefitting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by the City engineering staff. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

Benefiting Areas for Water Offsite Infrastructure

Item	Project Description	Developer Cost	1.0	2.0	3.0	4.0	5.0	6.0	7.0
1	400mm Watermain Along 118 St.	\$ 498,114	1	1					
2	450mm Watermain to Area 2	\$ 1,559,184	1	1	1	1	1	1	1
3	450mm watermain along Josephburg Road to Area 5	\$ 549,541			1	1	1	1	1
4	450mm watermain along Josephburg Road to 125 St.	\$ 6,781			1	1	1	1	1
5	450mm Watermain Area 3	\$ 296,032			1	1	1		
6	450mm Watermain Area 3 to DOW	\$ 286,815			1	1	1		
7	450mm Watermain Dow to 125 St.	\$ 350,947			1	1	1		
8	400mm Watermain Along 125 St.	\$ (114,353)			1	1	1		
		\$ 3,433,063							

B8. Reserve Balance

In accordance with the MGA, 4 reserves/accounts need to be created (one each for transportation, water, sanitary, and stormwater). At December 31st, 2015, the balance of the City's Light/Medium industrial Area water reserve is \$0, as shown in the table below. A reconciliation of activities from the exiting reserve and allocation to the new reserves is provided in Appendix G.

The City also needs to establish a set of “sub-ledgers” to track the amounts due to front-ending parties, including interest impacts in accordance with the interest rates underpinning the bylaw.

Water Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Offsite Levy Expenditures to December 31, 2015		\$ 2,784,798.82	\$ (2,784,798.82)
Offsite Levy Receipt Allocations to December 31, 2015	\$ 2,662,683.06		\$ (122,115.76)
Interest Accrued to December 31, 2015	\$ 122,115.76		\$ (0.00)
Unallocated Receipts to December 31, 2015			\$ (0.00)
Opening Balance			\$ (0.00)

B9. Development and Water Infrastructure Staging Impacts

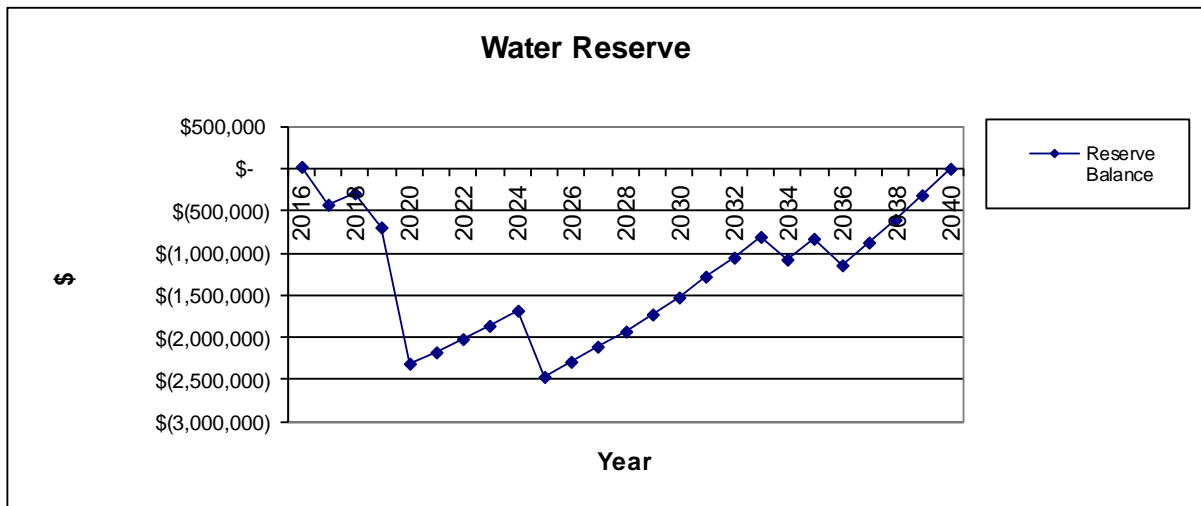
Water offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of water infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.9%³ interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a 1% interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast water levy reserve balances over the 25-year development period.

³ The 20-year debenture rate at the Alberta Capital Finance Authority is currently ~2.9%.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Water Offsite Levy Reserve Balances



Anticipated Water Offsite Levy Reserve Balances

			Opening Balance	\$ (0)
Year	Receipts	Expenditure	Interest	Balance
2016	\$ 15,108	\$ -	\$ 151	\$ 15,259
2017	\$ 31,123	\$ 462,833	\$ (12,077)	\$ (428,527)
2018	\$ 150,518	\$ -	\$ (8,062)	\$ (286,072)
2019	\$ 105,634	\$ 499,237	\$ (19,711)	\$ (699,385)
2020	\$ 197,148	\$ 1,747,952	\$ (65,256)	\$ (2,315,446)
2021	\$ 203,062	\$ -	\$ (61,259)	\$ (2,173,643)
2022	\$ 209,154	\$ -	\$ (56,970)	\$ (2,021,459)
2023	\$ 215,429	\$ -	\$ (52,375)	\$ (1,858,405)
2024	\$ 221,891	\$ -	\$ (47,459)	\$ (1,683,973)
2025	\$ 228,548	\$ 937,953	\$ (69,408)	\$ (2,462,786)
2026	\$ 235,405	\$ -	\$ (64,594)	\$ (2,291,975)
2027	\$ 242,467	\$ -	\$ (59,436)	\$ (2,108,944)
2028	\$ 234,280	\$ -	\$ (54,365)	\$ (1,929,030)
2029	\$ 241,308	\$ -	\$ (48,944)	\$ (1,736,665)
2030	\$ 263,121	\$ -	\$ (42,733)	\$ (1,516,277)
2031	\$ 271,014	\$ -	\$ (36,113)	\$ (1,281,376)
2032	\$ 263,684	\$ -	\$ (29,513)	\$ (1,047,205)
2033	\$ 253,671	\$ -	\$ (23,012)	\$ (816,546)
2034	\$ 261,281	\$ 485,893	\$ (30,194)	\$ (1,071,351)
2035	\$ 269,120	\$ -	\$ (23,265)	\$ (825,496)
2036	\$ 277,193	\$ 563,167	\$ (32,233)	\$ (1,143,703)
2037	\$ 285,509	\$ -	\$ (24,888)	\$ (883,081)
2038	\$ 294,074	\$ -	\$ (17,081)	\$ (606,088)
2039	\$ 302,897	\$ -	\$ (8,793)	\$ (311,984)
2040	\$ 311,984	\$ -	\$ 0	\$ 0

APPENDIX C: SANITARY OFFSITE INFRASTRUCTURE

C1. Sanitary Offsite Infrastructure Costs

In order to support future growth, sanitary offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately \$9.28 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City engineering staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Sanitary Offsite Infrastructure

