



SPECIAL CITY COUNCIL BUDGET

**Monday, December 8, 2014
5:30 PM**

Henry Baker Hall, Main Floor, City Hall



Office of the City Clerk

This meeting is being broadcast live by Access Communications for airing on Access Channel 7. By remaining in the room, you are giving your permission to be televised.

**Agenda
City Council
Monday, December 8, 2014**

Open With Prayer

CONFIRMATION OF AGENDA

DELEGATIONS, COMMUNICATIONS AND RELATED REPORTS

CR14-120 Regina Board of Police Commissioners: Regina Police Service 2015 Operating and Capital Budget

Recommendation

1. That the 2015 Regina Police Service Operating and Capital Budget, which includes estimated gross operating expenditures of \$76,920,200 and revenues of \$8,873,600, resulting in a Net Operating Budget of \$68,046,600, be approved.
2. That the 2015 Capital Budget of \$2,763,700, with capital funding to be determined by Regina City Council, be approved.

DE14-97 Joanne Havelock: Friends of the Regina Public Library

CP14-18 Regina 2015 Public Library Mill Rate Request

DE14-98 Jamie McKenzie

DE14-99 Andy Livingstone: Saskatchewan Human Rights Commission

DE14-100 Gord Archibald & Tim Otitoju: Association of Regina Realtors Inc.

DE14-101 Jim Elliott

DE14-102 Marilyn Braun-Pollon: Canadian Federation of Independent Business

DE14-103 Sara Maria Dubisse & Anna Torgunrud: Bike Regina

DE14-104 John Hopkins: Regina & District Chamber of Commerce



Office of the City Clerk

CM14-15 2015 Utility Operating and 2015-19 Utility Capital Budgets

Recommendation

1. That the 2015 Utility Operating Budget, with total revenues of \$116,451,500 and total gross expenditures of \$116,451,500, be approved;
2. That the Utility Capital Budget with total gross expenditures of \$57,548,000 in 2015, as summarized on pages 15-26 of the 2015 Utility Operating and Capital Budget, all of which is new funding, be approved;
3. That the City Solicitor be authorized to prepare all necessary bylaws to implement the above recommendations.

CM14-16 2015 Tax-Supported General Operating and Capital Budgets

Recommendation

1. That the 2015 tax-supported Operating Budget, with gross expenditures of \$397,784,500 and a net property tax levy requirement of \$195,369,000, be approved;
2. That the 2015 General Capital Budget with total gross expenditures of \$263,249,700 in 2015, as summarized on pages 57-58 of the 2015 General Operating and Capital Budget, representing new funding of \$98,784,700 and \$164,465,000 of funding for the RRI Stadium project approved in prior periods, be approved;
3. That the capital budgets for 2016 and 2017 related to the following 2015 capital projects be approved:
 - a) Information Technology Business Transformation
 - i) 2016: \$1,000,000
 - b) North Central Shared Facility
 - i) 2016: \$3,000,000
 - ii) 2017: \$860,000
4. That the gross budget of \$210,000 (\$105,000 (net)) in the recommended 2015 capital budget for the purchase of two paratransit buses and the allocation of \$162,000 in the operating budget to support paratransit operating costs be contingent on the provincial government contributing a proportionate share of the cost;
5. That further to previous committee resolutions throughout 2014, the following be incorporated into the 2015 budget:



Office of the City Clerk

- a) In accordance with PW14-15, a long term Residential Road Network Improvement Program be established, funded by an additional 1% dedicated mill rate increase starting in 2015;
 - b) In accordance with PW14-16 (Appendix C):
 - i) That the current Local Improvement Program (LIP) for walk, curb and gutter replacement be discontinued beginning with the 2015 budget year and construction season for all City planned projects;
 - ii) That all works included under *The Local Improvements Bylaw, 2014, Bylaw No. 2014-34* (the “Bylaw”) be specially assessed as approved under the Bylaw;
 - iii) That special assessment payments for LIP works constructed in 2014 or earlier continue for their full terms.
 - iv) That a new LIP be developed for projects that are initiated by property owners either through requesting installation of a new infrastructure or requesting infrastructure renewal be carried out ahead of schedule of the work planned as part of the Residential Road Network Improvement Plan
 - c) In accordance with PW14-22 (Appendix D), the Winter Maintenance Policy be amended to:
 - i) Include a requirement for the City to clear sidewalks adjacent to City-owned parks that are next to a public school, requiring a net budget of approximately \$15,000 to be funded from the funds provided by Recommendation 1 of this report;
 - ii) Treat all commercial properties consistently, requiring building owners to clear any frontage sidewalk adjacent to senior citizen complexes with more than twenty units in a single building.
6. That funding from the Fleet Replacement Reserve for the purchase of new vehicles in the amount of \$240,000, to support ongoing service provision, be approved;
7. That the 2015 mill rate be 9.3214, representing a 3.3% increase for all programs and services plus a 1% increase for the recommended Residential Road Network Improvement Program as described in Recommendation 5 a) of this report;
8. That the City Solicitor be authorized to prepare all necessary bylaws to implement the above recommendations.



Office of the City Clerk

DE14-105 Lesley Farley: Outdoor Pools Facility Plan Update

CR14-124 Executive Committee: Outdoor Pools Facility Plan Update

Recommendation

That this report be forwarded to City Council as part of budget deliberations

MOTIONS

MN14-4 Councillor Jerry Flegel: Outdoor Pools Facility Plan Update

ADJOURNMENT

November 3, 2014

To: His Worship the Mayor
and Members of City Council

Re: Regina Police Service 2015 Operating and Capital Budget

**RECOMMENDATION OF THE BOARD OF POLICE COMMISSIONERS
- OCTOBER 9, 2014**

1. That the 2015 Regina Police Service Operating and Capital Budget, which includes estimated gross operating expenditures of \$76,920,200 and revenues of \$8,873,600, resulting in a Net Operating Budget of \$68,046,600, be approved.
2. That the 2015 Capital Budget of \$2,763,700, with capital funding to be determined by Regina City Council, be approved.

BOARD OF POLICE COMMISSIONERS – OCTOBER 9, 2014

The Commission adopted a resolution to concur in the recommendation contained in the report. Recommendation #3 does not require City Council approval.

Mayor Michael Fougere, Councillor Wade Murray, and Commissioners: Ron Rasmussen and Gordon Selinger were present during consideration of this report by the Board of Police Commissioners.

The Board of Police Commissioners, at the **PRIVATE** session of its meeting held on October 9, 2014, considered the following report from the Chief of Police:

RECOMMENDATION

It is recommended that the Board of Police Commissioners:

1. Approve the 2015 Regina Police Service Operating and Capital Budget, which includes estimated gross operating expenditures of \$76,920,200 and revenues of \$8,873,600, resulting in a Net Operating Budget of \$68,046,600.
2. Approve the 2015 Capital Budget of \$2,763,700, with capital funding to be determined by Regina City Council.
3. Forward this report, as it may be amended, to Regina City Council.

CONCLUSION

The Regina Police Service proposed 2015 Operating and Capital Budget has been prepared based on a thorough review of conditions, challenges and opportunities facing the Regina Police

Service. Efforts have been made to reduce spending where possible and to contain increases to the amount absolutely needed. The Regina Police Service 2015 Operating and Capital Budget is aimed at ensuring Regina Police Service performance, effectiveness and value to the community.

BACKGROUND

The Regina Police Service is presenting its proposed 2015 Operating and Capital Budget to the Board of Police Commissioners. The Board is required to make its budget available to Regina City Council by December 31, 2014.

DISCUSSION

The Regina Police Service works every day to provide good value to Regina citizens. The Service strives to continually improve itself within a strong framework of integrity and with a foundation of values that guide our plans, our work and our relationships. The Regina Police Service takes a lead role in providing public safety in the City of Regina. Recognition of this role is embodied in the Service's mission statement, and is the central principle underlying all our activities:

Regina Police Service Mission: Public Service First

The Regina Police Service 2015 - 2018 Strategic Plan is based on four integrated areas of focus: Service; Communication; Our People; and Improvements. A summary of the Strategic Plan is provided in Appendix A.

The Regina Police Service financial plans provide the framework for the ongoing and sustained delivery of core policing work and support the strategic initiatives defined in the Regina Police Service 2015 - 2018 Strategic Plan. The 2015 Operating Budget contains the funding needed to deliver policing services for the upcoming year and the five-year Capital Budget provides the long-term financial plan to prepare the Service for the future. Highlights of accomplishments resulting from the 2014 Operating and Capital Budget are contained in Appendix B.

The Regina Police Service continuously looks to improve its service delivery and measures its performance through established performance indicators. These performance indicators provide internal accountability to the Board of Police Commissioners and external accountability to the citizens of Regina (see Appendix C).

The annual budget process involves an environmental scan of internal and external conditions impacting the Service. Regina is in a period of unprecedented economic growth and prosperity and as such is experiencing population growth, enlargement of its physical footprint, changing demographics due to significant increase in newcomers and changing industry such as the development of the Global Transportation Hub. In addition, the work of policing has changed. For example, technological advances and new investigative tools require training, equipment and human resource specialization; new laws increase enforcement requirements; court rulings have impacted the time required to support prosecutions; provincial and federal government legislative and policy changes has impacted the type of calls for service (mental health and addictions); and policing boundaries have opened up (joint forces operations). Each of these factors presents opportunities and challenges for the Service. The Regina Police Service continually seeks operational efficiencies and community partnerships to provide optimal value and service to the citizens of Regina.

The guiding principles used in preparing the 2015 budget include:

- Alignment of the financial plan with the strategic plan.
- Continue to commit to the delivery of quality service for Regina citizens while looking for ways to become more efficient and to streamline and simplify our work.
- Identify opportunities to improve our performance and to create value.
- Understand and build interrelationships which helps to become more cost effective and to deliver superior service.
- Sustainability of infrastructure through long-term planning while using a balanced and measured approach to safeguard our assets.
- Anticipate and plan for the long-term to align the work of the Service with the growth and changes in the City.
- Incorporate fiscal responsibility into every expenditure decision made by the Regina Police Service as a means of providing stability to the organization, stretching the value of resource usage and being accountable to citizens who want the tax dollars they provide to be prudently allocated.

Operating Budget

The 2015 Operating Budget supports cost adjustments to reflect changing internal and external conditions and Strategic Plan initiatives. For 2015, the Regina Police Service proposes a Net Operating Budget of \$68,046,600. This includes \$76,920,200 in gross operating expenditures and \$8,873,600 in anticipated revenues. The resulting Net Operating Budget is a \$3,265,900 or 5.0% increase over the 2014 budget. This is arrived at through an expenditure increase of \$3,873,300 and a revenue increase of \$607,400. Staffing expenditures support 561 permanent and 17 casual FTE's and comprise 90.5% of the Gross Operating Budget.

	Police 2015 Operating Budget			
	2014	2015	Dollar	Percent
	Budget	Budget	Change	Change
Revenue Budget				
Provincial Programs	6,293,200	6,766,800	473,600	
Federal Programs	459,000	283,300	(175,700)	
Other Revenues	1,514,000	1,823,500	309,500	
	\$8,266,200	\$8,873,600	\$607,400	7.3%
Gross Operating Budget				
Salary/Benefit Costs	65,614,600	68,533,600	2,919,000	4.4%
Corps of Commissionaires	399,200	409,200	10,000	2.5%
Operational Expenses	7,033,100	7,977,400	944,300	13.4%
	\$ 73,046,900	\$ 76,920,200	\$ 3,873,300	5.3%
Net Operating Budget	\$64,780,700	\$68,046,600	\$ 3,265,900	5.0%

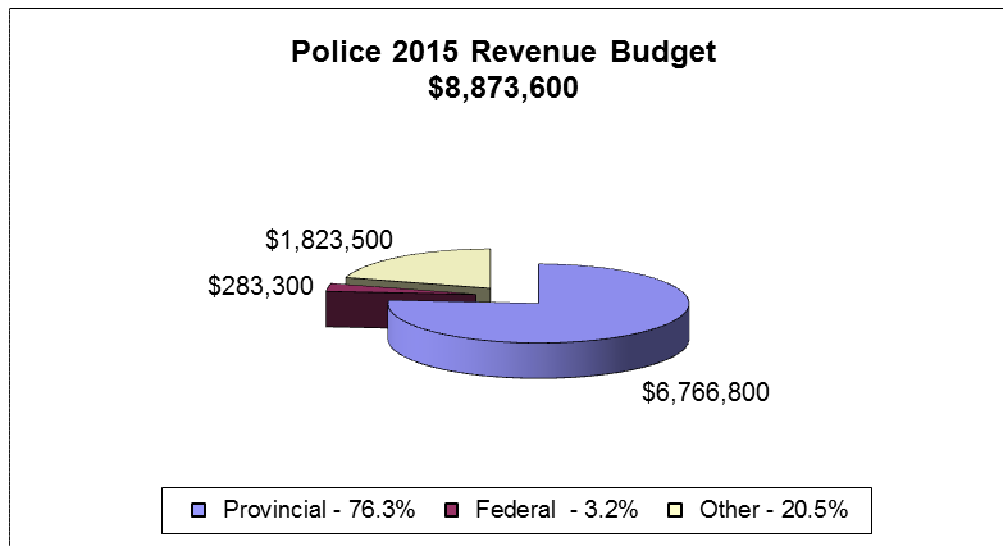
Operational expenses reflect an increase of \$954,300 or 12.9% increase from the 2014 level. The Regina Police Service 2014 Net Operating Budget consumed 17.9% of the City of Regina's 2014 Operating Budget, a decrease from 18.5% over 2013.

