

# Quarterly Report

JUNE 2017

## FINANCIAL REPORT

*Rounded to the nearest thousand dollars, except where otherwise stated.*

This unaudited financial report and the attached management report present the financial and operating results of the City of Fort Saskatchewan ("City") for the six months ended June 30, 2017 and are prepared in accordance to council motion 4-17.

Net Operating Variances From Budget	Six months ended June 30, 2017			Forecast for 2017		
	General Operations	Utility Operations	Total	General Operations	Utility Operations	Total
<i>Expressed in \$000s</i>						
Operating Revenue	(508)	(14)	(522)	(1,499)	(10)	(1,509)
Operating Expenses	1,680	169	1,849	1,719	169	1,888
Other Items	(75)	190	115	252	141	393
<b>Operating Budget Surplus (Deficit)</b>	<b>1,097</b>	<b>345</b>	<b>1,442</b>	<b>472</b>	<b>300</b>	<b>772</b>

## YEAR TO DATE

In the first six months of 2017, the City had a total operating surplus variance of \$1,442,000, including \$1,097,000 surplus from general operations and a \$345,000 surplus from utility operations. Significant drivers for the year to date surplus from operations include:

Surplus Variances	Deficit Variances
<ul style="list-style-type: none"><li>Staffing Surplus - \$726,000</li><li>RCMP Contract - \$311,000</li><li>Traffic Safety Program deferred - \$250,000</li><li>Investment revenue - \$153,000</li><li>Facility utility costs - \$132,000</li></ul>	<ul style="list-style-type: none"><li>Traffic fine revenue, net - \$736,000</li><li>Light turning permits - \$171,000</li></ul>

## 2017 FORECAST

The City is forecasting a \$772,000 surplus for 2017 including \$472,000 from General Operations and \$300,000 from Utility Operations. Traffic fine revenue, net of processing costs, is expected to be \$1,489,000 below budget, while labour, utility, and insurance costs are forecast to be \$786,000, \$237,000, and \$151,000 below budget in 2017. The RCMP is also expected to be \$264,000 below budget for the year.

## CAPITAL PROJECTS

The 2017 Capital Program includes 67 capital projects. As at June 30, 2017, the City has completed 17 projects, while 46 are underway, and four have been delayed.

## FINANCIAL POSITION

At June 30, 2017, the City's cash and investment balances were up compared to June 30, 2016. Cash balances are always highest in June when property taxes are due. Long term debt was \$41,366,000, down from \$42,727,000 at December 31, 2016.

The City is forecasting uncommitted reserve balances to be \$6,180,000 below optimal balances at the end of the year.



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# FINANCIAL RESULTS FROM OPERATIONS

## GENERAL OPERATIONS

Expressed in \$000s	Six months ended June 30, 2017			Year ended December 31, 2017		
	Budget	Actuals	Variance	Budget	Forecast	Variance
<b>Operating Revenue</b>						
Net Municipal Taxes	43,125	43,191	66	43,185	43,255	70
Sales, Rentals and User Charges	2,374	2,535	161	4,691	4,768	77
Fines and Penalties	1,774	852	(922)	4,602	2,809	(1,793)
Licenses and Permits	882	822	(60)	1,777	1,400	(377)
Government Transfers - Operating	1,238	1,177	(61)	1,569	1,639	70
Investment Income	265	417	152	694	979	285
Other Revenue	57	213	156	99	268	169
<b>Total Operating Revenue</b>	<b>49,715</b>	<b>49,207</b>	<b>(508)</b>	<b>56,617</b>	<b>55,118</b>	<b>(1,499)</b>
<b>Operating Expenses</b>						
Salaries, Wages, and Benefits	12,144	11,574	570	24,943	24,297	646
Contracted and General Services	5,138	4,643	495	11,429	10,857	572
Materials Supplies, and Utilities	2,631	2,492	139	5,430	5,242	188
Purchases from other Governments	2,442	2,044	398	4,756	4,473	283
Transfers to Individuals and Organizations	343	323	20	1,650	1,613	37
Interest and Bank Charges	795	725	70	1,450	1,434	16
Other Expenses	154	166	(12)	328	351	(23)
<b>Total Operating Expenses</b>	<b>23,647</b>	<b>21,967</b>	<b>(1,680)</b>	<b>49,986</b>	<b>48,267</b>	<b>(1,719)</b>
<b>Surplus (Deficit) from Operations</b>	<b>26,068</b>	<b>27,240</b>	<b>1,172</b>	<b>6,631</b>	<b>6,851</b>	<b>220</b>
<b>Other Items</b>						
Net Operating Transfers (to) from Reserves	(4,338)	(4,563)	(225)	(4,404)	(4,233)	171
Repayment of Debenture Principal	(1,218)	(1,068)	150	(2,227)	(2,146)	81
<b>Net Other Items</b>	<b>(5,556)</b>	<b>(5,631)</b>	<b>(75)</b>	<b>(6,631)</b>	<b>(6,379)</b>	<b>252</b>
<b>Operating Budget Surplus (Deficit)</b>	<b>20,512</b>	<b>21,609</b>	<b>1,097</b>	<b>-</b>	<b>472</b>	<b>472</b>

In the first half of 2017, the City had a year-to-date operating budget surplus that was \$1,097,000 greater than budgeted. The surplus is forecast to drop to \$472,000 for the year.

## OPERATING REVENUE

Revenues were \$508,000 below budget in the first half of 2017. Traffic fine revenue was down \$922,000 in the period while user charges, investment income, and donation receipts were higher than budget. Revenues are forecast to be \$1,499,000 below budget for 2017 due to lower fine and permit revenue. Investment income is expected to continue to exceed budget for the remainder of the year.