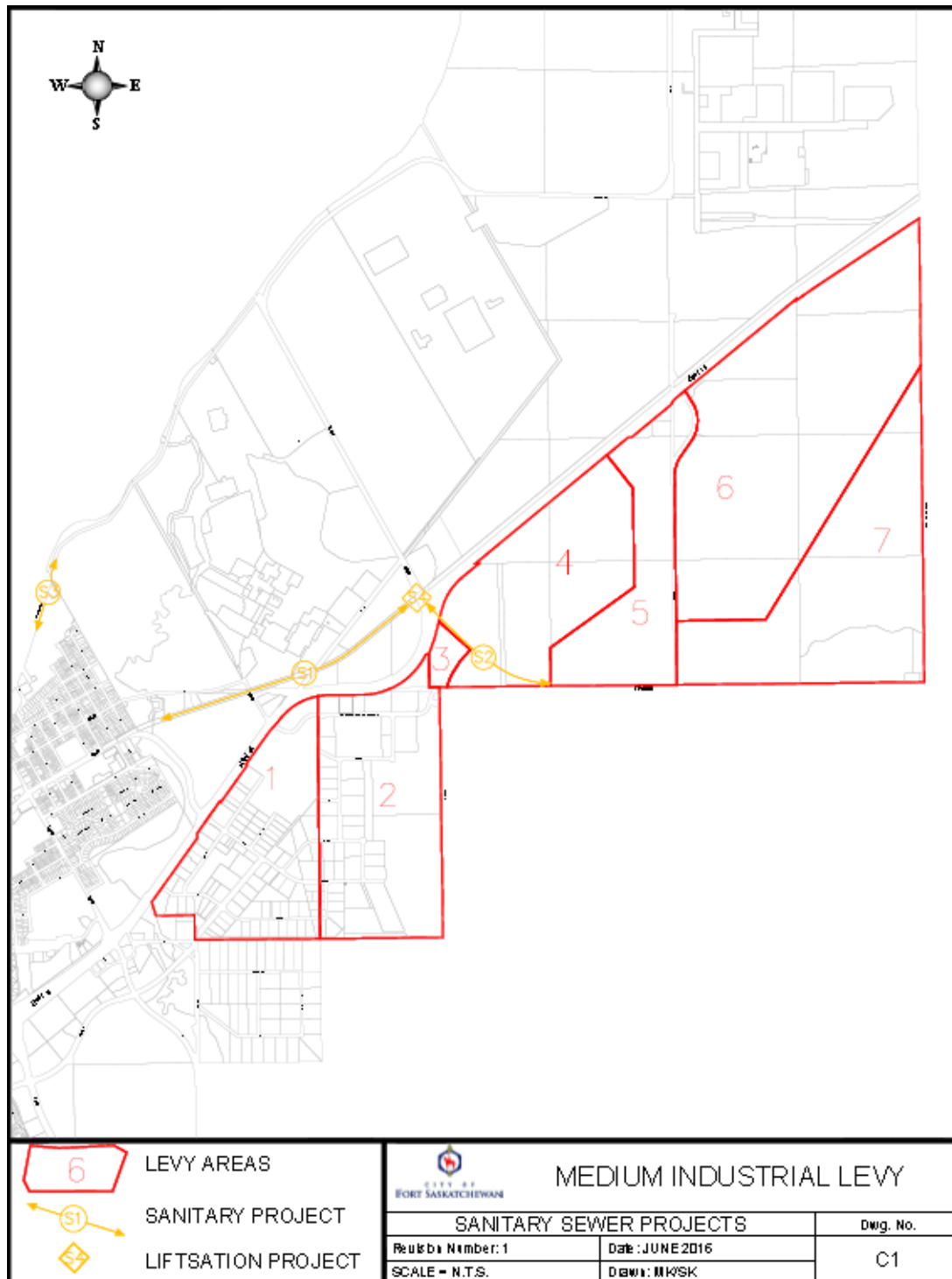
Item	Project Description	Cost of Completed Work	Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	450mm Forcemain Along CNR Right of Way to 119 St Intersection	\$ -	\$ -	\$ 1,541,610	\$ 1,541,610
2	900mm Sanitary Trunk Along Josephburg Rd	\$ -	\$ -	\$ 2,056,483	\$ 2,056,483
3	Ross Creek Trunk Twinning	\$ -	\$ -	\$ 998,426	\$ 998,426
4	Sanitary Lift Station at 119 St	\$ -	\$ -	\$ 4,680,000	\$ 4,680,000
		\$ -	\$ -	\$ 9,276,519	\$ 9,276,519

*Costs are based on 2015/16 estimates.

**Estimates include engineering (10%) and contingencies (10%).

A map showing the location of this infrastructure is shown below.

Location of Sanitary Offsite Infrastructure



C2. Sanitary Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City of Fort Saskatchewan has not received any special grants or contributions for sanitary offsite levy infrastructure as shown in the table below (note, if the City receives additional grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is \$9.28 million.

Special Grants and Contributions for Sanitary Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Grants	Developer Agreement Contributions	Reduced Project Estimated Cost
1	450mm Forcemain Along CNR Right of Way to 119 St Intersection	\$ 1,541,610	\$ -	\$ -	\$ 1,541,610
2	900mm Sanitary Trunk Along Josephburg Rd	\$ 2,056,483	\$ -	\$ -	\$ 2,056,483
3	Ross Creek Trunk Twinning	\$ 998,426	\$ -	\$ -	\$ 998,426
4	Sanitary Lift Station at 119 St	\$ 4,680,000	\$ -	\$ -	\$ 4,680,000
		\$ 9,276,519	\$ -	\$ -	\$ 9,276,519

C3. Sanitary Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the City's annual rate/bylaw updates.

Sanitary Infrastructure Staging

Item	Project Description	Construction Start Year
1	450mm Forcemain Along CNR Right of Way to 119 St Intersection	2019
2	900mm Sanitary Trunk Along Josephburg Rd	2020
3	Ross Creek Trunk Twinning	2018
4	Sanitary Lift Station at 119 St	2019

*The share of projects constructed beyond the 25-year review period (2040) are not included in rates today (see financial oversizing in next Section).

C4. Sanitary Offsite Infrastructure Benefiting Parties

The sanitary offsite infrastructure previously outlined will benefit various parties to varying degrees. During this review three potential benefiting parties were identified including:

- City of Fort Saskatchewan – a portion of the sanitary infrastructure which is required to service existing residents.

- Other Stakeholders and Financial Oversizing – other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits future development beyond the 25-year review period (“financial oversizing”).
- City of Fort Saskatchewan Future Development – all growth related infrastructure (i.e., levyable sanitary infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of sanitary offsite levy infrastructure costs to benefiting parties. Project allocations were determined by City engineering staff.

Allocation of Sanitary Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share & Financial Oversizing %	OSL / Developer Share %
1	450mm Forcemain Along CNR Right of Way to 119 St Intersection	\$ 1,541,610		12.0%	88.0%
2	900mm Sanitary Trunk Along Josephburg Rd	\$ 2,056,483		16.0%	84.0%
3	Ross Creek Trunk Twinning	\$ 998,426		8.0%	92.0%
4	Sanitary Lift Station at 119 St	\$ 4,680,000		12.0%	88.0%
		\$ 9,276,519			

*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. Oversizing shown as 100% reflects projects constructed entirely beyond the 25-year review period.

C5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately \$8.12 million. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected \$1.11 million in offsite levies to date. This results in an adjusted offsite levy cost of approximately \$7.01 million.

Offsite Levy Funds Collected to Date & Adjusted Levy Cost

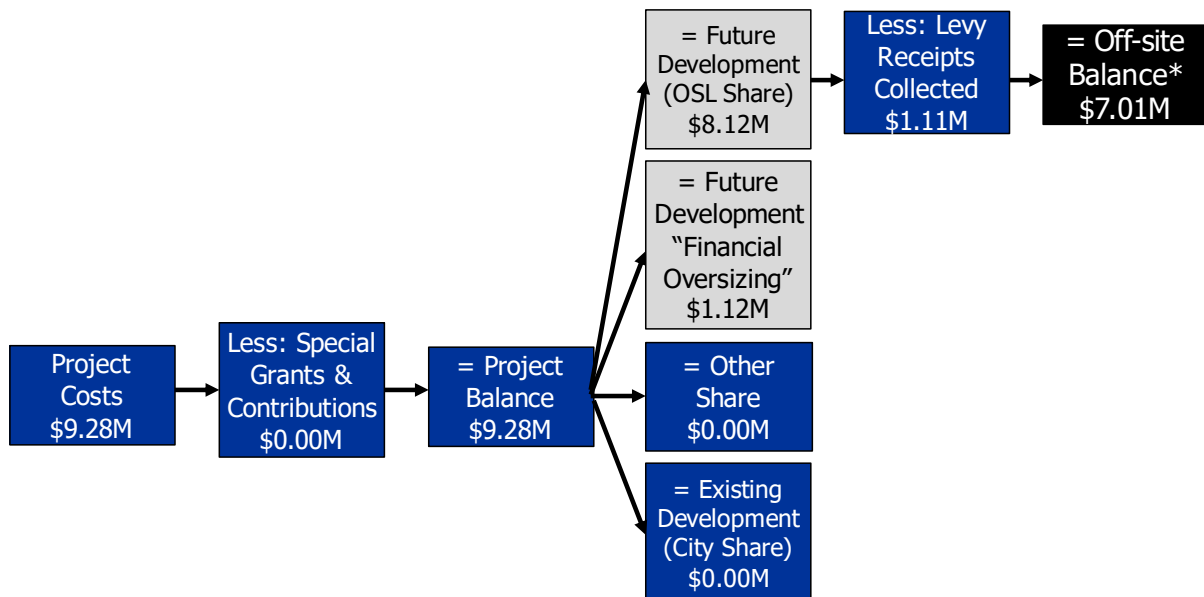
Item	Project Description	Developer Cost (Leviable Costs)	Offsite Levy Funds Collected to Dec 31, 2015	Offsite Levy Funds Collected Starting Jan 1, 2016	Adjusted Developer (Levy) Cost
1	450mm Forcemain Along CNR Right of Way to 119 St Intersection	\$ 1,356,617	\$ 184,948	\$ -	\$ 1,171,669
2	900mm Sanitary Trunk Along Josephburg Rd	\$ 1,727,446	\$ 246,717	\$ -	\$ 1,480,729
3	Ross Creek Trunk Twinning	\$ 918,552	\$ 119,782	\$ -	\$ 798,770
4	Sanitary Lift Station at 119 St	\$ 4,118,400	\$ 561,462	\$ -	\$ 3,556,938
		\$ 8,121,015	\$ 1,112,909	\$ -	\$ 7,008,106

*Offsite levies collected to Dec. 31st, 2015 were allocated to projects based on the pro rata proportion of total estimated project cost.