Highlights of the 2015 Operating Budget *changes* include:

- Permanent staffing adjustments for a net increase of 12 civilian positions. The increase supports the creation of 2 Business Systems Analysts, 1 Release of Information Clerk and 1 Technical Crime Unit Technician and 8 new civilian positions identified through an efficiency review. The efficiency review is described as follows:

- reassignment of a total of 10 police officers: 8 officers assigned to the front-line patrol division, 1 to the position of Mental Health Liaison Officer and 1 to the position of CARE (Canine Assisted Response and Education) Officer;
- conversion of 9 current police officer positions from jobs identified where the duties could be performed by civilians along with 1 police officer reassignment of duties; and
- creation of 9 new civilian positions less the amalgamation of 2 current civilian positions into one civilian position for a net request of 8 new civilian positions.
- Permanent staffing adjustments for cost-recovered positions include an increase in provincial funding for a Provincial Aboriginal Recruiting Officer and a decrease in federal funding for the removal of the Community Corrections Liaison Officer (CCLO) position.
- Salary and benefit changes include the full year cost of the 2015 approved positions; step increases for junior employees; and related benefits on these salary changes.
- Full implementation of the Regina Police Service Target Retirement Income Plan (TRIP) which became effective July 1, 2014.
- Expansion of the capacity of an in-house Technological Crime Unit which includes \$80,000 one-time operational expense for specialized equipment, \$13,000 addition for computer software maintenance and \$28,000 to provide off-site leasing expenses.
- \$25,000 to fund the training for the RQHR Tactical Emergency Medical Services (TEMS) Team. The TEMS team accompanies the RPS SWAT team at all scenes where the SWAT team is deployed.
- \$34,000 speciality funding for SWAT (special weapons and tactics), EDU (explosives disposal unit), UIRT (underwater investigation and recovery team) and CCU (crowd control unit) to move funding from the capital budget to the operating budget.
- \$128,000 for increased costs for Information Technology software and hardware.
- \$89,300 for increased costs for utilities.
- \$48,000 for remote data links for various sites to ensure computer performance for staff working in offsite locations.
- \$65,000 for development and leasing of an off-site data center.
- \$28,000 for leasing additional off-site storage for evidence management unit.
- \$188,000 in cost-recovered charges for electronic fingerprint searches (see corresponding revenue).

The 2015 Revenue Budget is \$8,873,600, an increase of 7.3% over 2014. The Revenue Budget supports 11.5% of the Regina Police Service Gross Operating Budget and funds 13.0% or 66.5 permanent and casual FTE's. Revenue sources include funding from the provincial government (76%), federal government (3%) and other revenues (21%).



Highlights of the 2015 Revenue Budget *changes* include:

- Revenue additions from the provincial government under established partnerships include: Police officers base funding level increase \$195,000; and Eleven and Under (11UI) Program \$67,500.
- Revenue additions from the provincial government for new funding include: a Provincial Aboriginal Recruiting Officer \$110,000.
- Revenue decreases from the federal government under established partnerships include: Community Corrections Liaison Officer (CCLO) (-\$115,500); and Eleven and Under (11UI) Program (-\$60,200).
- Other revenue increases include: Criminal Record Check volume increase \$60,600 along with a cost-recovered cost for electronic fingerprint searches \$188,000.

Capital Budget

The value of the proposed five-year Capital Budget is \$12.5 million including \$2,763,700 in 2015. Capital financing is provided by the City of Regina and in the recent past has been subsidized by the Police General Reserve. The current balance of the Police General Reserve is \$526,300 and can be used to sustain Police operations through any financial circumstances or challenges that may arise. The City of Regina has adopted a minimum \$400,000 and a maximum \$2,000,000 target balance for the Police General Reserve.

The Capital Budget includes five program areas: Facilities Development, Communications, Information Technology, Emergency Services Equipment, and Fleet. The five-year plan includes projects that will enhance Regina Police Service performance and provide the tools to get the job done.

Police 2015 - 2019 Capital Budget (000's)						
Capital Program	2015	2016	2017	2018	2019	Total
Facilities Development	80.0	167.0	80.0	80.0	80.0	487.0
Communications	100.0	126.0	400.0	-	-	626.0
Information Technology	1,913.7	1,915.0	1,562.0	725.0	1,825.0	7,940.7
Emergency Services Equipment	-	-	-	27.9	117.3	145.2
Fleet	670.0	670.0	670.0	670.0	670.0	3,350.0
Capital Total	\$2,763.7	\$2,878.0	\$2,712.0	\$1,502.9	\$2,692.3	\$12,548.9
Capital Financing	2015	2016	2017	2018	2019	Total
Current Contributions to Capital	2,763.7	2,878.0	2,712.0	1,502.9	2,692.3	12,548.9
Police General Reserve ¹	-	-	-	-	-	-
Capital Total	\$2,763.7	\$2,878.0	\$2,712.0	\$1,502.9	\$2,692.3	\$12,548.9

Note: 1. The Police General Reserve current balance is \$526.3.

Capital program highlights for 2015 include the following:

- \$80,000 in Facilities Development for ongoing furniture replacement.
- \$100,000 in Communications to fund an upgrade to the logging device that records all radio and telephone transactions.
- \$1,913,700 in Information Technology to support infrastructure and business applications. Funding includes ongoing replacement of computer equipment and ongoing expenditures for hardware infrastructure such as network switches, servers, storage arrays, printers, scanners and required software licenses. Business application related funding includes ongoing implementation of video recording in front-line cars, completion of the scheduling software replacement (CARM – Computer Aided Resource Management) and Computer Aided Dispatch (CAD) upgrade.
- \$670,000 in Fleet continues to provide ongoing funding for the regular replacement of marked, unmarked and specialty vehicles.

The community of Regina faces ever-changing and complex crime challenges and the Regina Police Service partners with the community which strengthens the delivery model and provides efficient and effective crime prevention tactics. Progress is being made and crime is on the decrease.

RECOMMENDATION IMPLICATIONS

Financial Implications

The Regina Police Service budget will have financial implications for 2015 as outlined in this report.

Environmental Implications

None with respect to this report.

Strategic Implications

The Regina Police Service budget is prepared in conjunction with the Regina Police Service 2015 – 2018 Strategic Plan.

Other Implications

Regina Police Service performance has an impact on the community and its citizens.

COMMUNICATIONS

The Regina Police Service 2015 budget will be submitted to Regina City Council once the budget has been reviewed and approved by the Board of Police Commissioners.

Respectfully submitted,

BOARD OF POLICE COMMISSIONERS

Elaine Gohlke

Elaine Gohlke, Secretary

Appendix A

Regina Police Service

Strategic Plan 2015 - 2018

The Regina Police Service takes a lead role in providing public safety in the City of Regina. Recognition of this role is embodied in the Service's mission statement, and is the central principle underlying all our activities. At the May 22, 2013 Board of Police Commissioner's meeting the following Mission, Vision and Values were adopted:

Mission

Public Service First

Vision

Working together to keep Regina safe

Values

- **Respectful**
- **Professional**
- **Service**

The 2015 – 2018 Strategic Plan was adopted at the October 9, 2014 Board of Police Commissioner's meeting. The Plan will guide the Regina Police Service and is structured around four themes: Service, Communication, Our People and Improvements.

Service

The core functions of the Regina Police Service are emergency response, quality investigations, response to non-emergency calls, traffic safety, crime prevention and community building. We will focus on service by:

- further expanding our capacity for community policing and proactive initiatives,
- leveraging investigation advancements, and
- working collaboratively to address community safety and well-being with our partners.

Communication

Exchanging accurate and timely information with the public, with our partners, peers in policing and within our own organization is critical to conducting our work effectively and ensuring our legitimacy in the eyes of those we serve. We will focus on communication by:

- formalizing lines of communication internally,
- enhancing public education and external communications, and
- utilizing community feedback to strive to meet public expectations and priorities.

Our People

Qualified, well-trained, engaged and motivated employees who are properly deployed, is crucial to delivering optimal service to the citizens of Regina. We will focus on our people by:

- Deploying our employees strategically and responsibly,
- Developing and supporting our employees, and
- Striving to create a positive and professional working environment.

Improvements

A contemporary police service must ensure its facilities, equipment, business processes and other tools meet the organization's needs, are consistent with sound budgeting principles and reflect forward planning. We will focus on improvements by:

- Thinking and acting progressively,
- Increasing efficiencies by streamlining processes and utilizing technology solutions, and
- Ensuring our tools enable us to work effectively and efficiently.

Appendix B

Regina Police Service

2014 Initiatives

The following are highlights of 2014 accomplishments listed by the strategic focus areas of the Regina Police Service 2011 – 2014 Strategic Plan.

Service Delivery

- Across the City, there have been reductions in most crime categories.
- The Service Centres are developing action plans and conducting targeted initiatives – focused on mitigating, reducing, or eliminating risk factors. In doing so, they are enhancing their situational awareness by leveraging a newly built analytical data platform linked to our existing records management system that identifies problem atoms, places and people. These are locations with repeat offenders and victims, where repetitive offences and calls for service are occurring.
- Service Centre management and officers meet with the North Central and Heritage Community Associations as well as the Downtown Business Improvement District during formal monthly meetings. More frequent, informal meetings occur on a weekly basis. In addition, the District works collaboratively with 32 partners that include associations, City agencies, community members, schools, other public safety providers, businesses, City Councillors, a Member of the Legislature, event and recreation facilities and sport organizations.
- Geographic ownership in each District has strengthened the Service's community policing presence. Complementing this are Community Association meetings and the provision of regular newsletters and updates. District Inspectors and Staff Sergeants meet on an ongoing basis with City Councillors to discuss concerns.
- To September, 2014 School Resource Officers conducted 1500 park checks and 1340 checks around school grounds. During the four-day Spring Break Project, School Resource Officers made 22 traffic stops resulting in 16 traffic charges and 3 drug charges.
- The Service implemented a strategy to decrease the number of outstanding warrants. From June 2008 to July 2014, the number of outstanding warrants decreased by 72.7%, from 11,166 to 3,052.
- Continued focus to drinking establishments to enhance public safety. There were four in-house targeted projects conducted throughout the summer months.
- Continued with the Robbery Strategy to reduce robbery incidents in the community and to increase investigative clearance rates. The Service Centre teams, Property Crimes Unit and the downtown Beat conducted street sweeps which provide high visibility and help to address street robberies.
- Continued enforcement of illegal drug activity has realized a 561% increase in cocaine trafficking, 176% increase in cannabis trafficking and a 381% increase in other Controlled Drug and Substances Act (CDSA) over the past 10 years.
- For over 2 ½ years the Saskatchewan Internet Child Exploitation (ICE) Unit has been working diligently at gaining access to a secure device. The device was seized as part of a child pornography investigation. On July 17, 2014 they were successful in breaching the encrypted device which resulted in numerous child pornography charges against a 26 year old male.