## OPERATING EXPENSES

Lower than planned operating expenses in the first half of 2017 helped to offset the decline in revenue. Year to date, the City was \$1,680,000 below budget on expenses. Lower than budgeted expenses were the result of the following:

- The surplus in salaries, wages, and benefits of \$570,000 in the first half of 2017 was predominantly the result of staff turnover in the Office of the City Manager, Protective Services, Infrastructure Management, and Project Management departments, coupled with new hires not being at the top of their pay scale or receiving full benefits. The majority of vacant positions have now been filled, therefore the City is forecasting a staffing surplus of \$646,000 for 2017.
- The City had a \$495,000 surplus in contracted and general services in the first half of 2017. Traffic fine processing costs were down \$196,000 year to date and are forecast to be down \$333,000 for 2017, which helps to offset the lower than expected fine revenue noted above. To mitigate the impact of the fine revenue deficit, the City has reduced spending on a number of 2017 initiatives, including cutting 2017 Traffic Safety Program (\$250,000). Lower than budgeted insurance premiums (forecasting \$48,000 surplus) and snow clearing costs (forecast \$151,000 surplus) for 2017 are also expected to contribute to forecast surplus from budget of \$572,000.
- Utility costs were \$132,000 below budget in the first half of 2017 and are forecast to be \$237,000 under budget for the year, contributing to an overall \$188,000 surplus in materials, supplies, and utilities forecasted for 2017.
- Purchases from other governments were \$398,000 below budget in the first half of 2017 due to lower than planned RCMP staffing levels and lower assessment charges.

## OTHER ITEMS

Net operating transfers to reserves were greater than budgeted in the first half of 2017 due to additional transfers to reserves related to the receipt of a donation from the Special Transportation Services Society that was transferred to the Transportation Assistance Reserve, as well as timing differences between when transfers occurred.

Repayment of debenture principal are lower than budgeted in 2017 because the final debenture for the new RCMP building was pulled later than originally planned.



## DEPARTMENT OPERATING RESULTS

Expressed in \$000s	Six months ended June 30, 2017			Year ended December 31, 2017		
	Budget	Actuals	Variance	Budget	Forecast	Variance
<b>Elected Officials</b>						
Mayor	(64)	(58)	6	(132)	(126)	6
Council	(148)	(130)	18	(312)	(292)	20
<b>Total Elected Officials</b>	<b>(212)</b>	<b>(188)</b>	<b>24</b>	<b>(444)</b>	<b>(418)</b>	<b>26</b>
<b>City Manager Division</b>						
Office of the City Manager (a)	(978)	(834)	144	(1,962)	(1,798)	164
Legislative Services Department	(529)	(583)	(54)	(1,062)	(1,091)	(29)
<b>Total City Manager Division</b>	<b>(1,507)</b>	<b>(1,417)</b>	<b>90</b>	<b>(3,024)</b>	<b>(2,889)</b>	<b>135</b>
<b>Corporate Services Division</b>						
Corporate Communications	(464)	(428)	36	(817)	(813)	4
Financial Services Department (b)	41,263	41,619	356	40,911	41,330	419
People Services Department	(629)	(619)	10	(1,462)	(1,452)	10
Information Technology Department	(1,314)	(1,345)	(31)	(2,245)	(2,248)	(3)
<b>Total Corporate Services Division</b>	<b>38,856</b>	<b>39,227</b>	<b>371</b>	<b>36,387</b>	<b>36,817</b>	<b>430</b>
<b>Community &amp; Protective Services Division</b>						
Culture Services Department	(626)	(637)	(11)	(2,513)	(2,520)	(7)
Family & Community Support Services Department	(332)	(256)	76	(703)	(617)	86
Fire Services Department	(1,210)	(1,152)	58	(2,096)	(2,023)	73
Protective Services Department (c)	(2,342)	(2,404)	(62)	(3,748)	(4,386)	(638)
Recreation Department (d)	(3,612)	(3,452)	160	(6,416)	(6,188)	228
<b>Total Community &amp; Protective Services Division</b>	<b>(8,122)</b>	<b>(7,901)</b>	<b>221</b>	<b>(15,476)</b>	<b>(15,734)</b>	<b>(258)</b>
<b>Infrastructure &amp; Planning Division</b>						
Economic Development Department	(242)	(161)	81	(557)	(556)	1
Infrastructure Management Department	(3,672)	(3,672)	-	(7,903)	(7,859)	44
Planning & Development Department (e)	(348)	(376)	(28)	(940)	(1,045)	(105)
Project Management Department (f)	(4,241)	(3,903)	338	(8,043)	(7,844)	199
<b>Total Infrastructure &amp; Planning Division</b>	<b>(8,503)</b>	<b>(8,112)</b>	<b>391</b>	<b>(17,443)</b>	<b>(17,304)</b>	<b>139</b>
<b>Operating Budget Surplus (Deficit)</b>	<b>20,512</b>	<b>21,609</b>	<b>1,097</b>	<b>-</b>	<b>472</b>	<b>472</b>





- (a) The City Manager position was vacant for most of the first half of 2017, resulting in a \$121,000 surplus variance from lower labour and other operating costs during the transition period. The Office of the City Manager is forecasting a \$164,000 surplus variance for 2017, primarily resulting from the change in City Manager.
- (b) Financial Services experienced a \$356,000 surplus in the first half of 2017 and are expected to have a \$419,000 surplus for the year.
  - (i) Investment income was \$152,000 higher than budget in the first half due to investment balances and return on investments being higher than planned. This trend is expected to continue for the remainder of 2017 resulting in a \$285,000 surplus for 2017.
  - (ii) Assessment service costs were \$94,000 below budget in the first half of 2017 and are \$88,000 lower than in the same period of 2016. The year to date variance was due to a decline in the number of building permits issued in the current period as well as a change in the timing of expense recognition to accommodate monthly variance analysis. The City is forecasting that assessment service costs will be \$16,000 below budget for the year due to the decline in building permits.

- (c) Protective Services had a \$62,000 deficit in the first half of 2017 and is forecasting a \$638,000 deficit for the year.
  - (i) Traffic fines revenue was \$932,000 below budget in the first half of 2017 and are forecast to be \$1,822,000 below budget for 2017. Ticket processing costs were also down \$196,000 in the first half of 2017 and are forecast to be \$333,000 below budget for the year, resulting in a net deficit of \$736,000 year to date and forecast deficit of \$1,489,000 for 2017.