C6. Summary of Sanitary Offsite Levy Cost Flow-through

As shown in the figure below, the total costs for sanitary infrastructure that forms the basis of the rate is approximately \$7.01 million. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section C4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Sanitary Offsite Levy Costs



C7. Sanitary Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefitting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by the City engineering staff. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

Benefiting Areas for Sanitary Offsite Infrastructure

Item	Project Description	Developer Cost	1.0	2.0	3.0	4.0	5.0	6.0	7.0
1	450mm Forcemain Along CNR Right of Way to 119 St Intersection	\$ 1,171,669				1	1	1	1
2	900mm Sanitary Trunk Along Josephburg Rd	\$ 1,480,729				1	1	1	1
3	Ross Creek Trunk Twinning	\$ 798,770		1	1	1	1	1	1
4	Sanitary Lift Station at 119 St	\$ 3,556,938				1	1	1	1
		\$ 7,008,106							

C8. Reserve Balance

In accordance with the MGA, 4 reserves/accounts need to be created (one each for transportation, water, sanitary, and stormwater). At December 31st, 2015, the balance of the City's Light/Medium industrial Area sanitary reserve is \$1,163,949.02, as shown in the table below. A reconciliation of activities from the exiting reserve and allocation to the new

reserves is provided in Appendix G.

The City also needs to establish a set of “sub-ledgers” to track the amounts due to front-ending parties, including interest impacts in accordance with the interest rates underpinning the bylaw.

Sanitary Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Offsite Levy Expenditures to December 31, 2015		\$ -	\$ -
Offsite Levy Receipt Allocations to December 31, 2015	\$ 1,112,908.89		\$ 1,112,908.89
Interest Accrued to December 31, 2015	\$ 51,040.14		\$ 1,163,949.02
Unallocated Receipts to December 31, 2015			\$ 1,163,949.02
Opening Balance			\$ 1,163,949.02

C9. Development and Sanitary Infrastructure Staging Impacts

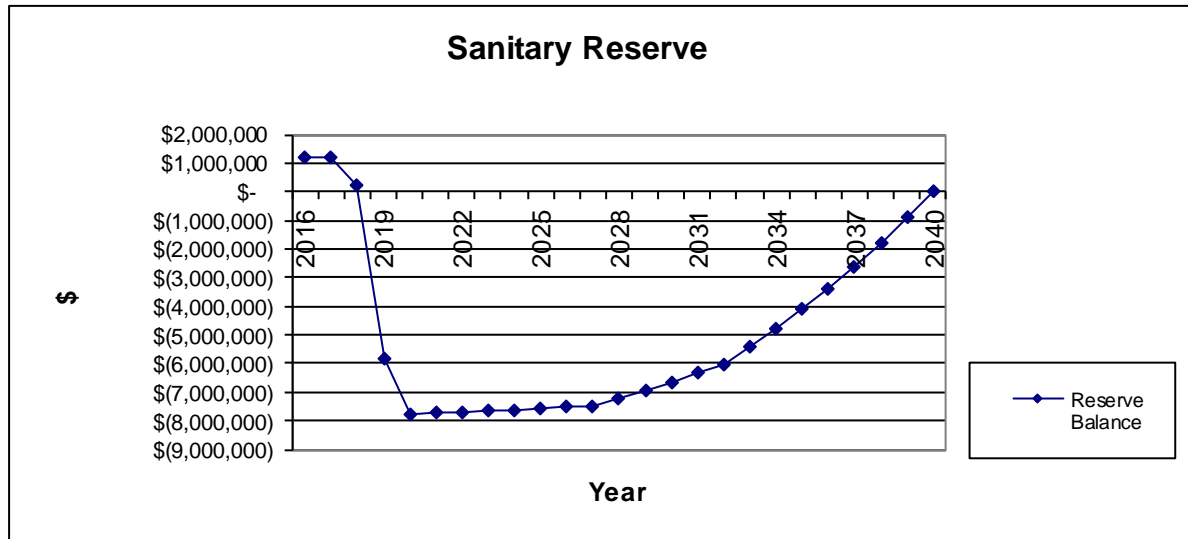
Sanitary offsite infrastructure will be constructed in staged fashion over the 25-year development period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of sanitary infrastructure from time to time—front ending of infrastructure will be required. A front-enders is the party that constructs and pays up front for infrastructure that benefits other parties.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.9%⁴ interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a 1% interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast water levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

⁴ The 20-year debenture rate at the Alberta Capital Finance Authority is currently ~2.9%.

Anticipated Sanitary Offsite Levy Reserve Balances



Anticipated Sanitary Offsite Levy Reserve Balances

Year	Receipts	Expenditure	Opening Balance	
			Interest	Balance
				\$ 1,163,949
2016	\$ 3,887	\$ -	\$ 11,678	\$ 1,179,514
2017	\$ 8,006	\$ -	\$ 11,875	\$ 1,199,396
2018	\$ 28,863	\$ 974,492	\$ 2,538	\$ 256,305
2019	\$ 70,766	\$ 5,982,699	\$ (164,013)	\$ (5,819,641)
2020	\$ 230,314	\$ 1,944,256	\$ (218,474)	\$ (7,752,057)
2021	\$ 237,223	\$ -	\$ (217,930)	\$ (7,732,764)
2022	\$ 244,340	\$ -	\$ (217,164)	\$ (7,705,588)
2023	\$ 251,670	\$ -	\$ (216,164)	\$ (7,670,082)
2024	\$ 259,220	\$ -	\$ (214,915)	\$ (7,625,776)
2025	\$ 256,854	\$ -	\$ (213,699)	\$ (7,582,621)
2026	\$ 259,337	\$ -	\$ (212,375)	\$ (7,535,659)
2027	\$ 267,117	\$ -	\$ (210,788)	\$ (7,479,330)
2028	\$ 452,386	\$ -	\$ (203,781)	\$ (7,230,725)
2029	\$ 465,957	\$ -	\$ (196,178)	\$ (6,960,946)
2030	\$ 479,936	\$ -	\$ (187,949)	\$ (6,668,959)
2031	\$ 494,334	\$ -	\$ (179,064)	\$ (6,353,689)
2032	\$ 509,164	\$ -	\$ (169,491)	\$ (6,014,016)
2033	\$ 749,199	\$ -	\$ (152,680)	\$ (5,417,497)
2034	\$ 771,675	\$ -	\$ (134,729)	\$ (4,780,551)
2035	\$ 794,825	\$ -	\$ (115,586)	\$ (4,101,312)
2036	\$ 818,670	\$ -	\$ (95,197)	\$ (3,377,839)
2037	\$ 843,230	\$ -	\$ (73,504)	\$ (2,608,113)
2038	\$ 868,527	\$ -	\$ (50,448)	\$ (1,790,034)
2039	\$ 894,583	\$ -	\$ (25,968)	\$ (921,420)
2040	\$ 921,420	\$ -	\$ (0)	\$ (0)

APPENDIX D: TRANSPORTATION OFFSITE INFRASTRUCTURE

D1. Transportation Offsite Infrastructure Costs

In order to support future growth, transportation offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately \$7.68 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City engineering staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Transportation Offsite Infrastructure