Partnerships & Community Engagement

- The Citizens Police Academy (CPA) has provided its program for over twenty years resulting in over 1700 citizens graduating. There are 95 active CPA alumni.
- Provided policing to a number of high profile community events including First Nations University Pow Wow, the Regina Folk Festival, Agribition, Queen City Exhibition, Canada Day, North American Indigenous Games (NAIG) and Sisters In Spirit – Missing Aboriginal Women Vigil.
- Continued with the multi-agency assessment and response team for children ages eleven and under (11UI) who are identified as at-risk for involvement in the criminal justice system. The 11UI team has substantially grown and includes membership from the Regina Police Service, Public and Separate School Boards, and contract positions. From January 1 to August 31, 2014, 51 new referrals have been made to the program.
- Participated in the delivery of the Campus Regina Public Program in partnership with the Regina Public School Division. The Law, Public Safety and Security courses provide two (2 credit) classes delivered to Grade 11 and 12 students.
- Hosted the 19th Annual Regina Police Service Showcase (Open House) with over 3500 people in attending.
- Hosted the annual Regina Police Service Veteran's appreciation lunch.
- The Regina Police Service parade float will participate in the following parades: Queen City Exhibition, Treaty 4 and Santa Claus.
- Continued participation in a wide variety of cultural events including Camp fYrefly for LBGTQ & A youth, Mosaic Festival and the Saskatchewan African Canadian History Museum Awards Ceremony.
- Participated in the second 'Clued INclude' workshop attended by 75 students in support of the International Day for the Elimination of Racism.
- The Regina Childrens Justice Centre (RCJC) is celebrating its 20th year. For 20 years, the RCJC has played an important role in protecting children. It is a child-friendly facility where police, child protection workers, healthcare workers and prosecutors operate as a team to investigate and act on child abuse. The Centre's model is the first of its kind in Canada based on its integrated approach and ability to minimize trauma to victims and their families. The RCJC team conducts an average of 250 reviews each year.
- In June the RPS Chaplains hosted its first Faith Leader's Day. Members of Regina's Clergy were invited to learn about the Regina Police Service and the work we do. There were several presentations throughout the day on a variety of topics from Recruitment to the work performed in our community by the Cultural and Community Diversity Unit.
- Undertook the development of a new 2015 – 2018 Strategic Plan for the Regina Police Service. A consultant was hired to lead the process which included a forum to seek input from our community partners; meetings with the Board of Police, Senior Management team, Executive Committee and Regina Police Association; and collecting input from employees. The Strategic Plan will be presented to the Board of Police in the Fall.
- Held a one-day police academy for members of Regina's media.

Recruitment and Employee Development

- Continued Diversity Mentorship Program along with participation in SPARC (Saskatchewan Police Aboriginal Recruiting Committee) and Treaty 4 Citizen's Police Academy in an effort to attract and prepare First Nations applicants.

- Monthly in-house information nights are held for the public considering a career with the Regina Police Service as either sworn or civilian members. This Fall, Human Resources as a trial project will be holding information sessions for members of the public interested in civilian positions only.
- A Blue and Beyond career night for women was held in the Spring to attract females into policing in both sworn and civilian positions.
- Recruiting officers have expanded their outreach efforts in order to access the best potential applicants.
- Maintained the chaplaincy program.
- Regina Police Service employees are actively involved in the community as volunteers and leaders.
- Harassment training was developed and implementation has begun. The Service continues to develop the ability to conduct in-house harassment investigations. However, this will be supplemented with contracting out harassment investigation services.
- Worked to develop a training portal through a national policing training center, Canadian Police Knowledge Network (CPKN). The portal will enable all employees to access on-line learning for self-development and for directed training. The courses available through this on-line learning portal are ever expanding.
- An Education Incentive program is available for employees to assist in their professional development.
- A robust Employee and Family Assistance Program is maintained to assist members with professional and personal issues that impact job performance.
- Street Crimes hosted the annual conference of the Central Canadian Auto Theft Association (CCATA). The conference is a learning event that brings together police and other stakeholders to exchange strategies and best practices to address the issue of auto theft.
- Family Services will host a two-day seminar on the Psychology of the Child Sex Offender in early Fall. Attendees will come from across Canada from policing and non-policing agencies.

Business Processes & Infrastructure

- New interview room software has been installed in the Polygraph suite and Professional Standards interview rooms. The Polygraph suite was expanded to provide capacity for an additional interview room.
- Continued to enhance the new technology for scanning, storing, transmitting and searching fingerprints.
- Continued expansion of in-car video capability to all new patrol vehicles.
- Finalizing work to implement the E-ticketing pilot in one traffic vehicle by end of the year. The E-ticketing program is a partnership with SGI and Saskatchewan Department of Justice.
- Continuation of the policy review and rewrite initiative. Over 66% of policies have been completed or are in the review stage.
- Implemented a Target Retirement Income Plan (TRIP) which will provide for the ongoing sustainability of the pension plan for the Regina Police Service members.
- Continued the implementation of new scheduling software (CARM – Computer Aided Resource Management).

- The Radio Upgrade Project Working Committee continued its work to update the City's trunked radio system with implementation scheduled for the end of 2014.
- Purchased 110 X26 Tasers as a 'less than lethal' weapon for police members. The Service has 8 certified CEW (conducted energy weapon) instructors and to-date has 280 sworn members trained and certified in its use.
- Implemented a major software upgrade to the Niche Records Management System known as IEIS (Integrated Electronic Information System).
- Developed two off-site leased space options to house the Regina Police Service Fleet Services Unit; office space for various work units; and an employee physical fitness facility.
- Implemented network infrastructure to support off-site locations and improved network service delivery to Headquarters, Family Services and the School Resource Officer Program.
- Started work on the development of an off-site data center to provide expansion capacity for the existing server room. The current server room has reached its capacity and is a risk for the stability of our information systems.
- Completed a pilot of a two factor authentication system which will provide additional network security and enable us to meet the security requirements of the RCMP.

Appendix C

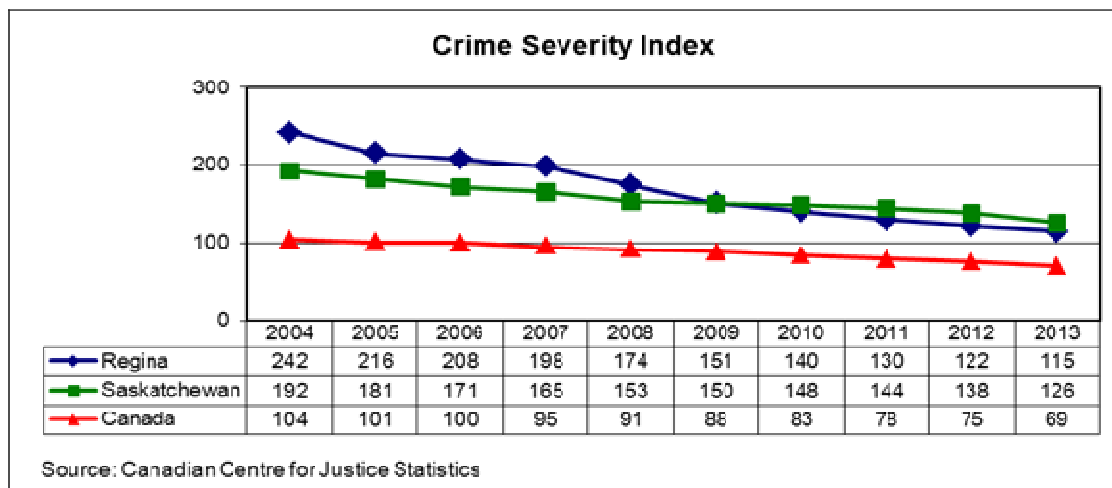
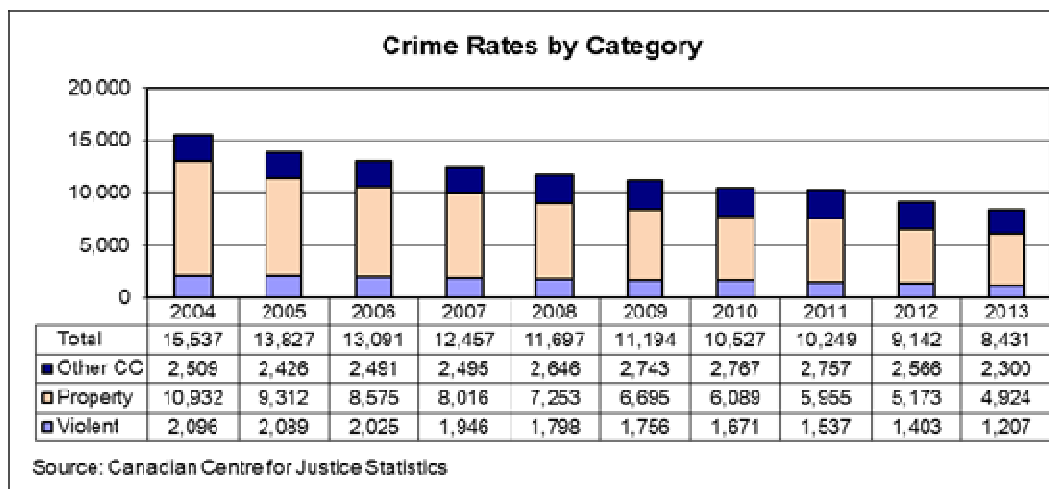
Regina Police Service

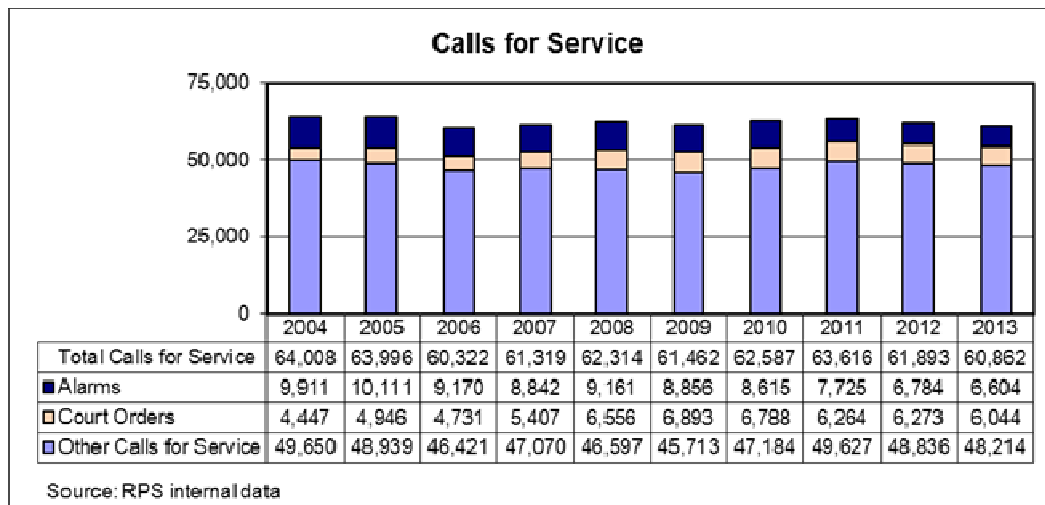
Providing Value to Regina Citizens

The Regina Police Service continuously looks to improve its service delivery and measures its performance through established performance indicators. These performance indicators provide internal accountability to the Board of Police Commissioners and external accountability to the citizens of Regina. The following performance indicators are regularly reported to the Board of Police Commissioners:

- crime rates, crime severity index, and calls for service

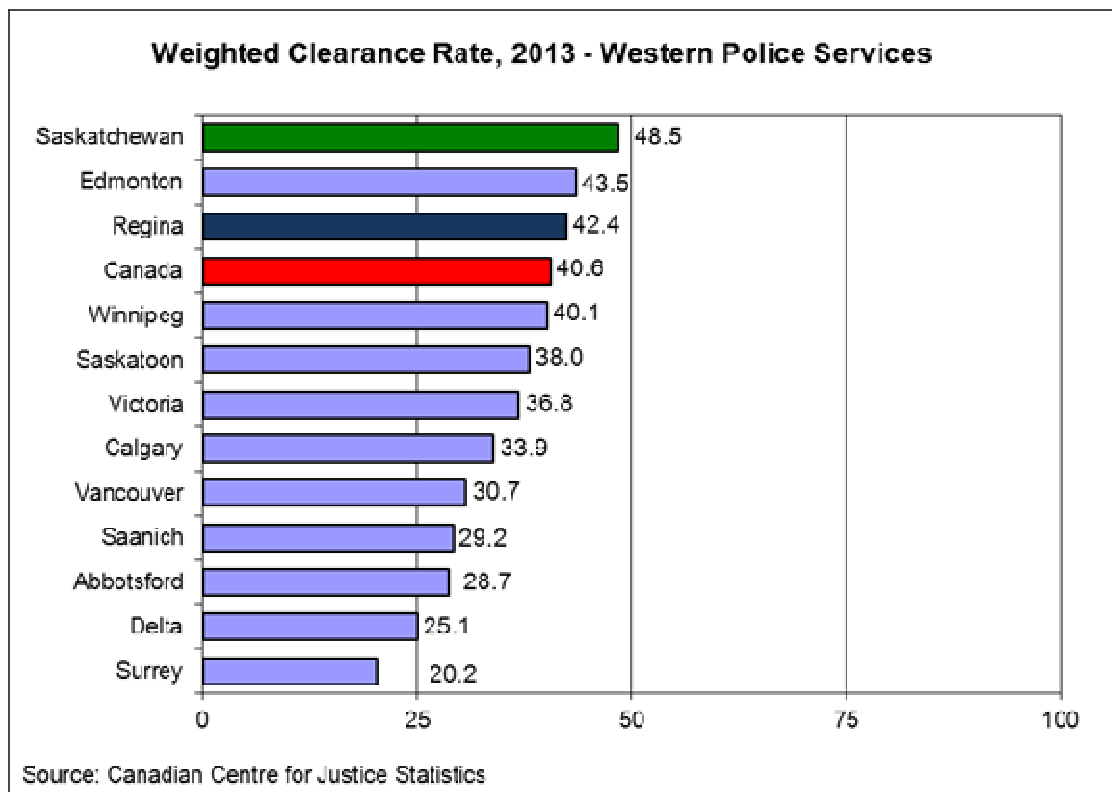
The overall level of reported crime has shown a steady decrease since 2001. The levels of Crimes Against the Person, Crimes Against Property and other Criminal Code violations are down. The Calls For Service remain steady through the ten year period.





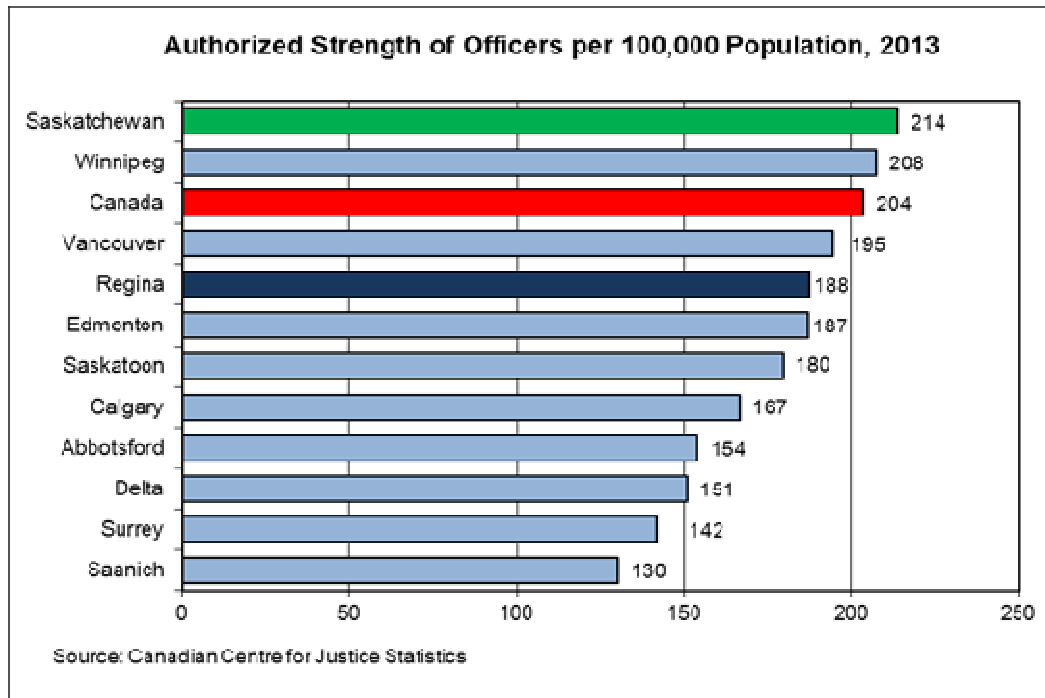
- clearance rates

Although the Regina Police Service is a busy organization with a high officer workload, the Service is effective with one of the highest clearance rates in Western Canada.



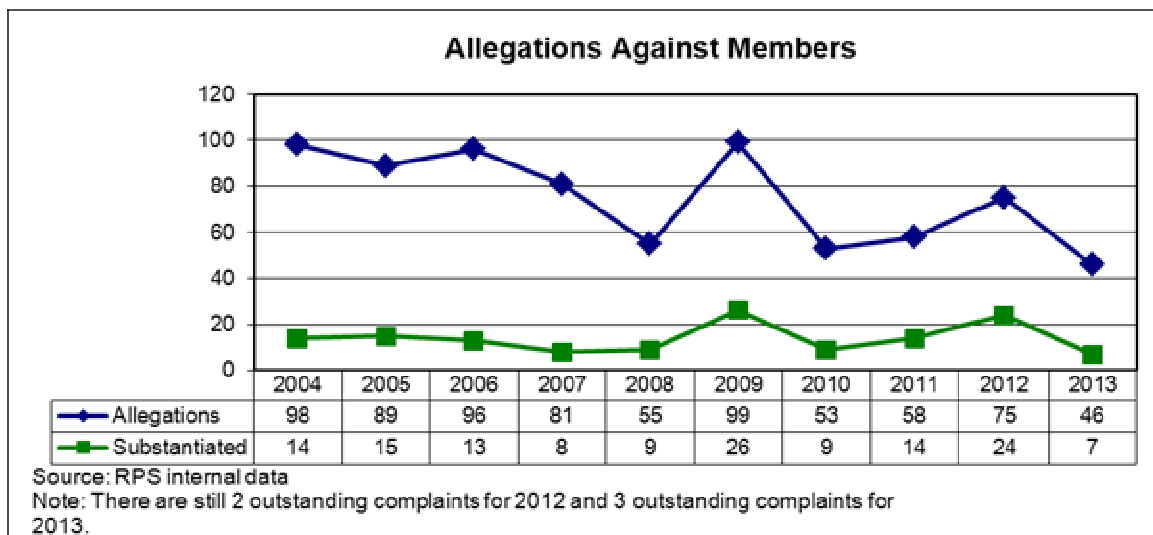
- per capita authorized strength comparisons

The Regina Police Service is average for per capita authorized strength.



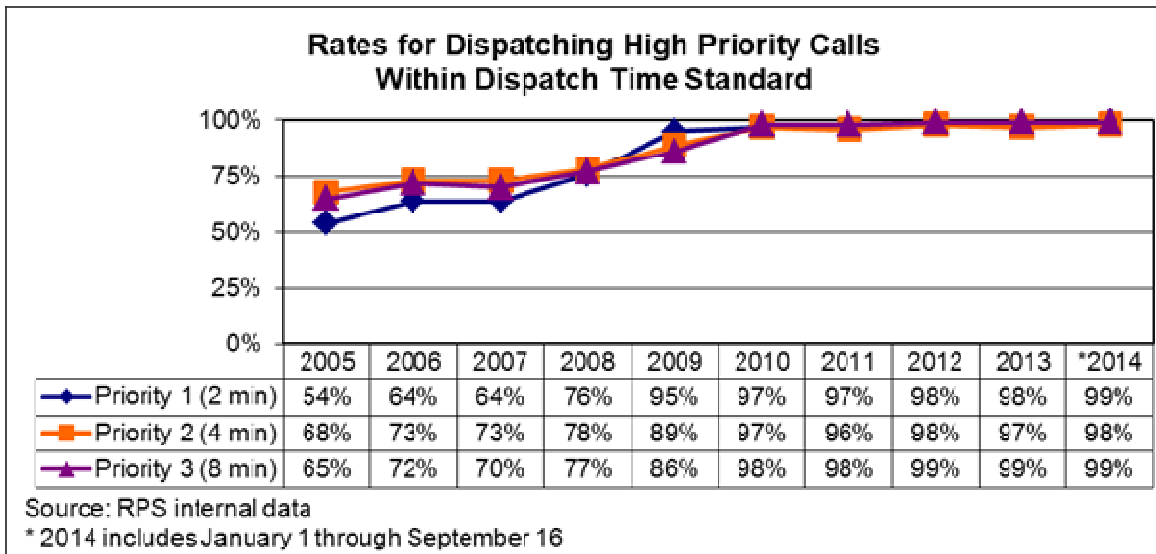
- using force and authority fairly, efficiently and effectively

The Service provides the number of complaints against members and use of force information to the Board of Police Commissioners. The number of complaints against members has been decreasing since 2004.



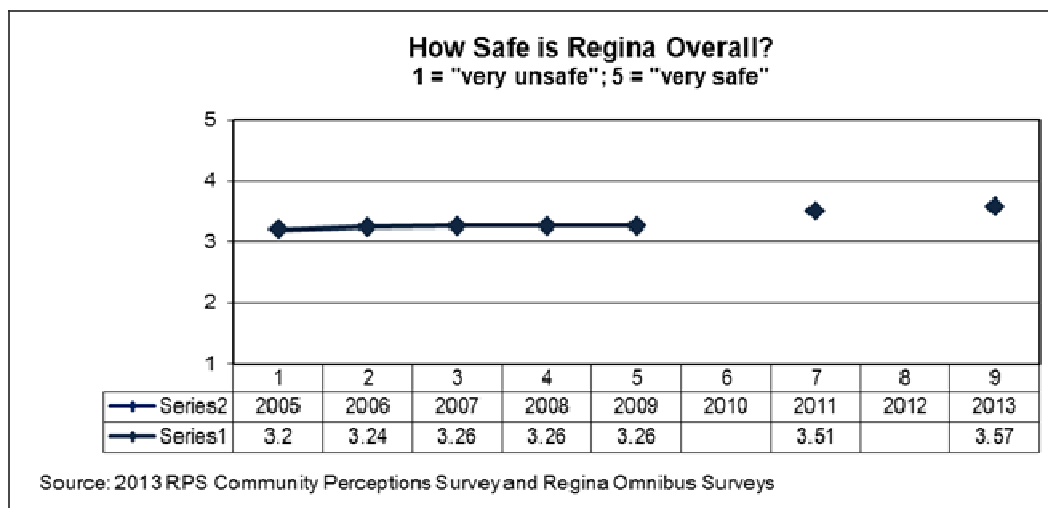
- response times

The Regina Police Service is meeting its response objectives for priority 1, 2 and 3 calls.

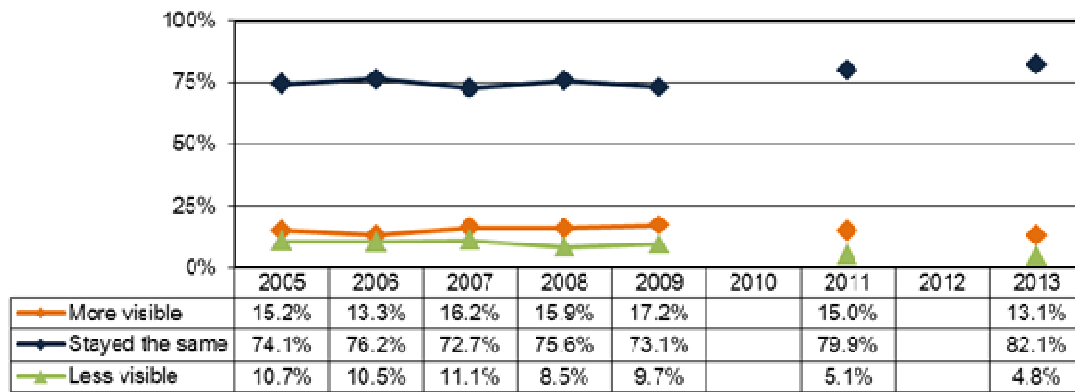


- community feedback

As a public institution, the Regina Police Service values feedback from the community on how it is doing. In 2011, the Regina Police Service began a bi-annual community survey. In Fall, 2013, the Regina Police Service conducted its second bi-annual community survey. The 2013 results indicate that a high number of citizens feel that Regina is a safe community and that the Regina Police Service has a visible presence.