In 2016, the City received approval for the wording of affidavits along with permission by the Crown to use the new Intersection Safety Devices.

In March 2017, as part of the provincial review of Intersection Safety Devices, the Province reviewed the use of the City's new ISD locations and the wording of the affidavits. The province determined it was important and necessary to update the affidavits and introduce independent testing of the camera systems by Community Peace Officers. While work to revise or introduce new processes was underway, Fort Saskatchewan

ISD based enforcement was discontinued. The local Crown Prosecutor arranged to cancel pending court cases.

The results of the collaboration between Fort Saskatchewan and the Province has been identified as the new standard for ISD based enforcement in Alberta.

- (ii) In order to help mitigate the impact of the loss of traffic fine revenue, protective services has not spent \$108,000 budgeted year to date for a traffic safety program and intends to defer the \$250,000 program for 2017.
- (iii) Protective services had a staffing surplus of \$213,000 in the first half of 2017 and is forecasting a \$243,000 staffing surplus for the year. The staffing surplus is the result of staff turnover and new hires not receiving full benefits and or being at the top of the pay grid.
- (iv) The RCMP contract was \$311,000 below budget for the first half of 2017 and is forecast to be \$264,000 under budget for the year due to a number of regular members being temporarily reassigned for parts of the year.

- (d) Recreation Services was \$160,000 under budget in the first half of 2017 and is forecast to be \$228,000 below budget for the year:
- (i) A staffing deficit of \$95,000 in the first half of 2017 was the result of higher than expected activity at the Dow Centennial Centre and programs running earlier in the year than budgeted. However, forecast \$89,000 savings in staff benefits resulting from employing more part-time and casual staff, and using more overtime than budgeted, are expected to eliminate this variance by year end;
- (ii) The Gymnastics Feasibility Study came in \$60,000 below budget, including \$46,000 that was to be funded from reserves;
- (iii) Insurance for the Dow Centennial Centre was \$79,000 below budget for the first half of 2017, and are expected to be \$39,000 lower for the year; and
- (iv) The reserve funded tourism hosing grant is expected to be underutilized by \$71,000.
- (e) A soft construction season is forecast to result in Planning and Development being \$105,000 below budget. Services fees are expected to be 50% below budget for the year while permits are expected to be 15% below budget in 2017.
- (f) Project Management was \$338,000 under budget in the first half of 2017 and is forecast to be \$199,000 under budget for the year. Debenture payments were below budget. Staffing and utilities surpluses also contributed to the department's surplus in the first half of the year.

## UTILITY OPERATIONS

Expressed in \$000s	Six months ended June 30, 2017			Year ended December 31, 2017		
	Budget	Actuals	Variance	Budget	Forecast	Variance
<b>Sales, Rentals and User Charges</b>	8,052	8,041	(11)	16,908	16,901	(7)
Fines and Penalties	25	22	(3)	40	37	(3)
<b>Total Operating Revenue</b>	<b>8,077</b>	<b>8,063</b>	<b>(14)</b>	<b>16,948</b>	<b>16,938</b>	<b>(10)</b>
<b>Operating Expenses</b>						
Salaries, Wages, and Benefits	1,052	896	156	2,107	1,967	140
Contracted and General Services	504	456	48	1,268	1,255	13
Materials Supplies, and Utilities	312	315	(3)	674	633	41
Purchases from other Governments	4,838	4,903	(65)	9,624	9,664	(40)
Transfers to Individuals and Organizations	-	6	(6)	-	12	(12)
Interest and Bank Charges	103	78	25	206	193	13
Other Expenses	14	-	14	42	28	14
<b>Total Operating Expenses</b>	<b>6,823</b>	<b>6,654</b>	<b>(169)</b>	<b>13,921</b>	<b>13,752</b>	<b>(169)</b>
<b>Surplus (Deficit) from Operations</b>	<b>1,254</b>	<b>1,409</b>	<b>155</b>	<b>3,027</b>	<b>3,186</b>	<b>159</b>
<b>Other Items</b>						
Net Operating Transfers (to) from Reserves	(2,063)	(2,004)	59	(2,179)	(2,154)	25
Repayment of Debenture Principal	(424)	(293)	131	(848)	(732)	116
<b>Net Other Items</b>	<b>(2,487)</b>	<b>(2,297)</b>	<b>190</b>	<b>(3,027)</b>	<b>(2,886)</b>	<b>141</b>
<b>Operating Budget Surplus (Deficit)</b>	<b>(1,233)</b>	<b>(888)</b>	<b>345</b>	<b>-</b>	<b>300</b>	<b>300</b>

Utility operations had a \$345,000 variance from budget in the first half of 2017 and is forecast to have a \$300,000 for 2017. The surplus is the result of routine staff turnover and delays in pulling the debentures to fund the 2016 and 2017 sewer reline projects. Debentures will be pulled when the annual sewer reline program is complete.

# CAPITAL PROJECTS

The 2017 Capital Program includes 36 new projects and 31 projects that were carried forward from 2016. As at June 30, 2017, the City has completed 17 projects, while 45 are underway, one has been cancelled and four have been delayed. The capital programs are summarized below. Additional project level details are attached in Appendix 2.

Expressed in \$000s	As at June 30, 2017		Capital Forecast	
	Approved Expenditure	Expenditure to date	Remaining Expenditure	Surplus (Deficit)
General Administration	1,655	532	1,018	105
Police/Bylaw	12,389	11,898	376	115
Fire	4,483	4,270	213	-
Common Services & Equipment Pool	998	335	607	56
Roads & Transportation	13,420	6,126	7,136	158
Recreation Services	21,324	8,557	12,110	657
Culture Facilities & Programs	1,707	874	833	-
Utility Rate Funded Projects	5,617	1,180	3,237	1,200
Levy Funded Projects	14,316	8,616	5,700	-
	<b>75,909</b>	<b>42,388</b>	<b>31,230</b>	<b>2,291</b>

## HIGH PERFORMANCE SPORTS FIELD

Building construction is underway. Access road is paved. Turf installation is scheduled to be completed in August.