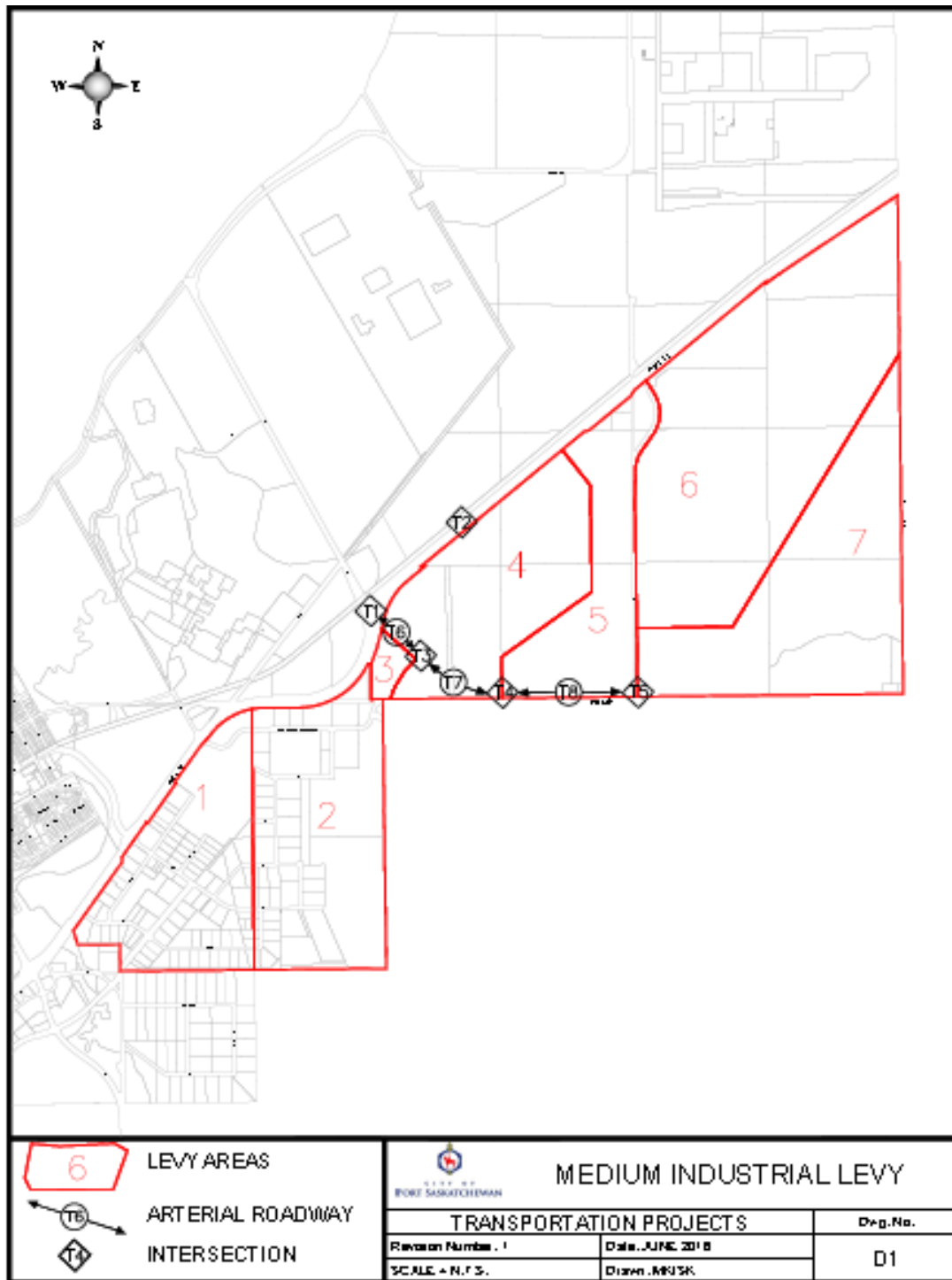
Item	Project Description	Cost of Completed Work	Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	119 St & Hwy 15 Intersection	\$ -	\$ -	\$ 1,800,000	\$ 1,800,000
2	Dow Main Gate & Hwy 15 Intersection	\$ -	\$ -	\$ 1,620,000	\$ 1,620,000
3	Josephburg Road and 1st Road Intersection	\$ -	\$ -	\$ 360,000	\$ 360,000
4	Josephburg Road and Unamed Road Intersection	\$ -	\$ -	\$ 360,000	\$ 360,000
5	Josephburg Road and RR 221 Intersection	\$ -	\$ -	\$ 360,000	\$ 360,000
6	Josephburg Road from Highway to 1st Intersection	\$ -	\$ -	\$ 795,605	\$ 795,605
7	Josephburg Road from 1st Intersection to 2nd Intersection	\$ -	\$ -	\$ 1,332,927	\$ 1,332,927
8	Josephburg Road-Finish up to RR 221	\$ -	\$ -	\$ 929,359	\$ 929,359
9	Josephburg Road North ASP	\$ 118,301	\$ -	\$ -	\$ 118,301
		\$ 118,301	\$ -	\$ 7,557,892	\$ 7,676,193

*Costs are based on 2015/16 estimates.

**Estimates include engineering (10%) and contingencies (10%).

A map showing the location of this infrastructure is shown below.

Location of Transportation Offsite Infrastructure



D2. Transportation Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City of Fort Saskatchewan has not received any special grants or contributions for transportation offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is \$7.68 million.

Special Grants and Contributions for Transportation Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants	Developer Agreement Contributions	Reduced Project Estimated Cost
1	119 St & Hwy 15 Intersection	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000
2	Dow Main Gate & Hwy 15 Intersection	\$ 1,620,000	\$ -	\$ -	\$ 1,620,000
3	Josephburg Road and 1st Road Intersection	\$ 360,000	\$ -	\$ -	\$ 360,000
4	Josephburg Road and Unamed Road Intersection	\$ 360,000	\$ -	\$ -	\$ 360,000
5	Josephburg Road and RR 221 Intersection	\$ 360,000	\$ -	\$ -	\$ 360,000
6	Josephburg Road from Highway to 1st Intersection	\$ 795,605	\$ -	\$ -	\$ 795,605
7	Josephburg Road from 1st Intersection to 2nd Intersection	\$ 1,332,927	\$ -	\$ -	\$ 1,332,927
8	Josephburg Road-Finish up to RR 221	\$ 929,359	\$ -	\$ -	\$ 929,359
9	Josephburg Road North ASP	\$ 118,301	\$ -	\$ -	\$ 118,301
		\$ 7,676,193	\$ -	\$ -	\$ 7,676,193

D3. Transportation Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the City's annual rate/bylaw updates.

Transportation Infrastructure Staging

Item	Project Description	Construction Start Year
1	119 St & Hwy 15 Intersection	2017
2	Dow Main Gate & Hwy 15 Intersection	2020
3	Josephburg Road and 1st Road Intersection	2020
4	Josephburg Road and Unamed Road Intersection	2023
5	Josephburg Road and RR 221 Intersection	2037
6	Josephburg Road from Highway to 1st Intersection	2017
7	Josephburg Road from 1st Intersection to 2nd Intersection	2020
8	Josephburg Road-Finish up to RR 221	2034
9	Josephburg Road North ASP	2010

*The share of projects constructed beyond the 25-year review period (2040) are not included in rates today (see financial oversizing in next Section).

D4. Transportation Offsite Infrastructure Benefiting Parties

The transportation offsite infrastructure previously outlined will benefit various parties to varying degrees. During this review three potential benefiting parties were identified including:

- City of Fort Saskatchewan – a portion of the transportation infrastructure which is required to service existing residents.
- Other Stakeholders and Financial Oversizing – other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits future development beyond the 25-year review period (“financial oversizing”).
- City of Fort Saskatchewan Future Development – all growth related infrastructure (i.e., levyable transportation infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of transportation offsite levy infrastructure costs to benefiting parties. Project allocations were determined by City engineering staff.

Allocation of Transportation Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share & Financial Oversizing %	OSL / Developer Share %
1	119 St & Hwy 15 Intersection	\$ 1,800,000	11.5%	3.5%	85.0%
2	Dow Main Gate & Hwy 15 Intersection	\$ 1,620,000		16.0%	84.0%
3	Josephburg Road and 1st Road Intersection	\$ 360,000		16.0%	84.0%
4	Josephburg Road and Unamed Road Intersection	\$ 360,000		28.0%	72.0%
5	Josephburg Road and RR 221 Intersection	\$ 360,000		84.0%	16.0%
6	Josephburg Road from Highway to 1st Intersection	\$ 795,605		4.0%	96.0%
7	Josephburg Road from 1st Intersection to 2nd Intersection	\$ 1,332,927		16.0%	84.0%
8	Josephburg Road-Finish up to RR 221	\$ 929,359		72.0%	28.0%
9	Josephburg Road North ASP	\$ 118,301		0.0%	100.0%
		\$ 7,676,193			

*Municipal share of Project #1 established by City staff utilizing TIA traffic volumes.

**Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. Oversizing shown as 100% reflects projects constructed entirely beyond the 25-year review period.

D5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately \$5.77 million. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected \$0.84 million in offsite levies to date. This results in an adjusted offsite levy cost of approximately \$4.93 million.

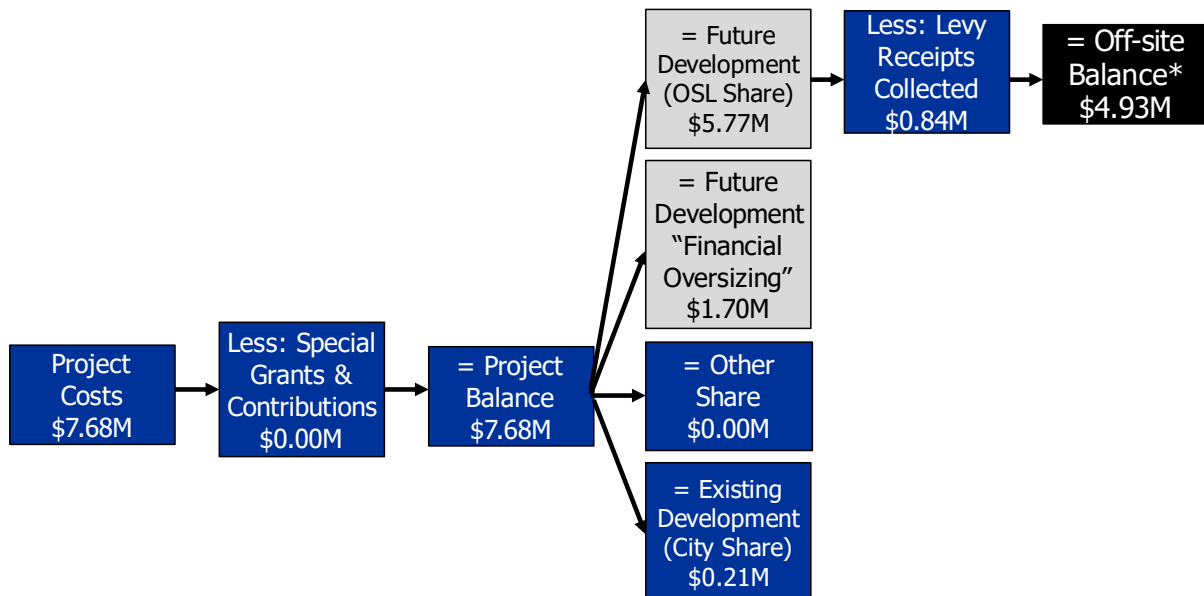
Offsite Levy Funds Collected to Date & Adjusted Levy Cost

Item	Project Description	Developer Cost (Leviable Costs)	Offsite Levy Funds Collected to Dec 31, 2015	Offsite Levy Funds Collected Starting Jan 1, 2016	Adjusted Developer (Levy) Cost
1	119 St & Hwy 15 Intersection	\$ 1,529,280	\$ 196,223	\$ -	\$ 1,333,057
2	Dow Main Gate & Hwy 15 Intersection	\$ 1,360,800	\$ 176,601	\$ -	\$ 1,184,199
3	Josephburg Road and 1st Road Intersection	\$ 302,400	\$ 39,245	\$ -	\$ 263,155
4	Josephburg Road and Unamed Road Intersection	\$ 259,200	\$ 39,245	\$ -	\$ 219,955
5	Josephburg Road and RR 221 Intersection	\$ 57,600	\$ 39,245	\$ -	\$ 18,355
6	Josephburg Road from Highway to 1st Intersection	\$ 763,781	\$ 86,731	\$ -	\$ 677,050
7	Josephburg Road from 1st Intersection to 2nd Intersection	\$ 1,119,659	\$ 145,306	\$ -	\$ 974,353
8	Josephburg Road-Finish up to RR 221	\$ 260,221	\$ 101,312	\$ -	\$ 158,909
9	Josephburg Road North ASP	\$ 118,301	\$ 12,896	\$ -	\$ 105,405
		\$ 5,771,242	\$ 836,803	\$ -	\$ 4,934,438

*Offsite levies collected to Dec. 31st, 2015 were allocated to projects based on the pro rata proportion of total estimated project cost.

D6. Summary of Transportation Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for transportation infrastructure that forms the basis of the rate is approximately \$4.93 million. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section D4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Transportation Offsite Levy Costs**D7. Transportation Infrastructure Benefiting Areas**

Net developer costs for each project have been allocated to multiple benefitting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers.

Benefiting areas were determined by the City engineering staff. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

Benefiting Areas for Transportation Offsite Infrastructure

Item	Project Description	Developer Cost	1.0	2.0	3.0	4.0	5.0	6.0	7.0
1	119 St & Hwy 15 Intersection	\$ 1,333,057	1	1	1	1	1	1	1
2	Dow Main Gate & Hwy 15 Intersection	\$ 1,184,199	1	1	1	1	1	1	1
3	Josephburg Road and 1st Road Intersection	\$ 263,155	1	1	1	1	1	1	1
4	Josephburg Road and Unamed Road Intersection	\$ 219,955	1	1	1	1	1	1	1
5	Josephburg Road and RR 221 Intersection	\$ 18,355	1	1	1	1	1	1	1
6	Josephburg Road from Highway to 1st Intersection	\$ 677,050	1	1	1	1	1	1	1
7	Josephburg Road from 1st Intersection to 2nd Intersection	\$ 974,353	1	1	1	1	1	1	1
8	Josephburg Road-Finish up to RR 221	\$ 158,909	1	1	1	1	1	1	1
9	Josephburg Road North ASP	\$ 105,405	1	1	1	1	1	1	1
		\$ 4,934,438							

D8. Reserve Balance

In accordance with the MGA, 4 reserves/accounts need to be created (one each for transportation, water, sanitary, and stormwater). At December 31st, 2015, the balance of the City's Light/Medium industrial Area transportation reserve is \$759,879.62, as shown in the table below. A reconciliation of activities from the exiting reserve and allocation to the new reserves is provided in Appendix G.

The City also needs to establish a set of "sub-ledgers" to track the amounts due to front-ending parties, including interest impacts in accordance with the interest rates underpinning the bylaw.

Transportation Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Offsite Levy Expenditures to December 31, 2015		\$ 118,301.24	\$ (118,301.24)
Offsite Levy Receipt Allocations to December 31, 2015	\$ 836,803.45		\$ 718,502.21
Interest Accrued to December 31, 2015	\$ 38,377.41		\$ 756,879.62
Unallocated Receipts to December 31, 2015	\$ -		\$ 756,879.62
Opening Balance			\$ 756,879.62

D9. Development and Transportation Infrastructure Staging Impacts

Transportation offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of transportation infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties.

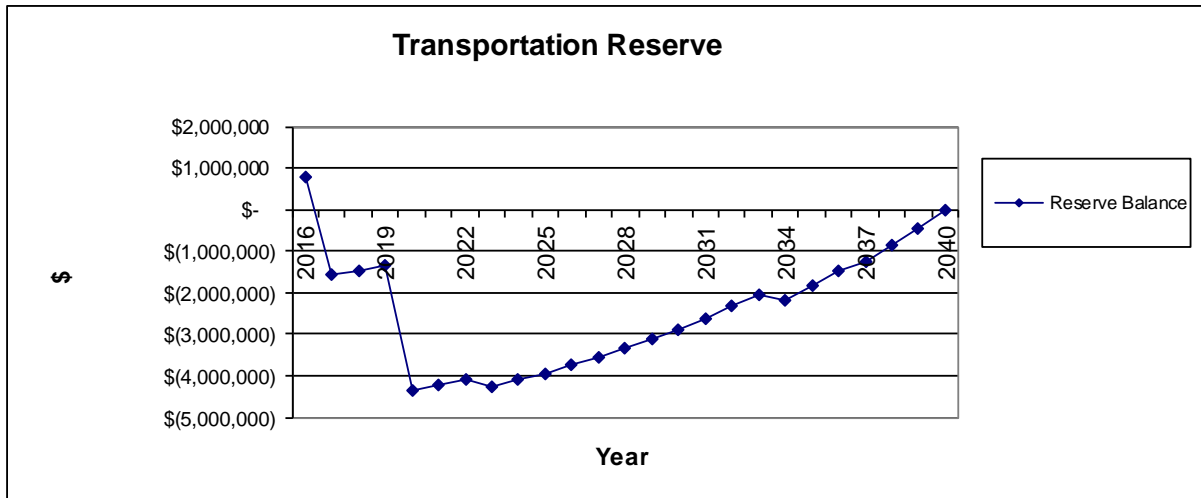
In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.9%⁵ interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a 1% interest credit has been provided to the reserve