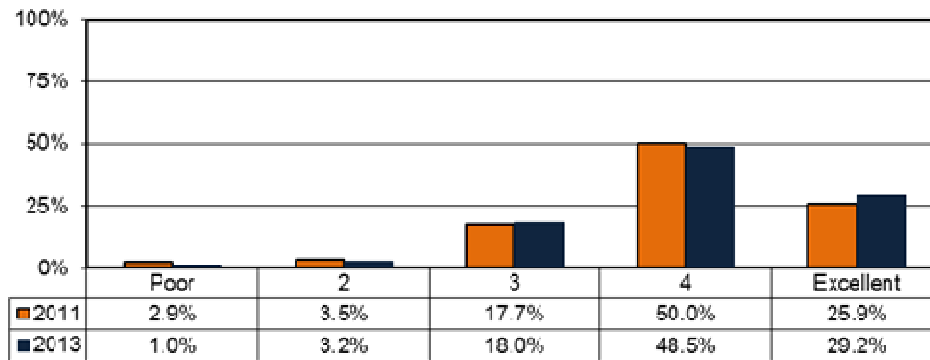


Are Police More or Less Visible in Your Neighbourhood?



Source: 2013 RPS Community Perceptions Survey and Regina Omnibus Surveys

Overall Quality of Service?



Source: 2013 RPS Community Perceptions Survey and Regina Omnibus Surveys

2015 POLICE OPERATING BUDGET SUMMARY

	2014 BUDGET	2015 BUDGET	DOLLAR CHANGE	PERCENT CHANGE
REVENUE				
Provincial Programs				
SHOCAP	630,000	660,000	30,000	
CFSEU	540,000	565,000	25,000	
Enhanced Community Policing	1,995,000	2,090,000	95,000	
Missing Person Task Force	105,000	110,000	5,000	
Enhanced Investigative Policing	525,000	550,000	25,000	
Provincial ICE Unit	408,700	423,700	15,000	
Provincial ICE Unit Operating Cost Recovery	257,400	257,400	-	
CFSEU Operating Cost Recovery	75,400	84,400	9,000	
Fraud Investigator - Social Services	111,400	111,400	-	
Victim Services/Aboriginal Resource	224,300	229,400	5,100	
Victim Services Missing Persons Liaison	62,500	63,100	600	
Eleven & Under Initiative	194,600	201,900	7,300	
SGI Initiatives	97,000	130,000	33,000	
Sask 9-1-1 PSAP	1,000,800	1,030,500	29,700	
Aboriginal Policing Coordinator	126,300	150,000	23,700	
Provincial Aboriginal Recruiting Officer	126,300	110,000	(16,300)	
Federal Programs				
Integrated Proceeds of Crime	90,000	90,000	-	
Community Corrections Liaison Officer	115,500	-	(115,500)	
NWEST - National Weapons Enforcement	113,500	113,500	-	
Victim Services Responder - RCJC	79,800	79,800	-	
Eleven & Under Initiative	79,800	-	(79,800)	
Other Revenues				
School Resource Officer Program	72,200	72,200	-	
University Liaison Officer	30,000	30,000	-	
Police College Training Officer	105,000	110,000	5,000	
Criminal Record Checks	635,000	695,600	60,600	
Civilian Fingerprint Services - Cost Recovery	-	188,000		
Special Duty/Public Events	210,000	230,000	20,000	
Communication Technology Unit	422,600	440,700	18,100	
Cost Recovery Revenues	22,000	22,000	-	
Miscellaneous Revenue	17,200	35,000	17,800	
	\$8,472,300	\$8,873,600	\$213,300	2.5%
SALARIES				
Permanent Salaries	49,558,000	50,744,700	1,186,700	
Casual Salaries	1,080,000	823,000	(257,000)	
Overtime	2,571,600	2,648,700	77,100	
Other Earnings & Allowances	934,800	943,800	9,000	
	\$54,144,400	\$55,160,200	\$1,015,800	1.9%
BENEFITS				
Permanent Benefits - 21.6%	11,367,200	12,322,800	955,600	
Casual Benefits - 10.0%	103,000	82,300	(20,700)	
	\$11,470,200	\$12,405,100	\$934,900	8.2%
TOTAL SALARY/BENEFIT COSTS	65,614,600	68,533,600	2,919,000	4.4%
CORPS OF COMMISSIONAIRES	399,200	409,200	10,000	2.5%
OPERATIONAL EXPENSES	7,033,100	7,977,400	944,300	13.4%
GROSS OPERATING BUDGET	73,046,900	76,920,200	3,873,300	5.3%
LESS REVENUE	8,266,200	8,873,600	607,400	7.3%
NET OPERATING BUDGET	\$64,780,700	\$68,046,600	\$3,265,900	5.0%

POLICE OPERATIONAL TOTAL

Division	2014 Budget	2015 Budget	Difference
9110 Headquarters	753,000	770,200	17,200
9210 Criminal Investigation	692,500	829,900	137,400
9310 Community Services	1,233,200	1,359,500	126,300
Corps of Commissionaires	399,200	409,200	10,000
9410 Administration	4,354,400	5,017,800	663,400
Police Operational Total	\$7,432,300	\$8,386,600	\$954,300

Headquarters Division - 9110

	<u>2014 Budget</u>	<u>2015 Budget</u>	<u>Difference</u>
P401 Headquarters Administration	459,700	441,900	(17,800)
P402 Board of Police Commissioners	171,000	171,000	-
P406 Professional Standards	2,500	2,500	-
P460 Strategic Services	40,200	70,800	30,600
P464 Public Information and Strategic Comm	13,200	13,200	-
P482 Regina Integrated Intelligence Unit (RIIU)	66,400	70,800	4,400
9110 OPERATIONAL TOTAL	\$753,000	\$770,200	\$ 17,200

Criminal Investigation Division - 9210

		2014 Budget	2015 Budget	Difference
P435	Forensic Identification	86,000	81,000	(5,000)
P480	RIDEST	41,000	41,000	-
P481	CID Management	122,400	132,400	10,000
P483	Family Services	50,700	53,100	2,400
P484	Street Crimes	2,300	2,300	-
P485	CFSEU	75,400	84,400	9,000
P486	SHOCAP	13,200	13,200	-
P487	Commercial Crime	2,100	2,100	-
P488	Street Gang Unit	39,000	39,000	-
P490	Major Crimes	3,000	3,000	-
P492	Provincial ICE Unit	257,400	257,400	-
P493	Technological Crime Unit	-	121,000	121,000
9210 OPERATIONAL TOTAL		\$692,500	\$829,900	\$137,400

Community Services Division - 9310

		2014 Budget	2015 Budget	Difference
P410	Aboriginal Resource Program	2,600	2,600	-
P415	Sask 9-1-1 PSAP	32,400	30,600	(1,800)
P428	Detention	30,100	30,100	-
P433	Communications	485,200	527,500	42,300
P439	Central District	25,400	17,900	(7,500)
P449	North District	1,400	1,400	-
P455	Communication Technology Unit	137,300	155,400	18,100
P456	Central Operations	401,300	411,300	10,000
P459	South District	1,400	1,400	-
P462	Canine	41,600	50,600	9,000
P463	Emergency Services	74,300	128,300	54,000
P476	Victim Services	12,500	24,700	12,200
P489	Investigative Response Unit (IRU)	39,300	39,300	-
P497	Operations General Management	347,600	347,600	-
9310 OPERATIONAL TOTAL		\$1,632,400	\$1,768,700	\$136,300

Administration Division - 9410

		<u>2014 Budget</u>	<u>2015 Budget</u>	<u>Difference</u>
P421	Information Technology Services	655,300	896,300	241,000
P422	Financial Services	72,700	98,200	25,500
P423	Facilities Services	1,268,200	1,385,800	117,600
P424	Human Resources	320,900	333,900	13,000
P430	Human Resources Development	383,600	398,600	15,000
P434	Police Information & Evidence Mgmt	38,100	232,700	194,600
P437	Evidence Management	513,600	570,600	57,000
P440	Fleet Services	1,094,000	1,093,700	(300)
P453	Administration Management	8,000	8,000	-
9410 OPERATIONAL TOTAL		\$4,354,400	\$5,017,800	\$663,400

2015 - 2019 CAPITAL BUDGET

Capital Program Expenditure Summary (000's)

Capital Program	2014	2015	2016	2017	2018	2019	Total
Facilities Development	167.0	80.0	167.0	80.0	80.0	80.0	487.0
Communications	2,005.0	100.0	126.0	400.0	-	-	626.0
Information Technology	713.5	1,913.7	1,915.0	1,562.0	725.0	1,825.0	7,940.7
Emergency Services Equipment	329.2	-	-	-	27.9	117.3	145.2
Fleet	670.0	670.0	670.0	670.0	670.0	670.0	3,350.0
Capital Total	\$ 3,884.7	\$ 2,763.7	\$ 2,878.0	\$ 2,712.0	\$ 1,502.9	\$ 2,692.3	\$ 12,548.9

Capital Financing	2014	2015	2016	2017	2018	2019	Total
Current Contributions to Capital	2,970.7	2,763.7	2,878.0	2,712.0	1,502.9	2,692.3	12,548.9
Police General Reserve ¹	914.0	-	-	-	-	-	-
Capital Total	\$ 3,884.7	\$ 2,763.7	\$ 2,878.0	\$ 2,712.0	\$ 1,502.9	\$ 2,692.3	\$ 12,548.9

NOTE:

1. The current balance of the Police General Reserve is \$526,283.



DE14-97

Friends of the Regina Public Library

2042 Garnet Street, Regina, SK. S4T 2Z6

www.friendsofrpl.ca

December 4, 2014

Mayor Fougere and Council
City of Regina
Regina, SK, S4P 3C8

Dear Mayor and Council,

Re: Regina Public Library 2015 Budget at Regina City Council, December 8, 2014

We appreciate the opportunity to present the views of the Friends of the Regina Public Library (FRPL) to the proposed 2015 Regina Public Library (RPL) Budget.

The budget document highlights the RPL's achievements in the past year, and the work of the RPL Board and staff is appreciated. Time doesn't permit discussing all of them in this presentation. Some of the highlights are:

- RPL sponsorship of John Pateman's presentation "Developing a Community-Led Public Library" at the Saskatchewan Library Association Conference, highlighting ways to engage library staff and the community in setting library directions, to include working class people and the socially excluded and those who do not traditionally use libraries.
- Consultations on the upgrade to Central Library
- Continued work on the North Central Shared Facility Plans
- Geek Summit and Makerspace Conference
- Installation of the Digital Cinema Projection System at the Film Theatre
- Literacy programs
- Literacy Café at Central and Glen Elm and Family Language Kits
- Continuation of the Writer in Residence program
- Innovative exhibits and programs by Dunlop Art Gallery
- Summer Reading and other literacy initiatives
- Programming for children, teens and families,
- Aboriginal programming
- Financial literacy programs

Last year's RPL budget stated that they would be updating the Service Plan, approved in September 2008 to cover 2009 to 2011. It will be good to see this update proceed.

We receive feedback that people appreciate electronic resources but still want printed books and we note while \$170,000 will be spent on E-books, \$1 million dollars will be spent on print books.

With regard to the culling of books and collections, we believe that patrons should be notified prior to culling, allowing for a "second chance" consideration and this would offer interested individuals or groups the opportunity to purchase the books and/or keep the collections together.

There is concern about the significant funds for self-service check-out machines with targets that would mean only 10% of check-outs would be face to face. Bins for returning books and the use of electronic databases further reduce interactions with staff. Unless a patron searches out a staff member, they do not have the opportunity to interact and discuss what they are reading, or hear about new books, movies, music or programs.

Two years ago we noted the need for library resources in many languages as our province gains from newcomers from around the world, and the continued importance of services related to Aboriginal culture and community members. FRPL appreciates that the Saskatchewan Library Trustees Association continues to highlight the need to support these services through all Saskatchewan libraries and to present these issues to the provincial government.

FRPL also recognizes the value of equipment and services supporting the use of the library's materials by people with disabilities.

The RPL recently hired a Development Manager to coordinate fund-raising, and we continue to encourage the creation of a fundraising Foundation.