## CURLING RINK

The interior demolition has been completed. Piles and foundation have also been completed. Roof and Exterior Wall demo to be completed in August. New water service is complete.

## NEIGHBOURHOOD / LOCAL ROAD REHAB

Projects have been selected and would begin early September (Local Road Rehab). Underground utilities are nearing completion; surface work would begin right after (Neighbourhood Rehab).

## RIVER VALLEY TRAIL SYSTEM

The construction of the bridge and trail has been put on hold until the Highway 15 bridge expansion plan has been finalised. Trail staircases however would be constructed by the end of the summer.

## SEWER SERVICE RE-LINE

With the tender prices the City received for the 2016 project (which was tendered in 2017), it was realised that the City was able to complete the scope of work earmarked for 2017's program.



# FINANCIAL POSITION HIGHLIGHTS

## CASH AND INVESTMENTS

The City holds funds expected to be used in the next twelve months in its operating accounts or high interest savings accounts. Funds expected to be needed over longer time horizons are invested in Guaranteed Investment Certificates to earn a greater return on investment.

As at June 30, 2017, the City had the following investments:

	Friday, June 30, 2017		Thursday, June 30, 2016	
	\$000s	Return %	\$000s	Return %
Operating Accounts	43,387	0.95%	45,667	0.95%
High Interest Notice of Demand Accounts	-	n/a	7,500	1.40%
Guaranteed Investment Certificates	42,686	1.77%	26,800	1.66%
<b>Total</b>	<b>86,073</b>	<b>1.36%</b>	<b>79,967</b>	<b>1.23%</b>

Operating account balances are typically highest at the end of June due to the receipt of property taxes which are invested in July. Subsequent to the period, the City held excess operating funds in high interest notice of demand accounts earning interest at rates ranging from 1.40% to 1.85%, and Guaranteed Investment Certificates are earning between 1.85% and 2.00% per annum.

## LONG TERM DEBT

The City borrows money from the Alberta Capital Finance Authority to fund the construction of capital projects. The total debt outstanding as at June 30, 2017 is \$41,366,000, which has been borrowed for the following projects.

Projects	Expressed in \$000s	Balance at June 30, 2017	Balance at December 31, 2016	Fully Repaid
Westpark Reservoir		631	631	Friday, October 16, 2020
Dow Centennial Centre		6,318	6,722	Friday, December 15, 2023
Sewer Service Reline		4,264	4,527	Tuesday, December 15, 2026
City Hall		13,282	13,607	Friday, December 16, 2033
100 Avenue Rehab		5,996	6,133	Saturday, September 15, 2035
RCMP Building		10,875	11,107	Monday, December 15, 2036
<b>Total Debt Outstanding</b>		<b>41,366</b>	<b>42,727</b>	

In the first half of 2017, the City paid \$1,360,000 in principal and \$758,000 in interest to service its debt.

Council has authorized the issue of \$2,400,000 in new debenture to fund the 2016 and 2017 sewer service reline projects. The City expects to issue a \$1,200,000 debenture to fund the 2016 project in December 2017. The City believes that the debenture for the 2017 project is no longer required because favourable prices received for the 2016 projects allowed both the 2016 and 2017 projects to be completed with.



## RESERVES

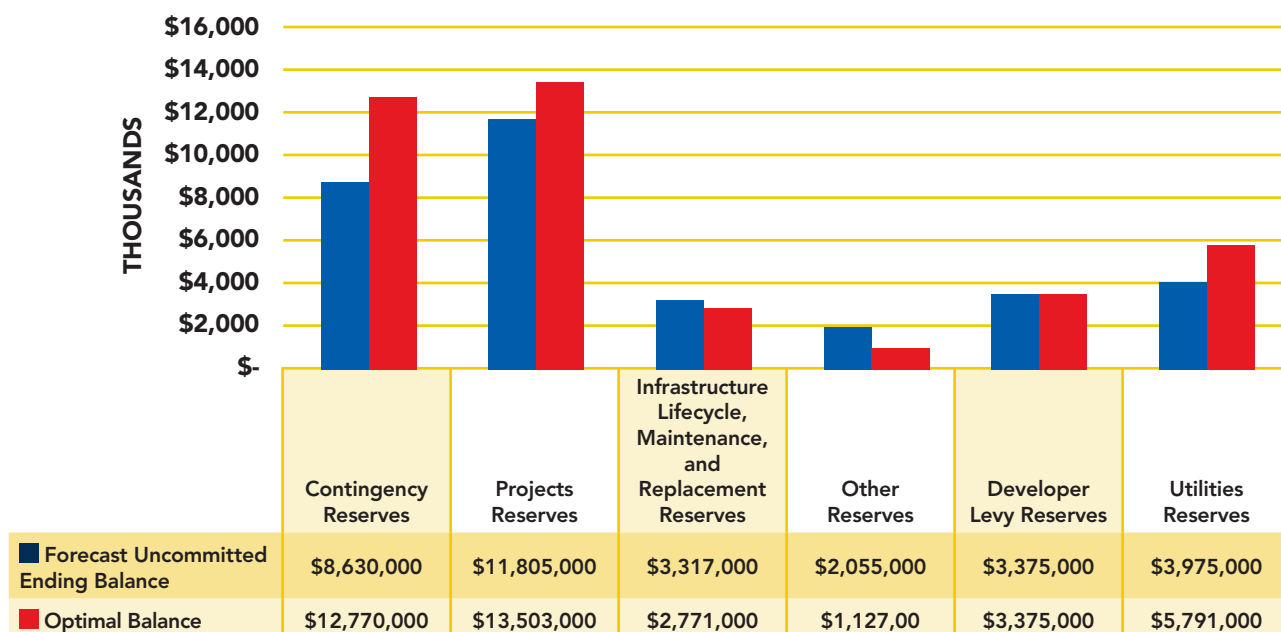
The City continues to maintain a balance between reserve funds, tax revenue, and debt financing. An important component of maintaining this balance is effective management of reserves. Council approved Financial Reserves Policy FIN-021-C on July 10, 2017 which provides consistent standards and guidelines for the management of existing reserves and the establishment of new reserves.