⁵ The 20-year debenture rate at the Alberta Capital Finance Authority is currently ~2.9%.

when it is forecast to be in a positive balance. The graph and table below outline the forecast transportation levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Transportation Offsite Levy Reserve Balances



Anticipated Transportation Offsite Levy Reserve Balances

			Reserve Balance	\$ 756,880
Year	Receipts	Expenditure	Interest	Balance
2016	\$ 21,541	\$ -	\$ 7,784	\$ 786,205
2017	\$ 44,375	\$ 2,361,853	\$ (44,407)	\$ (1,575,680)
2018	\$ 159,971	\$ -	\$ (41,056)	\$ (1,456,764)
2019	\$ 141,232	\$ -	\$ (38,150)	\$ (1,353,682)
2020	\$ 242,448	\$ 3,132,132	\$ (123,058)	\$ (4,366,424)
2021	\$ 249,722	\$ -	\$ (119,384)	\$ (4,236,087)
2022	\$ 257,213	\$ -	\$ (115,387)	\$ (4,094,261)
2023	\$ 264,930	\$ 318,783	\$ (120,295)	\$ (4,268,410)
2024	\$ 272,878	\$ -	\$ (115,870)	\$ (4,111,403)
2025	\$ 281,064	\$ -	\$ (111,080)	\$ (3,941,419)
2026	\$ 289,496	\$ -	\$ (105,906)	\$ (3,757,828)
2027	\$ 298,181	\$ -	\$ (100,330)	\$ (3,559,978)
2028	\$ 307,126	\$ -	\$ (94,333)	\$ (3,347,184)
2029	\$ 316,340	\$ -	\$ (87,894)	\$ (3,118,739)
2030	\$ 325,830	\$ -	\$ (80,994)	\$ (2,873,903)
2031	\$ 335,605	\$ -	\$ (73,611)	\$ (2,611,909)
2032	\$ 345,673	\$ -	\$ (65,721)	\$ (2,331,956)
2033	\$ 356,043	\$ -	\$ (57,301)	\$ (2,033,214)
2034	\$ 366,725	\$ 443,008	\$ (61,175)	\$ (2,170,673)
2035	\$ 377,726	\$ -	\$ (51,995)	\$ (1,844,942)
2036	\$ 389,058	\$ -	\$ (42,221)	\$ (1,498,105)
2037	\$ 400,730	\$ 107,153	\$ (34,931)	\$ (1,239,459)
2038	\$ 412,752	\$ -	\$ (23,975)	\$ (850,682)
2039	\$ 425,134	\$ -	\$ (12,341)	\$ (437,888)
2040	\$ 437,888	\$ -	\$ (0)	\$ (0)

APPENDIX E: STORMWATER OFFSITE INFRASTRUCTURE

E1. Stormwater Offsite Infrastructure Costs

In order to support future growth, stormwater offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately \$2.40 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City engineering staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Stormwater Offsite Infrastructure

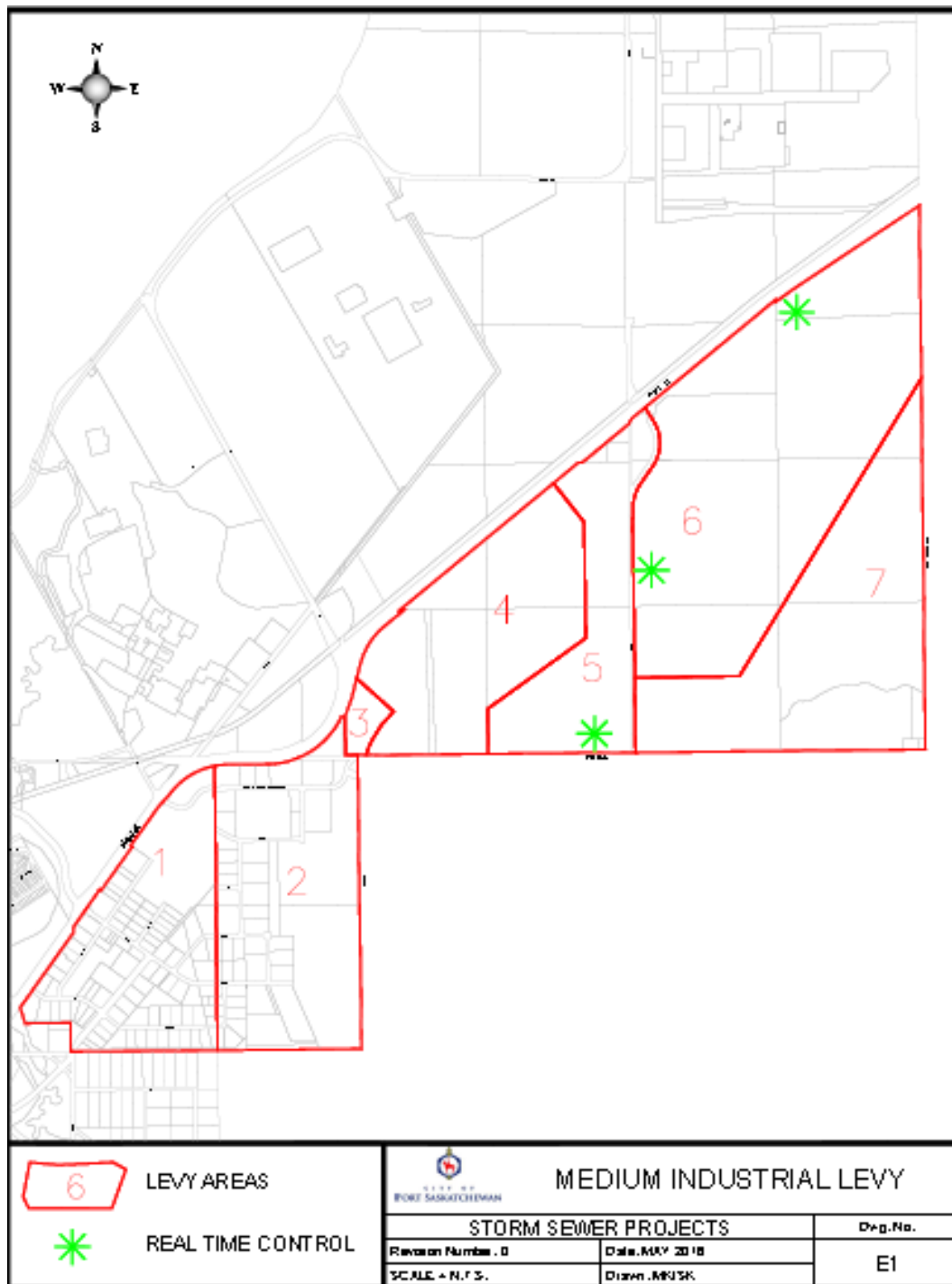
Item	Project Description	Cost of Completed Work	Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	Real Time Control System	\$ -	\$ -	\$ 2,400,000	\$ 2,400,000
		\$ -	\$ -	\$ 2,400,000	\$ 2,400,000

*Costs are based on 2015/16 estimates.

**Estimates include engineering (10%) and contingencies (10%).

A map showing the location of this infrastructure is shown below.

Location of Stormwater Offsite Infrastructure



E2. Stormwater Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City of Fort Saskatchewan has not received any special grants or contributions for stormwater offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is \$2.40 million.

Special Grants and Contributions for Stormwater Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants	Developer Agreement Contributions	Reduced Project Estimated Cost
1	Real Time Control System	\$ 2,400,000	\$ -	\$ -	\$ 2,400,000
		\$ 2,400,000	\$ -	\$ -	\$ 2,400,000

E3. Stormwater Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the City's annual rate/bylaw updates.

Stormwater Infrastructure Staging

Item	Project Description	Construction Start Year
1	Real Time Control System	2023

*The share of projects constructed beyond the 25-year review period (2040) are not included in rates today (see financial oversizing in next Section).