While fundraising can support some capital expenses, FRPL continues to emphasize the importance of a strong publicly-funded budget for maintaining the Library's buildings, high-quality services and staff.

Thus FRPL supports the request for a 2.7% increase in the mill rate to support the RPL's 2015 budget.

Negotiations are continuing on the CUPE Local 1594 staff contract that expired December 31, 2013. Library workers are the heart of the libraries and we need to ensure adequate funding for RPL staff and for ensuring good working conditions and a positive atmosphere.

Improvements to the Glen Elm and Sherwood branches, the Dunlop Art Gallery and Children's Branch will help serve patrons better. Plans are proceeding on the North Central Shared Facility project, which will house the Albert Branch among its services.

FRPL was pleased to see the RPL initiate a new consultation process about Central Library and encouraged citizens to take part. We look forward to the consultants' report. It will be valuable for the Board to lay out the next steps in the process, so the public can anticipate and be engaged in this important decision.

The RPL has stated it is holding back on expenditures on the Central Library building. This raises concerns that it could be like Connaught School, where neglect led to what was avoidable problems causing the demolition of the building.

The phrase "A new Central Library will become a distinguishing city landmark" seems to indicate a predetermination of a new building, involving demolition of the current building. Feedback to FRPL has been that people would like a design that renovates and adds to the current building. This would be less costly and would preserve the heritage of the modernist Central Library building.

Last year City Council increased its borrowing capacity, partly for the upgrade of Central Library. Members of the public continue to state that the cost of upgrading Central Library should be kept to a reasonable level not requiring involvement in public-private-partnership. People want a publicly-owned facility directly focused on library services rather than a more expensive facility with a complexity of private and public services.

Previously we noted the new demands being created for library services as Regina's population grows and neighbourhoods develop and change. What progress has been made by the Library Board in developing initiatives to address these changes? How has City Council recognized the impact of new developments on demand for library services?

'21st century libraries' is a phrase that is being used frequently – hopefully not just adopting trends but improving services in a viable way. The time and resources spent to involve the community in decision-making and to include the broad range of people in the Library are resources well-spent. It is important to maintain openness and accountability about library services and recognize and celebrate the continuing support of the citizens of Regina for their libraries.

Thank you for the opportunity to present these comments for public discussion.

Sincerely,

Joanne Havelock
Chair
Friends of the Regina Public Library

FRIENDS OF THE REGINA PUBLIC LIBRARY – WHO WE ARE

Friends of the Regina Public Library (FRPL) formed in December 2003 in response to the threatened closure of several Regina Public Library Branches: Connaught Library, Glen Elm Library, Prince of Wales Library, the Prairie History Room located at the Central Library and the Dunlop Art Gallery with galleries located at Sherwood Library and at Central Library.

FRPL organized and worked with people from all walks of life, and from communities throughout the City to help citizens show their support for their libraries. A petition with over 26,000 signatures helped convince the Regina Public Library Board to rescind its plans for closures. It helped convince the Regina City Council that the citizens of Regina value their libraries and would support much needed, but modest, increases in the mill rate to provide the Library with additional funding.

FRPL continues to play an important role in:

- monitoring the RPL Board activities and working with the Board to reach mutual goals,
- supporting efforts by RPL and other organizations to improve libraries,
- involving the public in having their say on libraries; and
- celebrating the Libraries and our community.

Vision: A strong library system meeting community and patron's needs that is accessible to all

Mission: In an equitable and public manner, through ongoing dialogue between the public and decision-makers, support the maintenance and development of a strong set of diverse and accessible library products, services and programs that meet the needs of all Regina residents.

Goals:

1. To promote transparent, accountable, democratic decision-making within and about the Regina Public Library.
2. To promote equitable access to library services to meet the needs of diverse communities.
3. To promote the maintenance and enhancement of RPL programs and services including those that support literacy and provide cultural opportunities for all.
4. To actively promote the value of library services throughout the community.
5. To create a vibrant FRPL organization.

Why We Are Here

The library plays a prominent role in our communities and in our lives. Most of us have fond memories of visiting the library in our youth, either with family, friends or on our own. The library is one of the central places that children can go to learn a love of books and learning. Libraries help to build strong individuals, strong families and strong

communities. In Regina, the first thing the citizens of Regina did was to present a petition to the Regina City Council asking that a free public library be established. The bylaw was passed January 17, 1908.

Over the past hundred years the Regina Public Library has benefited from the generous support of citizens, of politicians and business people who recognize that building a strong library system was the cornerstone of a progressive community. The staff and board of the Regina Public Library built a library system that is recognized across Canada for its innovative programming.

In 1974 the Library Board approved a Policy Statement, which stated that the Library's objective was, "to provide education, information, research, aesthetic appreciation and recreation for the entire community". This attitude towards supporting learning and enrichment through many disciplines led the Library to include a film theatre, art gallery, and history room in its programming as well as extensive book, magazine and video collections. At one point the Globe Theater even found its home in the Regina Public Library!

Unfortunately the later years of the Regina Public Library saw a gradual decrease in political support for the library. The last decade was one of uncertainty as several consecutive Library Boards chose not to ask for increases in the mill rate that would have allowed the Regina Public Library to keep up with inflation and ensure adequate resources for building maintenance and repairs. This situation led to the announcement on November 26, 2003 that the Library Board would have to close the Prince of Wales Branch, Connaught Branch and Glen Elm Branch as well as the Dunlop Art Gallery and the Prairie History Room.

The community reacted immediately by forming the Friends of the Regina Public Library to oppose the closures, resulting in a petition of 26,000 signatures being presented to City Council on March 5, 2004. As a result, the closures were rescinded and the Library Board, under the direction of City Council, launched a task force to examine the options. FRPL also launched its own Task Force. The Friends of the Dunlop (FODAG) also formed and worked together with FRPL to hold events, create public dialogue, draw attention to the issues and suggest alternatives to closures. After further protests, extensive media coverage and changes to the Library Board, the decision to close the Branches, the Prairie History Room and the Dunlop Art Gallery was rescinded.

The Friends of RPL, FODAG and other community groups and individuals were successful in stopping the closures in 2004, and changes have certainly occurred in the Library Board and Management since that date. Under the new Board and management, new programs have been introduced and there has been construction of new Prince of Wales and Regent Place Branches. Still, FRPL continues to believe that it is important for there to be a public voice in the City about Libraries. A voice that is able to provide constructive suggestions where needed, and to recognize and support the Library's achievements.



DIRECTOR'S OFFICE
P.O. Box 2311, 2311 – 12th Avenue
REGINA, Saskatchewan
Canada S4P 3Z5
(306) 777-6000
www.reginalibrary.ca

November 5, 2014

His Worship Mayor Michael Fougere
and Members of City Council
City of Regina
P.O. Box 1790
REGINA SK S4P 3C8

Dear Mayor Fougere and City Councillors:

Under Section 22, (1) of *The Public Libraries Act, 1996*, the Board of Regina Public Library requests that Council approve the Library mill rate levy request for 2015 of .9372.

The Library Board is requesting a mill rate increase of 2.7% for 2015 and will also include \$1,267,000 as projected revenue for grants-in-lieu and forecast supplementary taxes of \$150,000.

Revenue from tax sources can be summarized as follows:

2015 Library mill rate	.9372
2015 City of Regina net levy request	\$17,918,600
2015 Grants-in-Lieu	\$1,267,000
Mill rate increase over 2014	2.7%

The Regina Public Library Board submits these proposals as citizens entrusted to provide and steward public library services to our patrons, and with the knowledge that the budget presented is required to operate the Library system effectively and efficiently.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darryl Lucke', with a long horizontal line extending to the right.

Darryl Lucke, Chair
Regina Public Library Board

Enclosure



Regina Public Library

2015 Mill Rate Request

2015 Library mill rate	.9372
2015 City of Regina net levy request	\$17,918,600
2015 Grants-in-Lieu	\$1,267,000
Mill rate increase over 2014	2.7%

I 2014 IN REVIEW

The Regina Public Library (RPL) is committed to enhancing the quality of life in Regina.

Through our collections, programs and services, RPL promotes and supports cultural, economic, educational and recreational development in the city.

2014 was an exciting year for the library as many initiatives were achieved through the ongoing support of City Council and the community. This year's progress exemplified our vision to be a strategic community leader that inspires lifelong learning and literacy in a welcoming environment, while respecting and celebrating the unique diversity of Regina.

Several exciting projects and initiatives were undertaken to advance this vision, and to advance the goals and objectives outlined in *Looking Ahead: 2011 and Beyond*, the Library's strategic plan.

Central Library Development

- As indicated in the strategic plan, it has become evident that community needs for the Central Library have outgrown the existing building. In 2014, the Board committed to re-examine the issues, and work was completed to collect information to inform decisions regarding the future of the building.
- Through mid-year and into the fall, RPL contracted the services of DIALOG, a consulting firm from Vancouver, to assist in gathering public opinion and ideas about the Central Library and its place in the community. Over 1,100 people from across Regina participated in the online survey, and over 1,000 participants visited RPL's booth (staffed by Library employees), set up at numerous road show events in the city. Face-to-face conversations were held with several stakeholder groups. A final report is currently being developed and will be presented to the Board in the weeks ahead.
- This work provides key information for Board decisions regarding how best to move forward with the Central Library.

North Central Shared Facility

- Work on the development of the North Central Shared Facility (NCSF) continued in 2014. All partners are working on the final drawings for the facility in preparation for release of tender documents. The project will go to tender before the end of 2014, and the facility will be ready for occupancy in 2017.
- RPL is excited to play a role in this unique, first-of-its-kind facility for our North Central community. We look forward to the future when the NCSF moves from a plan on paper to a fully-operational facility.

New Technology

- RPL introduced self-check machines into the Central Library and the Central Children's Library. This self-service model is prevalent in large public libraries, and strengthens RPL's ability to ensure patron privacy, as well as minimize routine service line ups. Self-check also reduces repetitive strain injury among staff, and enables staff to come out from behind the traditional check-out desk in order to assist patrons throughout the library.
- RPL is examining ways to bring new technology to patrons through programming. RPL's first Makerspace Conference will be held on November 28 and 29. This initial conference will serve as a litmus test to determine future interest in a more permanent makerspace at RPL. A Makerspace is a workspace where people create, experiment, and discover through collaboration with others in the community.
- Also new to RPL in the fall of 2014 was Hoopla, a digital media service that enables patrons to borrow from a selection of streaming movies, television shows, music, and audiobooks via their browsers, smartphones, and tablets.
- Thanks to a Canada Cultural Spaces Fund grant, the RPL Film Theatre moved into the digital age with the installation of the new Digital Cinema Projection System. The conversion represented an exciting step for the Film Theatre, as digital films are now the standard, thus ensuring a wider range of movie options for RPL film goers. The grant also enabled RPL to install theatrical lighting along the stage to enhance the Film Theatre as a presentation space.

Physical Space Updates

- New interior design and shelving systems were installed at the Glen Elm Branch to create modern, functional spaces with multiple uses. As RPL evolves to meet the changing needs of Glen Elm's neighbourhood and communities, more programming spaces and experiential learning spaces have been created to welcome a new generation of library users and further assist established patrons.
- The Dunlop Art Gallery (the DAG) has completed a renovation to refresh its Resource Centre. The space has been updated with a set of new display racks to highlight the Gallery's art rental collection and service, ensuring art rental pieces are openly displayed and accessible to the public. A dedicated Mediatheque space has been established to feature the work of film and video artists.
- The Central Children's Library has adapted its collection to better meet the needs of RPL's young patrons, while the space itself has been updated with new paint, signage and shelving, and a reconfiguration to create a bright play space. New furnishings have been purchased to ensure a comfortable experience for the whole family.

Welcoming Newcomers

- A new Literacy Café has been introduced at the Glen Elm Branch, similar to the café at the Central Library. Both are dedicated areas where patrons can learn or improve their English and study for the International English Language Testing System (IELTS) or General Education Development (GED) exams. The cafés feature computers equipped with *Rosetta Stone* and other language learning programs.
- RPL introduced Family Language Kits designed to help families learn English together. Kits are available in Arabic, Chinese, Hindi, Korean, Russian, Spanish, and Urdu, and each kit contains four bilingual storybooks, a bilingual children's dictionary, a children's audiobook, and a set of toys to match the overall theme.

A Day at the Library . . .

With all the exciting programs and services offered by RPL, no two days are alike. The following highlights represent some of the unique programs and services offered to the public in 2014.