The Policy directs the establishment of reserves and reserve funding on an ongoing basis to ensure future funding requirements, stabilize fluctuations in operating and capital activities, provide contingency funding, and to reduce the need for debt financing.

The Policy includes a detailed reserve report for each reserve that includes an optimal balance formula which

is calculated to ensure that the respective balances are not depleted to the degree that those balances are no longer available to serve their intended purposes. The following graph compares the 2017 forecast uncommitted ending balances to the optimal balances by reserve category.

**Optimal Reserve Balance Comparison**  
 Forecast to December 31, 2017



# Appendix

## MANAGEMENT REPORT 2017 Q2

Grouped by Corporate Strategic Goal, this management report includes relevant actions within the Strategic Plan, key work plan projects and operational highlights. Council is provided quarterly reporting in order to support the oversight of the City: to support decision making; ensure accountability; and to provide transparent communication to the public.

### GOAL ONE

**POSITION FOR GROWTH. ENSURE THE LONG TERM SUSTAINABILITY OF OUR COMMUNITY AS A PREFERRED LOCATION TO LIVE, WORK AND PLAY; AS A REGIONAL SERVICE CENTRE; AND AS A GATEWAY TO ALBERTA'S INDUSTRIAL HEARTLAND.**

- A municipal census was published June 2017 with a current population of 25,533, a 3.9% increase over 2017. A final report with detailed information will be available at the end of August.
- The City has made a submission to the Alberta Electoral Boundaries Commission relative to the proposed electoral boundary of Fort Saskatchewan-St. Paul, with the primary concern being the vast size of the proposed electoral division.
- In March, the province announced budget funding for the construction of a new twinned Highway 15 Bridge. Expected start is 2019 with a two to three year construction period after start. Draft engineering plans, for discussion purposes only, have recently been released by the Province for the twinning of the bridge as well as the overall transportation network involving the intersection of Highways 15, 37 and 825.
- The Infrastructure Management Department has consolidated roads and utilities operations under one business unit. An Infrastructure Strategies Unit has been created and will focus on implementation of Council priorities such as the water metre radio reader project, new residential waste/organic program, drainage study, as well as infrastructure management projects such as the JEG site master plan and water infrastructure modernization.
- The Land Use Bylaw Refresh will come before Council in July/ August and is intended to provide clarification for some regulations and address development trends.
- A parking study was completed by ISL Engineering and provides recommendations for downtown parking, commercial areas and new neighborhoods. A full copy is available through the Planning & Development Department.
- The Northeast River Crossing study is continuing. A second round of public engagement with options is planned for November.
- The Capital Region Board is transitioning to be more reflective of the capital region's needs, with reduced member municipalities from 24 to 13 including Fort Saskatchewan as a member.
- A Cemetery Master Plan was approved by Council as a guiding document for the next 25 years, along with an update to the Cemetery Bylaw.



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# GOAL TWO

## STRONG, DIVERSE ECONOMY. PROMOTE THE DEVELOPMENT OF ECONOMIC OPPORTUNITIES AND ATTRACTIONS AND DIVERSIFICATION OF THE INDUSTRIAL AND COMMERCIAL TAX BASE.

- Council committed to participation in the Edmonton Economic Development Entity, facilitated by the Capital Region Board, to promote investment in the metro region. The motion approved by Council provided a financial commitment of up to \$300,000 over a 3-year period to help fund this initiative. As the costs will now be shared by 15 municipalities, the actual amount required by the City is estimated to be \$74,200 over a 3-year period, further demonstrating the value in collaboration.
- May 8-13th was Economic Development week which included a campaign by the City and Chamber of Commerce to visit 400 local businesses (excluding home based and industrial facilities) in a single day to express our appreciation for being part of the community.
- In June a site selector's forum was held with regional partners to highlight the opportunities that exist for development in the region.
- As part of the Business Retention Strategy, the Economic Development department hosted a round-table discussion with representatives from the local business community, the provincial government and City departments to talk about issues and challenges the businesses face, and how we can work better together to overcome them. A number of recommendations will be incorporated into the City's work plans moving forward.
- The City, through the Greater Edmonton Economic Development Team, co-hosted the Business Retention and Expansion International (BREI) Annual Conference in June with delegates from across North America attending.



# GOAL THREE

## VIBRANT AND THRIVING COMMUNITY. VIBRANT AND THRIVING COMMUNITY. CONTINUE TO IMPROVE AND ENHANCE OUR SERVICES AND FACILITIES THROUGH QUALITY LAND DEVELOPMENT TO FOSTER A LIVEABLE AND SAFE COMMUNITY.