E4. Stormwater Offsite Infrastructure Benefiting Parties

The stormwater offsite infrastructure previously outlined will benefit various parties to varying degrees. During this review three potential benefiting parties were identified including:

- City of Fort Saskatchewan – a portion of the stormwater infrastructure which is required to service existing residents.
- Other Stakeholders and Financial Oversizing – other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits future development beyond the 25-year review period (“financial oversizing”).
- City of Fort Saskatchewan Future Development – all growth related infrastructure

(i.e., levyable stormwater infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of stormwater offsite levy infrastructure costs to benefiting parties. Project allocations were determined by City engineering staff.

Allocation of Stormwater Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share & Financial Oversizing %	OSL / Developer Share %
1	Real Time Control System	\$ 2,400,000		28.0%	72.0%
		\$ 2,400,000			

*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. Oversizing shown as 100% reflects projects constructed entirely beyond the 25-year review period.

E5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately \$1.73 million. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected \$0.90 million in offsite levies to date. This results in an adjusted offsite levy cost of approximately \$0.82 million.

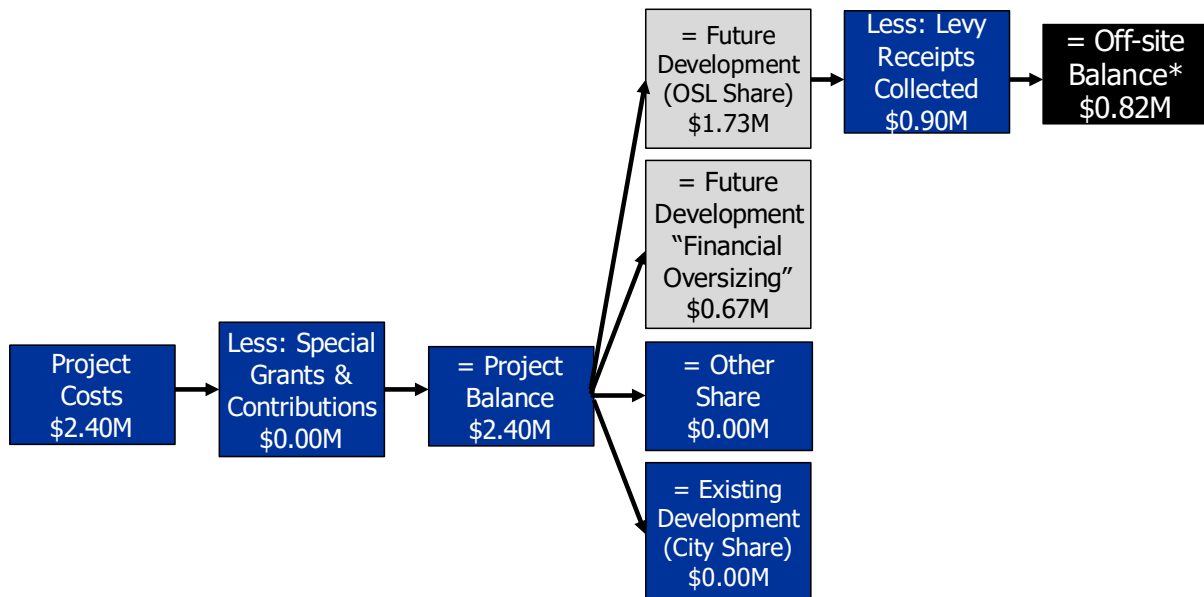
Offsite Levy Funds Collected to Date & Adjusted Levy Cost

Item	Project Description	Developer Cost (Leviable Costs)	Offsite Levy Funds Collected to Dec 31, 2015	Offsite Levy Funds Collected Starting Jan 1, 2015	Adjusted Developer (Levy) Cost
1	Real Time Control System	\$ 1,728,000	\$ 903,900	\$ -	\$ 824,100
		\$ 1,728,000	\$ 903,900	\$ -	\$ 824,100

*Offsite levies collected to Dec. 31st, 2015 were allocated to projects based on the pro rata proportion of total estimated project cost.

E6. Summary of Stormwater Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for stormwater infrastructure that forms the basis of the rate is approximately \$0.82 million. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section D4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Stormwater Offsite Levy Costs**E7. Stormwater Infrastructure Benefiting Areas**

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by the City engineering staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.

Benefiting Areas for Stormwater Offsite Infrastructure

Item	Project Description	Developer Cost	1.0	2.0	3.0	4.0	5.0	6.0	7.0
1	Real Time Control System	\$ 824,100					1	1	
		\$ 824,100							

E8. Reserve Balance

In accordance with the MGA, 4 reserves/accounts need to be created (one each for transportation, water, sanitary, and stormwater). At December 31st, 2015, the balance of the City's Light/Medium industrial Area stormwater reserve is \$945,354.79, as shown in the table below. A reconciliation of activities from the exiting reserve and allocation to the new reserves is provided in Appendix G.

The City also needs to establish a set of "sub-ledgers" to track the amounts due to front-ending parties, including interest impacts in accordance with the interest rates underpinning the bylaw.

Stormwater Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Offsite Levy Expenditures to December 31, 2015		\$ -	\$ -
Offsite Levy Receipt Allocations to December 31, 2015	\$ 903,900.20		\$ 903,900.20
Interest Accrued to December 31, 2015	\$ 41,454.60		\$ 945,354.79
Unallocated Receipts to December 31, 2015	\$ -		\$ 945,354.79
Opening Balance			\$ 945,354.79

E9. Development and Stormwater Infrastructure Staging Impacts

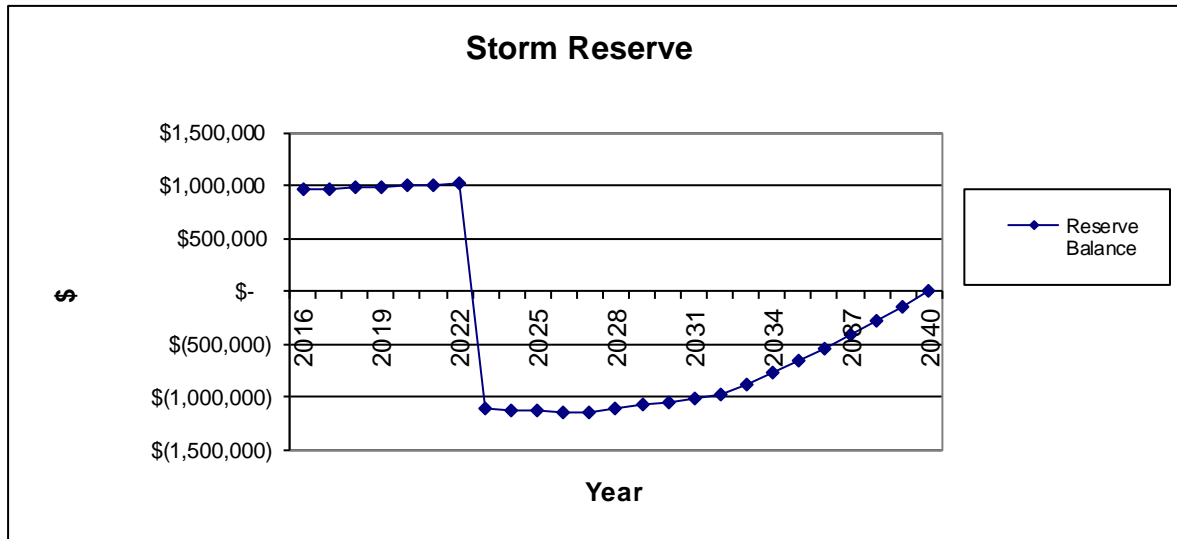
Stormwater offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of stormwater infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.9%⁶ interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a 1% interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast stormwater levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

⁶ The 20-year debenture rate at the Alberta Capital Finance Authority is currently ~2.9%.