- Author Gail Bowen was installed as RPL's Writer in Residence for 2013-14. Ms. Bowen is best known for her mystery novels set in Saskatchewan. She hosted a number of exciting discussions and workshops at RPL, including many programs geared toward budding writers. In the fall of 2014, writer Arthur Slade succeeded Ms. Bowen as the Writer in Residence, an appointment that will continue through to Spring 2015. Mr. Slade writes books for children and young adults.
- The Dunlop Art Gallery's *DAG Volumes II* won a Bronze Award from PubWest's 30th Annual Graphic Design Awards. The art gallery received a grant from the Saskatchewan Publishers Group (SaskBooks) to support 2014-15 publications, as well as support the gallery's transition to digital and print-on-demand publishing. The jury was impressed by DAG's forward-thinking approach, and the quality of the graphic design of its past publications.
- At the beginning of summer, the DAG installed a small artist studio called *Art Shack* outside Central Library. *Art Shack* was a community engagement project done in partnership with Regina Downtown, artist Heather Cline, and Grade 8 students from the Mother Teresa Middle School. It was used as a centre for two very popular youth art camps, DAG residencies, RPL promotion and Regina Downtown activity.
- As RPL transitions to digital services, ebooks are increasing in popularity. As of September 2014, RPL ebook usage had increased by 35 per cent over the same period in 2013.

2015 Mill Rate Request Submission for Council

- The *TD Summer Reading Club* was held again this year to encourage children to invent, create and innovate, using books and stories as their inspiration. The goal of the program is to help reduce summer reading loss in children. In 2014, 4,098 children registered in the program and read for a total of 47,588 hours. RPL offered 344 children's programs across the system during the summer, and they were attended by 13,593 children and their caregivers.
- RPL is responding to community demand for library services. Since 2009, hours of service to the public have increased by 11 per cent, or 2,392 hours. The focus in 2014 was improving Sunday open hours.
- Over 60 teens competed in *Show Us What You've Got Again*, a book trailer competition with Saskatoon Public Library. The competition required teens to develop a book trailer for their favourite book – similar to a movie trailer. Enrolment in the program improved substantially in 2014, and was very popular among the young adults of Regina.
- RPL held its second annual *Geek Summit* in October. Presented in partnership with the City of Regina, the summit is an opportunity for “geeks” of all ages to gather and explore a number of Regina's non-traditional interest groups, clubs, hobbies and cultural activities. Over 250 people attended the 2014 summit. Participating organizations included Regina Zombie Walk, Crash Bang Labs, Regina Manga Club, Regina Weavers and Spinners Guild, and the Saskatchewan Science Centre.
- As of September 30, 2014, over 1.1 million visitors came through the doors of RPL's various locations in 2014.
- The *Mainly Mother Goose* program is a caregiver-child interactive program filled with songs, rhymes, finger plays, bounces, and books designed for babies from birth to 24 months. Starting in 2014, this very successful program was offered at five community sites outside the Library. The program sets in motion a lifelong love of learning, reading, and libraries for young children.
- 2014 marked the 100th anniversary of the outbreak of WWI. RPL commemorated the anniversary with programming, services and collections dedicated to remembering the Great War and honouring peace. The DAG teamed with several partner groups to present an historic walking tour of downtown with story performer Vincent Murphy. Movies about WWI were held at the Film Theatre, and several programs were delivered throughout the year that focused on aspects of the war. Saskatoon author, Barbara Sapergia, gave a reading from her book, *Blood and Salt*, about Ukrainian internment camps during WWI, in conjunction with Saskatchewan Library Week.

- A new carving by local artist Garry Thurber was donated to RPL by Dr. Roberta McKay and Mr. Elmer Brenner. *In Hiding*, carved from soapstone, was inspired by a story written by the artist about the lost city of Atlantis. This is a centerpiece in the children's area at the Regent Place Branch, and is now part of RPL's permanent collection.

II 2015 BUDGET

The Regina Public Library Board (the Board) adopted six distinct goals in its Strategic Plan, *Looking Ahead – 2011 & Beyond* (the Plan). The Plan runs to 2020 and targets areas that will provide the Library with the necessary focus on community needs, and ensures an approach that is cognizant of the development needs for the Library's infrastructure. *Looking Ahead – 2011 & Beyond* sets as RPL priorities:

1. **Branch Renewal**
2. **Central Library Development**
3. **RPL in 2011 and Beyond**
4. **Creating a Welcoming Environment**
5. **Meeting Community Needs**
6. **Fundraising**

While only a few priorities require a budgetary focus, all will advance in some way through the 2015 allocation of resources.

- ***Branch Renewal***

Over the next 10 years, RPL will review each location and look at the feasibility of renovating, rebuilding or relocating each of our Branches. These decisions will be based on the needs of the community at the time of the Branch review.

RPL Strategic Plan, *Looking Ahead: 2011 & Beyond*

Budget support for the North Central Shared Facility (NCSF) is intended to provide an allocation to fund the new Albert Branch and RPL's share in the NCSF. With the 2015 allocation, the project would be completely funded by the end of 2015.

Other budget lines include smaller branch renewal projects scheduled throughout the year. Many projects are multi-year, and several locations have been targeted for updates. For example, the 2015 budget will cover completion of the re-design of the interior of the Glen Elm Branch, and will continue work begun at the Sherwood Village Branch.

An assumption of work on a branch development strategy has also been included in 2015. Branch development in recent years has been driven largely by necessity – leases ending (Regent Place and George Bothwell); significant structural issues addressed (Prince of Wales); and partnership opportunities undertaken (Albert). Decisions on the Central Library building have advanced the discussion about the system as a whole, and invited the development of a plan to work through the remaining locations and an overall approach to service locations and mechanisms.

- **Central Library Development**

It is time to add soul to the heart of the City with a new, vibrant, modern gathering place in downtown Regina. A new Central Library will become a distinguishing city landmark, an anchor for downtown activity, and a model of sustainability. The vision for the new Central Library will incorporate a variety of dynamic and contemporary uses, such as premier arts and culture organizations, versatile meeting spaces, unique street-oriented retail shops and dining opportunities. This new facility will provide the downtown core with an innovative and distinctive cultural presence for Regina residents, tourists and visitors. A new Central Library will also positively impact the visual, cultural and economic wellbeing of our community.

RPL Strategic Plan, *Looking Ahead: 2011 & Beyond*

In 2009, the Board initiated the current process for consideration of options for the Central Library. Public consultations were held, a number of scenarios were tested, and concept designs and a functional program for the Central Library were prepared. The Board has worked to renew this process in 2014, and take a fresh look at the Central Library.

The Central Library Study budget has been increased to support redefining the plan. Whether the outcome is a renovation or a new development, the Library will require external expertise to assist with plan creation and project management. Alternatively, if the decision is delayed or if the Board deems that more information is required, the Central Library Study budget will support that activity.

- **RPL in 2011 and Beyond**

We will venture into a new collections approach for neighbourhood Branches. Our new Branch will look more like a bookstore than a traditional library and is designed to make browsing easier and more convenient. These expanded visions move RPL away from the traditional library philosophy and will help evaluate the success of these new features for future renovations in our other Branches.

RPL Strategic Plan, *Looking Ahead: 2011 & Beyond*

RPL's budgetary approach primarily moves the Library and its services forward by reallocating existing resources, except within the areas of Collections and IT.

The budget for capital and operating expenses for IT and Collections have increased in this mill rate proposal. Public technologies and collections will be a focal point for resource allocation for at least the next 3 to 5 years. Both of these areas are at the point in development where older and newer technologies are required at the same time.

The intent of the 2015 IT and Collections budgets is to focus RPL's attentions to the future in a way that does not presuppose the safety of the traditional library, but also embraces future possibilities for continued community-focused services.

Public libraries are challenged to ensure their collections remain responsive to public need. Presently, there is a strong demand not only for physical books, CDs, and DVDs, but also electronic information sources, downloadables, and streaming resources.

RPL Collection Leads follow a high-level budget for allocation of resources based on material type, and adjust through the year to meet changing community needs. This year, RPL will add more downloadable e-books and e-audio books, as well as continue with a new streaming video service and both physical and digital services for the print disabled.

Technology plays an important role in RPL's future, and that of public libraries in general. RPL has been steadily adding self-check machines to its branches and will continue to do so in 2015. RPL will expand these self-service initiatives through an allocation for public technologies, such as laptop lending and a Makerspace. RPL is also exploring options for Library service vending machines both inside and outside the Library.

Creating a mobile presence has been a priority, and RPL recently launched its own App. Further development of the App is required and will, ideally, be accomplished in partnership with the Saskatchewan Information and Library Services (SILS) Consortium.

2015 Mill Rate Request Submission for Council

- **Creating a Welcoming Environment**

With the incorporation of new furniture, shelving and signage in targeted areas, RPL will have new resources to deliver a welcoming environment for families, school-aged children, teens and adults. The RPL Board makes the Library a positive place to work for its current employees and is an employer of choice for future employees.

RPL Strategic Plan, Looking Ahead: 2011 & Beyond

The Glen Elm Branch interior redesign that began in 2014 will be completed in 2015, and will include a new floor plan, shelving and paint finishes. These changes will complement the needs of the changing community surrounding the branch.

Service space changes will be completed at the Central Library and other branches to create study areas, improve comfortable seating, refresh signage, and improve wayfaring.

Central Library is poorly designed and not outfitted for 21st Century public library services. The scale of cost for significant space redesign at the Central Library, coupled with near-future decisions about redevelopment, create a reluctance to make major changes.

In the interim, RPL will use high-impact space strategies to maximize use of public floor space, ensure safety, and focus on movable furnishings to create a more welcoming and engaging public space.

Whether at Central Library or any branch location, particular attention is being paid to introducing furniture that will meet increasing public demand for access to power for portable devices.

- **Meeting Community Needs**

As a community leader, RPL will use an evidence-based decision making process to review how it is meeting the needs of Regina's new and current citizens. This will include improved hours of operation, new furniture and quality programs, events and services that are delivered in an efficient and cost-effective way.

RPL Strategic Plan, Looking Ahead: 2011 & Beyond

Operationally, RPL's Service Plan guides the implementation of new and improved processes to meet community needs and ensures a consistent focus throughout the organization. *Mapping the New Direction*, the current service plan, will be renewed in early 2015.

2015 Mill Rate Request Submission for Council

The Service Plan development process involves extensive community consultation, stakeholder engagement, and quantitative analysis to produce an action plan – a business plan – for library programs and services. This process not only provides advancement of the strategic direction of *Meeting Community Needs*, but also provides valuable community input into how the Library can fulfill community needs within the other five strategies. Renewing the Service Plan is primarily covered through consulting fees and is expected to set the course for the following four years.

- **Fundraising**

Profits from these fundraising initiatives will be used to renew our current Library Branches and initiate construction of the new Central Library and downtown Cultural Centre.

RPL Strategic Plan, *Looking Ahead: 2011 & Beyond*

In its 2007 Feasibility Study, the Library's fundraising framework confirmed the prominence of the Central Library Development project as a catalyst for successful fundraising and development at RPL. Assuming there will be a definitive plan for Central Library Development in the coming months, a Development Manager has been hired to guide and lead the fundraising program. The change in the Regina landscape and the Board's pending decisions for Central Library Development will require a new feasibility study upon which the Library can build a plan to move forward.

Conclusion

This budget report highlights only a part of the work to be completed by the RPL Board and staff in the coming year. Other new programs, initiatives and services will be targeted and completed in the months ahead.

RPL is committed to community responsiveness, evidence-based management, accountability, and innovation. We are dedicated to serving the interests and expectations of the citizens of Regina. Our commitment is carried out in an approach that assures the most efficient and effective use of the taxpayer resources provided to the organization.

Our proposed mill rate increase of 2.7% over 2015 is required to ensure RPL can meet the needs of its citizens through responsive programs, services, and physical and online collections.

The Board thanks City Council for its past support and we look forward to a continued positive partnership.