- The Shell Theatre is wrapping up their 2016-17 season. It was a phenomenal year with over 230 days booked at the theatre and strong cost recovery figures for shows and rentals.
- The sheep grazing program celebrates its 25th anniversary with commemorative t-shirts available at the Fort Heritage Precinct.
- The Legacy Park Family Festival was held June 3rd.
- The "Acres of Dreams" statue was unveiled June 15th and was followed by citizenship ceremony for 20 new Canadians.
- The Fort Saskatchewan Transit marketing campaign "We're Routing for You" won a Canadian Urban Transit Association Leadership Award for Marketing and Communications in May. Transit ridership increased in April and May over 2016 for both local and commuter service. A Transit advertising program was also initiated in May.
- The Curling Rink project is continuing to move forward and is scheduled to be complete in 2018.
- Washrooms at the Fort Heritage Precinct are complete.
- A Gymnastics Feasibility Study was reviewed by Council in June which included assessment and options of current and future demands for gymnastics in the community.
- New recreation software through IntelliLeisure will be utilized for program registration and other citizen facing applications early in 2018.
- The City is participating in an ongoing conversation with Heartland Housing Foundation relative to a sub-regional housing registry aimed at increasing accessible and affordable housing within the community.
- The second community garden is now complete with all of the garden beds rented. The site utilizes run off recycled storm water reducing the demands on water trucks. A contest for painting the garden shed with a sign/mural will provide an opportunity to celebrate a young artist in the community.
- The annual senior's tea was held June 6th; the theme this year was "celebrate where you are".
- The water meter radio reader installation project commenced with planned installation of 3000 transmitters over the old walk-route metres in 2017/2018, which will enhance the City's metre reading infrastructure and assist with the transition to monthly utility billing in 2018.
- The 2017 toxic round up was a success with 293 vehicles dropping off over 2600 kg of electronics, as well as paint and other hazardous household waste.
- Elk Island Catholic School Board is looking to change Saint John Paul II from a high school to a middle school (Grade 5-8) for September 2018.
- For the first six months of 2017 the fire department was requested to attend 192 incidents which reflected a 5% reduction in incidents compared to 2016. Incidents include fires, collisions, hazardous materials, medical and other. The fire department saw an increase in 2017 over 2016 of non-emergency services including inspections, educational sessions, occupancy load permits and construction safety plans.
- Two Fort Saskatchewan firefighters were recently recognized for unprecedented years of service; Helmuth Ritter for 50 years and Walter Thomas for 70 years of service.
- In May a second fire station report was reviewed by Council which included proposed timelines and scenarios for future design and construction.
- Protective Services held a successful youth safety bike rodeo in May with 103 youth attending.
- Fort Saskatchewan RCMP initiated an Integrated Intelligence Working Group with Edmonton Police Services and Strathcona County RCMP to plan joint operations and share intelligence on prolific offenders.
- In addition to regular policing, the RCMP continued initiatives to best meet the policing priorities approved by Council: reducing crime frequency and severity, improving traffic safety, reducing substance abuse and youth engagement.



# GOAL FOUR

**EXCELLENCE IN GOVERNMENT. EXCELLENCE IN GOVERNMENT. BE BEST IN CLASS SUSTAINABLE MUNICIPALITY THAT DELIVERS HIGH QUALITY, OPEN, AND TRANSPARENT SERVICES AND COMMUNICATION.**

- The Aquatic Vote education campaign was launched in April with multiple communication strategies. All information directs citizens to visit [fortsask.ca](http://fortsask.ca) for details on the question and project.
- The City booth at the Chamber of Commerce Trade Fair in April was a great success and showcased the history of Fort Saskatchewan, the celebration of 25 years of the sheep grazing program, information on City services, and highlighted the Aquatic Vote.
- A new micro website, designed by our webmaster and precinct staff, for the Heritage Precinct school programs was launched in June.
- A number of financial and governance policies and bylaws were adopted by Council including: Financial Reserves Policy, Allocation of Operating Budget Surplus Policy, Procurement Policy, Council Remuneration and Expense Policy, Elections Bylaw, Elections Signage Bylaw, Election Campaign Provisions Policy, Sponsorship, Naming Rights and Advertising Policy (and supporting Sponsorship, Naming Rights & Advertising Strategy).
- Quarter two financial reporting will see the transition to analysis of actuals to budget of monthly income and expenses, reported on quarterly basis, enhancing the City's variance reporting, cash flow management and budgeting processes.
- PwC completed the City's annual external financial audit and presented the 2016 Audited Consolidated Financial Statements to Council in April.
- Supervisory and corporate-wide training included sessions on employment law/performance management, as well as workplace violence prevention through Alberta Municipal Health & Safety.
- The Dow Centennial Centre arena has moved to new technology for cold water arena flooding which will result in electricity and natural gas savings for the City.
- Council approved transition, in the fall, to a new electronic meeting management and video streaming system for Council meetings which will improve overall functionality for public, Council and administration.
- Through Council direction, a project management process review was undertaken which indicated current construction management processes follow best practices, however gaps exist in capital budgeting processes which will be addressed through a future major capital project budgeting policy. (Fall 2017)
- In response to a number of concerns expressed by residents, the City has been working with electricity and natural gas distributors to have them accurately reflect wording in their billing statements to residents.



# Appendix 2

## CAPITAL PROJECTS BREAKDOWN

AS OF JUNE 30, 2017 (UNAUDITED)

			a	b	c	a-b-c		
Project ID and Description	Year	LTD Budget	Total Expenditure To Date	Estimated Remaining Cost to Complete	Estimated Surplus (Overrun)	Estimated Completion Date	Comments	
<b>Operating</b>								
<b>General Administration (12)</b>								
<b>Carry Forwards</b>								
16-018	Computer Hardware/ Software New Acquisitions	2016	195,000	156,637	38,363	-	Dec-17	Installation of the new recreation software, IntelliLeisure, will begin in September
16-021	City Hall Space Development	2016	450,000	-	450,000	-	Dec-18	This is a placeholder. Additional funds would be needed in the future to complete the project
16-033	Project Management Software	2016	100,000	66,726	38,275	(5,001)	Oct-17	Full workflow to be completed. Custom reports yet to be implemented
<b>2017</b>								
17-010	City Hall Exterior Steps	2017	60,000	-	60,000	-	Oct-17	Seeking out additional quotes for bids
17-023	Computer Equipment Replacement	2017	180,900	111,594	69,306	1	Dec-17	Project on schedule and within budget
17-024	Computer Network Infrastructure	2017	296,550	90,980	175,000	30,570	Jun-18	Will need to carry over \$30,000 for website redesign. This is a Communications project originally planned for 2017 but won't happen until 2018. IT network infrastructure upgrades will be complete by Dec 2017.
17-028	Computer Hardware/ Software New Acquisitions	2017	367,350	105,568	182,000	79,782	Apr-18	Some of the \$122,500 Recreation Software replacement budget will need to be carried over to finish the IntelliLeisure implementation but won't have the exact numbers until we receive the scope of work and time line to complete the project. Will have more details in Q3.
17-048	Council Chambers Upgrades	2017	5,000	-	5,000	-	Sep-17	Project expected to be completed by the fall
<b>Sub-total</b>			<b>1,654,800</b>	<b>531,504</b>	<b>1,017,944</b>	<b>105,352</b>		