Anticipated Stormwater Offsite Levy Reserve Balances



Anticipated Stormwater Offsite Levy Reserve Balances

		Opening Balance			\$ 945,355
Year	Receipts	Expenditure	Interest	Balance	
2016	\$ -	\$ -	\$ 9,454	\$ 954,808	
2017	\$ -	\$ -	\$ 9,548	\$ 964,356	
2018	\$ -	\$ -	\$ 9,644	\$ 974,000	
2019	\$ -	\$ -	\$ 9,740	\$ 983,740	
2020	\$ -	\$ -	\$ 9,837	\$ 993,577	
2021	\$ -	\$ -	\$ 9,936	\$ 1,003,513	
2022	\$ -	\$ -	\$ 10,035	\$ 1,013,548	
2023	\$ 22,683	\$ 2,125,222	\$ (31,581)	\$ (1,120,572)	
2024	\$ 23,363	\$ -	\$ (31,819)	\$ (1,129,028)	
2025	\$ 24,064	\$ -	\$ (32,044)	\$ (1,137,008)	
2026	\$ 24,786	\$ -	\$ (32,254)	\$ (1,144,477)	
2027	\$ 25,529	\$ -	\$ (32,449)	\$ (1,151,397)	
2028	\$ 65,738	\$ -	\$ (31,484)	\$ (1,117,143)	
2029	\$ 67,710	\$ -	\$ (30,434)	\$ (1,079,866)	
2030	\$ 55,793	\$ -	\$ (29,698)	\$ (1,053,771)	
2031	\$ 57,467	\$ -	\$ (28,893)	\$ (1,025,197)	
2032	\$ 73,989	\$ -	\$ (27,585)	\$ (978,793)	
2033	\$ 121,934	\$ -	\$ (24,849)	\$ (881,708)	
2034	\$ 125,592	\$ -	\$ (21,927)	\$ (778,044)	
2035	\$ 129,359	\$ -	\$ (18,812)	\$ (667,497)	
2036	\$ 133,240	\$ -	\$ (15,493)	\$ (549,750)	
2037	\$ 137,237	\$ -	\$ (11,963)	\$ (424,476)	
2038	\$ 141,354	\$ -	\$ (8,211)	\$ (291,332)	
2039	\$ 145,595	\$ -	\$ (4,226)	\$ (149,963)	
2040	\$ 149,963	\$ -	\$ 0	\$ 0	

APPENDIX F: BENCHMARK COMPARISONS

The table below compares the weighted average offsite levy rate in the City's Light/Medium Industrial Area to rates in other municipalities.

Municipality / Area	Average Rate Per Net Ha.
Parkland County* (Acheson)	\$42,169
MD of Peace (Westhill)	\$63,378
City of Fort Saskatchewan (LMIA Current)	\$68,568
City of Fort Saskatchewan* (LMIA Updated)	\$72,739
Sturgeon County Industrial Park*	\$80,668
Town of Peace River*	\$83,355
Town of Rocky Mountain House*	\$90,716
Red Deer County (Gasoline Alley)	\$96,458
Leduc County*	\$106,255
Town of Devon*	\$116,178
City of Leduc*	\$117,509
Town of Beaumont*	\$160,900
City of Lacombe* (in process)	\$149,401
Strathcona County* (N of Yellowhead)	\$181,022
City of Medicine Hat	+\$250,000
City of St Albert*	+\$250,000
City of Edmonton	+\$300,000

*CORVUS Clients

APPENDIX G: RESERVE RECONCILIATION

The table below, provided by City staff, summarizes details associated with reserve activity for the Light Medium Industrial Area from 2008 to 2015. Details include: contributions, drawdowns, and interest impact. Moving forward, the City will need to manage reserve funds via 4 separate accounts, in accordance with the MGA. Accordingly, the table below also summarizes the allocations to the 4 new accounts, including 2016 opening balances.

Light/Medium Industrial Area Reserve Reconciliation

	2008	2009	2010	2011	2012	2013	2014	2015	Total	Water Systems 48.27%	Sanitary 20.17%	Transportation 15.17%	Stormwater Management 16.39%	Total 100%
Beginning Balance, Jan 1	-	(37,655)	(16,727)	895,554	909,811	2,159,367	2,335,375	4,863,375						
Contributions														
Fort Industrial Estates Ltd. - Stage 2 DA-2009-02 Addendum No. 1		71,311	71,311						142,621	68,843	28,774	21,635	23,370	142,621
Fort Industrial Estates Ltd. - Stage 3 DA-2009-02 Addendum No. 2			159,763						159,763	77,117	32,232	24,236	26,179	159,763
Fort Industrial Estates Ltd. - Stage 1 DA-2009-02			706,250						706,250	340,903	142,486	107,136	115,726	706,250
Fort Industrial Estates - Stage 4 DA-2009 Addendum No. 3					1,221,882				1,221,882	589,795	246,514	185,355	200,218	1,221,882
Fort Industrial Estates Stage 5						292,785			292,785	141,326	59,069	44,415	47,976	292,785
Fort Industrial Estates Stage 1							1,748,484		1,748,484	843,983	352,755	265,239	286,507	1,748,484
Fort Industrial Estates Stage 6							1,244,509		1,244,509	600,717	251,079	188,788	203,925	1,244,509
									-					
									-					
Total Contributions	-	71,311	937,325	-	1,221,882	292,785	2,992,993	-	5,516,296	2,662,683	1,112,909	836,803	903,900	5,516,296
Drawdowns														
Josephburg ASP	(37,655)	(50,383)	(30,263)						(118,301)			(118,301)		(118,301)
12800 Medium Industrial Secondary Water Supply Line					(21,403)				(21,403)	(21,403)				(21,403)
13009 Medium Industrial Secondary Water Supply Line						(157,531)	(534,645)	(2,071,221)	(2,763,396)	(2,763,396)				(2,763,396)
									-					-
Total Drawdowns	(37,655)	(50,383)	(30,263)	-	(21,403)	(157,531)	(534,645)	(2,071,221)	(2,903,100)	(2,784,799)	-	(118,301)	-	(2,903,100)
Balance Before Interest	(37,655)	(16,727)	890,334	895,554	2,110,290	2,294,621	4,793,724	2,792,154	2,613,196	(122,116)	1,112,909	718,502	903,900	2,613,196
Interest	-	5,220	14,257	49,077	40,754	69,651	74,029	252,988	122,116	122,116	51,040	38,377	41,455	252,988
Ending Balance, Dec 31	(37,655)	(16,727)	895,554	909,811	2,159,367	2,335,375	4,863,375	2,866,183	2,866,183	-	1,163,949	756,880	945,355	2,866,183
Interest Rate			1.20%	1.59%	1.83%	1.83%	1.954%	1.93%						

CITY OF FORT SASKATCHEWAN

Notice of Motion

Free Access to Waste Transfer Station for Local Non-Profit Groups

Motion:

That Administration be directed to present Council with a report for the implementation of granting registered Fort Saskatchewan Non-profit Societies and Organizations a card/pass which authorizes free access to waste disposal privileges at the Fort Saskatchewan Waste Transfer Station.

Purpose:

That Council provide direction on the motion described above.

Background:

At the June 13, 2017 regular Council meeting, Councillor Bossert presented a Notice of Motion directing Administration to present Council with a report outlining considerations for the implementation of a program that would grant registered Fort Saskatchewan Non-profit Societies and Organizations with a card/pass authorizing free access to waste disposal services at the Fort Saskatchewan Waste Transfer Station.

There are 114 non-profit community groups listed in the 2017 Spring/Summer Leisure Guide. This listing does not include local governmental agencies that could also qualify for a card/pass for free access to the Waste Transfer Station. The City currently supports non-profit groups with multiple initiatives such as, but not restricted to, grants to organizations, subsidized use of City facilities, and free access to parks amenities such as picnic tables, benches, etc., during special events.

As a past practice, the Waste Transfer Station currently allows free access to waste disposal privileges to two (2) non-profit groups: The Fort Saskatchewan Food Bank and Twice But Nice. Both groups receive donations and unwanted goods from the public that are unusable and must be disposed of. These items may include expired food, broken materials or items that cannot be reused or sold at a second-hand store.

It is proposed that the report to Council provides high level information on the following items:

1. Review regional comparators for similar programs and implementation.
2. Identify local community groups and government bodies that will benefit from access to free waste disposal privileges at the Fort Saskatchewan Waste Transfer Station.
3. Provide information on the cost of a card/pass system and mechanism for tracking volumes of waste disposed of by non-profit groups using the program.
4. Capture the impact on current service levels, staffing and costs/revenue shortfall analysis.
5. Develop an overview of operational processes and guidelines for user groups.
6. Identify benefits and concerns for providing access to free waste disposal for non-profit groups.
7. Identify impacts on the upcoming residential curbside waste management program, as approved by Council in May 2016.
8. Develop an implementation plan.

The Waste Management team is focusing on the implementation of the residential curbside program, approved by Council in May 2016. Therefore, this report may potentially be contracted to a third party consultant.

Prepared by:	Richard Gagnon Director Infrastructure Management	Date: June 19, 2017
Approved by:	Troy Fleming, Acting City Manager	Date: June 20, 2017
Submitted to:	City Council	Date: June 27, 2017