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Police/Bylaw								
Carry Forwards								
13-022	RCMP Building Construction	2013	12,000,000	11,831,594	168,406	-	Complete	Project complete. Waiting on final invoice from the RCMP (Towers)
16-036	New Intersection Safety Device Camera Installation	2016	222,500	24,982		197,518	Complete	Negotiated installation at no cost as part of extended agreement. Surplus would be used to cover shortfall in Animal Control Kennel pending review
2017								
17-032	Animal Control Kennel Building	2017	100,000	-	180,000	(80,000)	Dec-17	Early design work indicates the construction costs may be greater than the approved budget. Project is currently under review
17-033	Municipal Enforcement Patrol Vehicle	2017	66,000	40,800	28,000	(2,800)	Aug-17	Vehicle custom modification (upfit) is underway. MegaTech revised the cost to upfit
<b>Sub-total</b>			<b>12,388,500</b>	<b>11,897,376</b>	<b>376,406</b>	<b>114,718</b>		

Fire								
Carry Forwards								
16-052	Land, New Fire Station	2016	4,408,000	4,269,983	138,017	-	Complete	Project complete. Surplus to be used to service adjacent lots per purchase agreement
2017								
17-012	Breathing Air Compressor	2017	75,000	-	75,000	-	Dec-17	Project delayed due to staff changes
<b>Sub-total</b>			<b>4,483,000</b>	<b>4,269,983</b>	<b>213,017</b>	<b>-</b>		





Project ID and Description		Year	LTD Budget	Total Expenditure To Date	Estimated Remaining Cost to Complete	Estimated Surplus (Overrun)	Estimated Completion Date	Comments
<b>Common Services &amp; Equipment Pool</b>								
<b>2017</b>								
17-004	Equipment Replace - 3/4 Chevy	2017	35,000	38,486	-	(3,486)	Complete	Project Complete
17-005	Equipment Replace - Cavalier	2017	32,000	29,331		2,669	Complete	Project Complete
17-006	Front Mount Mower Replacement	2017	90,000	87,575		2,425	Complete	Project Complete
17-007	Qtr Ton Truck Replacement	2017	25,000	-	25,000	-	Sep-17	Truck has been ordered. Delivery pending
17-008	Small Mower Replacement	2017	68,000	63,857		4,143	Complete	Project Complete
17-009	Equipment Replace - Backhoe	2017	150,000	-	150,000	-	Dec-17	Machine specifications are being finalised
17-015	Replace Bobcat Skidsteers	2017	101,000	51,483		49,517	Complete	Project Complete
17-025	Replace Case Loader	2017	225,000.00	-	225,000	-	Dec-17	Design specifications are being developed
17-027	Replace Freightliner & Attachments	2017	200,000	-	200,000	-	Jun-18	Machine specifications are being finalised
17-049	Replace Unit 75 Utility	2017	32,000	25,190	6,810	-	Complete	Project Complete
17-050	Replace Unit 103 Turf Vacuum	2017	40,000	39,526		474	Complete	Project Complete
<b>Sub-total</b>			<b>998,000</b>	<b>335,449</b>	<b>606,810</b>	<b>55,742</b>		





Roads & Transportation								
Carry Forwards								
14-031	Transit Park & Ride	2014	3,400,000	1,497,590	1,902,410	-	Oct-17	Construction is underway and on schedule
15-020	Replace Fuel Tank	2015	320,000	310,179		9,821	Complete	Project Complete
15-025	86 Ave/ Southfort Dr Widening	2015	2,400,000	2,231,739	20,000	148,261	Complete	Project complete. Final Acceptance Certificate (FAC) inspections and record drawings still to come
16-017	Local Road Rehabilitation	2016	2,600,000	1,920,756		679,244	Complete	Project complete. Surplus will be used in 2017's program
16-031	Access Road & Parking West River's Edge	2016	100,000	-	100,000	-	Sep-17	Lights on the access road would be installed late this summer/early fall depending on schedule from FORTIS
16-053	Northern Transfer Station	2016	0	50,289	(50,289)	-	Complete	This project was not initially in the capital budget. 75% of the project is going to be funded by the govt (Fed/ Prov). Bus lane addition has been completed. Heated shelter to be installed in spring 2017
16-054	Bus Stops	2016	0	63,192	(63,192)	-	Complete	This project was not initially in the capital budget. 75% of the project is going to be funded by the govt (Fed/ Prov). Waiting for spring 2017 to complete remaining asphalt pads and install shelters
<b>2017</b>								
17-019	Local Road Rehabilitation	2017	2,600,000.00	4,597	3,274,647	(679,244)	Dec-17	Projects have been selected and would begin in September
17-020	Neighbourhood Rehabilitation	2017	2,000,000.00	47,253	1,952,747	-	Dec-17	Underground utilities are nearing completion. Surface work to begin right after
<b>Sub-total</b>			<b>13,420,000</b>	<b>6,125,594</b>	<b>7,136,323</b>	<b>158,082</b>		



Project ID and Description		Year	LTD Budget	Total Expenditure To Date	Estimated Remaining Cost to Complete	Estimated Surplus (Overrun)	Estimated Completion Date	Comments
<b>Recreation Services</b>								
<b>Carry Forwards</b>								
12-025	River Valley Trail System	2012	4,210,000	2,881,515	750,000	578,485	Sep-17	Bridge and trail along highway have been put on hold until highway alignment is confirmed. Staircase will be constructed in the summer.
15-034	Conversion of Pointe Aux Pins to Multi-Use Trail	2015	300,000	-	300,000	-	Sep-17	Project underway. Contractors are working towards Construction Certificate Completion (CCC) status
16-026	New Dog Park at West River's Edge	2016	600,000	500,540	25,000	74,460	Aug-17	Work is being done to improve dog park entrance
16-029	Skateboard/BMX Park	2016	465,000	26,918	438,082	-	Sep-18	Detailed design will be completed. Construction pending fund raising from the Skateboard Society
16-030	Curling Rink Revitalization	2016	5,000,000	1,609,090	3,390,910	-	Sep-18	Interior demolition complete. Redesign work is being done on the roof structure
16-032	High Performance Sports Field & Amenities	2016	9,221,283	3,381,273	5,840,010	-	Oct-17	Building construction is still underway. Graveling of parking lot scheduled to be complete in July. Installation for turf expected in August
16-051	West River's Edge Dock	2016	66,000	66,000	-	-	Complete	Project Complete. Cheque received from Lions Club
<b>2017</b>								
17-001	Dow Centennial Centre Wi-Fi	2017	147,350	90,832	56,518	-	Sep-17	On schedule
17-013	Play Area Lifecycle - Kinsmen	2017	130,000	-	130,000	-	Sep-17	On schedule
17-014	Harbour Pool Universal Change Room	2017	1,030,000	-	1,030,000	-	Jun-18	Construction managers are being interviewed in July. Work to begin after contract is awarded
17-017	Light Mixing Console Replacement	2017	21,100	-	21,100	-	Sep-17	On schedule
17-038	DCC Ice Compressor Replacement	2017	50,000	-	44,858	5,142	Complete	Project Complete.
17-044	Ball Diamond Backstop and Fence	2017	23,000	-	23,000	-	Sep-17	Project on schedule
17-045	West River's Edge Dock	2017	15,500	-	15,500	-	Completed	Project Complete. Waiting on final invoices
17-047	Viewing Deck and Interpretive Signage Original Fort	2017	45,000	-	45,000	-	Sep-17	On schedule
<b>Sub-total</b>			<b>21,324,233</b>	<b>8,556,168</b>	<b>12,109,978</b>	<b>658,087</b>		



Cultural Facilities & Programs								
Carry Forwards								
14-040	River Valley Enhancements	2014	195,000	73,993	121,007	-	Oct-18	Project on hold as a result of work being done on highway alignment
16-001	Canada 150 Grant Fort Heritage Precinct Access	2016	415,200	129,767	285,433	-	Sep-17	Project is ongoing
16-002	Fort Heritage Precinct Site Enhancements	2016	750,000	670,197	79,803	-	Sep-17	Project is ongoing
2017								
17-026	Upgrade NWMP Fort Palisade Walls	2017	180,000	-	180,000	-	Nov-17	Design specifications are being finalised
17-042	Theatre Dimmer System	2017	80,000	-	80,000	-	Sep-17	On schedule
17-051	Shell Theatre House Lighting	2017	87,412	-	87,412	-	Sep-17	On schedule
<b>Sub-total</b>			<b>1,707,612</b>	<b>873,957</b>	<b>833,655</b>	<b>-</b>		
<b>Total</b>			<b>55,976,145</b>	<b>32,590,032</b>	<b>22,294,133</b>	<b>1,091,981</b>		



Project ID and Description		Year	LTD Budget	Total Expenditure To Date	Estimated Remaining Cost to Complete	Estimated Surplus (Overrun)	Estimated Completion Date	Comments
Utility								
Water Supply & Distribution								
Carry Forwards								
16-037	Water Meters - Radio Upgrades & Lifecycle Replace	2016	710,000	61,591	648,409	-	Aug-18	Project has been awarded to Corix. Work is underway
16-039	Transfer Station - Office Replacement	2016	75,000	-	75,000	-	Oct-18	Project on hold pending review of transfer station site and public works yard
Sub-total			785,000	61,591	723,409	-		
Sewage Collection								
Carry Forwards								
15-032	Sewer Service Relines	2015	1,200,000	911,168	288,832	-	Dec-17	IVIS (vendor) will be wrapping up the completion of 12 laterals
16-020	Sewer Service Relines	2016	1,200,000	206,971	993,029	-	Dec-17	Mainline work is complete. Sewer lateral tender has been awarded. Notices have gone out to affected residents, work started early July
2017								
17-021	Sewer Service Relines	2017	1,200,000	-		1,200,000	Cancelled	Project Cancelled. The tender prices received from 2016's reline project can be used to complete thescope of work earmarked for 2017's program
17-022	Sump Pump Retrofit Program	2017	300,000	-	300,000	-	Nov-17	Construction is underway
17-039	Solid Waste Cart Purchase	2017	932,400	-	932,400	-	May-18	Request For Proposal (RFP) under review, order will be issued September 2017 with delivery for spring 2018
Sub-total			4,832,400	1,118,139	2,514,261	1,200,000		
Total			5,617,400	1,179,730	3,237,670	1,200,000		
City Project Grand Total								
			61,593,545	33,769,762	25,531,803	2,291,981		



Levy Funded Projects								
Carry Forwards								
08-020	Southfort Highway Access - Westpark	2008	6,002,983	5,652,780	350,203	-	Aug-17	Final lift of asphalt is complete. Waiting for invoices
13-009	Medium Industrial Secondary Water Supply	2013	2,863,396	2,783,468	79,928	-	Jul-17	FAC inspection scheduled for July
15-014	Southfort Meadows - Park Amenity	2015	650,000	-	650,000	-	Dec-18	Waiting on the developer to build the park. The development stopped as there were no lots being built
16-050	Intersection Upgrades - 119 street & Hwy 15 (Design)	2016	250,000	61,170	188,830	-	Oct-18	Design is complete. Waiting on development to start construction
2017								
17-002	Southfort Drive Widening - Allard Way to South Greenfield	2017	4,250,000	119,193	4,130,807	-	Jul-18	Construction is underway
17-030	Traffic Lights on 94 Street	2017	300,000	-	300,000	-	Jul-18	RFP for design set to be sent out
<b>Total Levy Funded Projects</b>			<b>14,316,379</b>	<b>8,616,611</b>	<b>5,699,768</b>	<b>-</b>		

<b>City and Developer Projects</b>							
<b>Grand Total</b>		<b>75,909,924</b>	<b>42,386,373</b>	<b>31,231,571</b>	<b>2,291,981</b>		