THE REGINA PUBLIC LIBRARY BOARD
CITY COUNCIL 2015 BUDGET SUBMISSION DRAFT
STATEMENT OF OPERATIONS AND FUNDING ADJUSTMENTS
FOR BOARD MEETING

Appendix A

	2015 Budget \$ (Unaudited)	2014 Budget \$ (Unaudited)	2015 Budget vs. 2014 Budget \$ Change
Statement of Operations			
Revenue:			
Taxes and Grants:			
City of Regina tax levy (Note 1)	18,068,600	17,314,300	754,300
Grants-in-lieu of taxes	1,267,000	1,235,000	32,000
Provincial services agreement	597,500	591,600	5,900
Other grants	283,700	277,900	5,800
	20,216,800	19,418,800	798,000
Other Revenue:			
Other revenue	501,000	514,500	(13,500)
Total Revenue	20,717,800	19,933,300	784,500
Expenses:			
Operating Expenses:			
Public services	12,259,700	11,993,600	266,100
Support services	4,137,500	3,695,300	442,200
Administration	1,361,200	1,187,600	173,600
Governance	127,400	104,800	22,600
Total Expenses before Amortization	17,885,800	16,981,300	904,500
Amortization Expense	2,400,000	2,230,000	170,000
Total Expenses	20,285,800	19,211,300	1,074,500
Annual Surplus from Operations	432,000	722,000	(290,000)
Funding Adjustments			
Adjustments for non cash items			
Amortization of Capital Assets	2,400,000	2,230,000	170,000
Employment Benefits Obligation	112,000	117,000	(5,000)
	2,512,000	2,347,000	165,000
Funding Provided from Operations	2,944,000	3,069,000	(125,000)

Note:

1 Includes supplementary taxes of \$150,000 (2014 \$190,000)

**THE REGINA PUBLIC LIBRARY BOARD
CITY COUNCIL 2015 BUDGET SUBMISSION DRAFT
STATEMENT OF OPERATIONS AND FUNDING ADJUSTMENTS**

Appendix A

	2015 Budget \$	2014 Budget \$	2015 Budget vs. 2014 Budget \$ Change
Capital:			
Ongoing:			
Library Materials	1,450,000	1,390,000	60,000
Building	250,000	250,000	-
George Bothwell Lease Payments	-	200,000	(200,000)
Furniture and Equipment	180,000	180,000	-
Information Technology	440,000	375,000	65,000
Land Improvements	5,000	-	5,000
Shelving	40,000	-	40,000
Vehicles	-	75,000	(75,000)
	2,365,000	2,470,000	(105,000)
Major Projects:			
Branch Development (Note 2)	619,000	619,000	-
Special:			
Total Capital	2,984,000	3,089,000	(105,000)
Net Funding Requirements	40,000	20,000	20,000
Less other sources of funds:			
Planned Funding from Reserves			
From DAG Reserves	(40,000)	(20,000)	(20,000)
	(40,000)	(20,000)	(20,000)
Add other uses of funds:			
Planned Contributions to Reserves			
	-	-	-
Net Budget (Note 3)	0	0	0

Notes:

2 Cost estimates include Work in Progress for North Central Shared Facility.

3 \$0 indicates a balanced budget.

THE REGINA PUBLIC LIBRARY BOARD

Schedule 1

SCHEDULE OF EXPENSES BY OBJECT

	2015 Budget \$	2014 Budget \$	2015 Budget vs. 2014 Budget \$ Change
	(Unaudited)	(Unaudited)	
EXPENSES			
Wages, benefits and honoraria	12,462,800	12,013,300	449,500
Purchased goods and services	5,383,000	4,913,000	470,000
Interest	40,000	55,000	(15,000)
Amortization	2,400,000	2,230,000	170,000
Net expenses	20,285,800	19,211,300	1,074,500

THE REGINA PUBLIC LIBRARY BOARDSchedule 2**SCHEDULE OF LIBRARY MATERIALS EXPENSES**

	2015 Budget \$	2014 Budget \$	2015 Budget vs. 2014 Budget \$ Change
	(Unaudited)	(Unaudited)	
EXPENSES			
Books	1,000,000	984,000	16,000
E-books	170,000	114,000	56,000
DVDs	198,000	198,000	-
Sound recordings	82,000	94,000	(12,000)
Net expenditures	1,450,000	1,390,000	60,000

Table 1

THE REGINA PUBLIC LIBRARY BOARD
2015 BUDGET
SUPPLEMENTARY INFORMATION ON BRANCHES (Unaudited)

Library Branch Location (Note 1)	Revenue All Sources \$	2015 Expenses					Total 2015 Expenses \$
		Staffing \$	Services & Other \$ (Note 2)	Building Operations \$	Building Lease \$ (Notes 3 & 4)	Sub-total	Building Amortization \$ (Note 5)
Albert	3,400	324,400	5,700	55,200		385,300	385,300
Connaught	11,400	294,900	4,800	52,400		352,100	352,100
George Bothwell	53,600	632,000	5,800	128,200	242,600	1,008,600	1,008,600
Glen Elm	13,900	320,100	4,600	113,700		438,400	470,100
Prince of Wales	8,600	320,100	4,000	38,300		362,400	408,500
Regent Place	22,000	438,200	5,000	46,100	207,000	696,300	730,800
Sherwood Village	37,500	578,300	5,900	125,700		709,900	734,900
Sunrise	37,700	589,100	4,800	122,600		716,500	756,200
	188,100	3,497,100	40,600	682,200	449,600	4,669,500	4,846,500

Notes:

1. The building costs of operating the Central Library are budgeted at \$813,700 for 2015. The building is fully amortized. Central building operating costs have been distributed among Central Library service units.
2. All program and telephone expenses are centralized.
3. The remaining Library Locations are owner occupied.
4. George Bothwell common area costs are included in building operations.
5. The Albert and Connaught branches are fully amortized. George Bothwell has no budget for lease improvement amortization.

December 8, 2014

Hi Regina City Clerks office

I Jamie McKenzie would like put on the Agenda to speak at Monday December 8 2014 Regina City Council Meeting about Regina paratransit service 2015 Operating budget for Two additional buses will be added to the paratransit fleet assuming provincial government support.

Hi worship and Honourable members of Regina City Council

because of Regina City Council Decisions in the past not to fund Regina paratransit service because provincial government not increasing there share of founding of Regina Paratransit service under The Transit Assistance for People with Disabilities.

because of Regina City Council Decisions in the past that having hardship on customers of Regina paratransit service it was not The provincial government that made the Decision to contract out Regina Paratransit Service to a private contractor like FirstCanda because the contract with FirstCanda increase every year of the contract but City of Regina share of funding of Regina paratransit service Operating budget as not increase to keep up the cost of the contract with FirstCanda increase every year of the contract.

Regina Paratransit customers having hardship when you told Regina paratransit buses all booked specially when to get groceries or any other social activities by increasing Regina Paratransit buses by Two additional buses will help.

But have city Administration look at the contracts with Saskatchewan Abilities Council workshop and The Cosmopolitan Learning Centre workshops because if Regina paratransit service did not have the contracts with Saskatchewan Abilities Council workshop and The Cosmopolitan Learning Centre workshops.

They could increase public service trips that funds provincial government part of Regina paratransit service.

Jamie McKenzie



**SASKATCHEWAN
HUMAN RIGHTS
COMMISSION**

December 4, 2014

Attention: Mayor and Councillors

As a representative of the Saskatchewan Human Rights Commission I appreciate the opportunity to speak to Council during budgetary negotiations.

The Commission is pleased with the work carried out by the ATSAC group focused on improving transportation initiatives within the City of Regina. A lot has been accomplished in approximately one calendar year to improve access to transportation for people with disabilities. The Commission is encouraged that the focus of accessibility has been highlighted throughout the circulated budgetary documentation. The Commission is pleased with the steps that have been taken in this last year but is cognizant that the work is not yet complete.

The Commission notes that there are significant proposals made in the budget material circulated for discussion on December 8, 2014. The Commission supports the review of the Paratransit system and service, the commitment of \$3 million to rejuvenate the existing Paratransit fleet by the purchase of 6 replacement buses, and notes the commitment to allow administration to use private hire taxi cabs to ease the burden on the system during peak times. However the Commission does note that the refusal rate experienced by citizens in the City of Regina is still significantly higher than the acceptable refusal rate of 1%, and the City has yet to make a commitment to expand the existing fleet.

In the area of conventional transit the Commission is encouraged by the commitment of the City to convert to 100% low floor buses allowing greater access to those citizens with disabilities. The Commission is pleased to note that the City is intending to pilot a barrier free bus stop in the near future, it is hoped that this bus stop, if successful, can become a template for all new stops in the future.

SASKATOON OFFICE

Suite 816, Sturdy Stone Building
122 – 3rd Avenue North
Saskatoon, SK S7K 2H6

PHONE 306-933-5952
FAX 306-933-7863
TOLL FREE 1-800-667-9249
EMAIL shrc@gov.sk.ca
WEB
www.saskatchewanhumanrights.ca

REGINA OFFICE

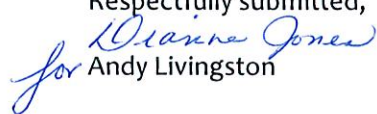
Suite 320, 1855 Victoria Avenue
Regina, SK S4P 3T2

FAX 306-787-0454
TOLL FREE 1-800-667-9249
EMAIL shrc@gov.sk.ca
WEB
www.saskatchewanhumanrights.ca

The Commission strongly supports the continuing implementation of automated bus stop announcements; however it does not appear to be mentioned in the budgetary material. The Commission expects the City to work with its transit operators to implement acceptable alternatives until the point at which the automated system becomes fully operational.

The Commission would like to commend the City for an increased commitment for accessible pedestrian signals (APS). We look forward to working with City administrators to continue to improve access to this technology within the wider community. The Commission notes that the implementation of APS in Regina is significantly below other municipalities both within the Province and nationally. The Commission looks forward to working with the City to eliminate this discrepancy.

Thank you for your attention.

Respectfully submitted,
for Andy Livingston

Investigator, Saskatchewan Human Rights Commission



DE14-100

ASSOCIATION OF REGINA REALTORS® INC.

**SUBMISSION TO CITY OF REGINA COUNCIL ON 2015
PROPOSED BUDGET**

December 2014

INTRODUCTION

The purpose of this submission is to inform City Council of the effect that property taxation has on housing affordability, comment on the issue of funding for local governments and to provide the Association's views on the 2015 proposed budget.

SOME QUICK FACTS

- The Association of Regina REALTORS® Inc. operates the Multiple Listing Service® System in Regina and area. It is projected that 3,700 properties valued at \$1.2 billion will exchange hands through the System in 2014.
- It is estimated that the economic impact of residential sales through the MLS® System to the local economy through ancillary consumer expenditures sale in 2014 was \$150 million.
- The Association represents 40 member offices and 490 individual REALTOR® members in the Regina area.

PROPERTY TAXATION AFFECTS HOUSING AFFORDABILITY

Affordability is comprised of five primary cost factors:

1. The purchase price of the home;
2. The cost of financing the purchase (mortgage);
3. Utilities;
4. Insurance; and
5. Property taxation.

Consumer surveys done in recent years by the Association consistently indicate that property taxation is a key factor in determining purchasing decisions. A survey conducted earlier this year for the association found that property taxation only ranked behind the purchase price and monthly mortgage payment and ahead of insurance and utilities as factors when choosing a home.

Although there has been some moderation in the past year, the price of homes in the local market has increased 2.7 times in the last ten years. The impact of rising prices on affordability during the period has been largely offset by historically low mortgage interest rates. This offset, however, has a temporary nature to it, in that mortgage rates will inevitably rise. When rates do rise, this will add more cost to homeownership.

Increasing taxation affects affordability of housing in the community. It is not necessarily the relatively small dollar impact in any one year, but the cumulative effect of the total property tax bill over the longer term. The amount of property taxation on a home being purchased is taken into account by mortgage lenders when approving financing. The higher the level of taxation, the less financing there is available to purchase a home.

In addition to home purchasers, affordability may also affect existing home owners - in particular those on fixed lower incomes. The property tax is regressive in nature, having no necessary relationship to the income of the home owner. Increases in property taxation can have an impact on those currently on the margin of affordability. It is also a contributing factor to increasing rents, as landlords will recover this cost through rents paid by tenants.

Property taxes add to cost of home ownership – the more taken in tax, the less there is available for principal and other uses.

FUNDING FOR LOCAL GOVERNMENT NEEDS

The property tax is a relic from the past that no longer meets the needs of financing any government's operations. It's a tax on the capital of families, farmers and businesses, with no necessary relationship to income of the property owner and, as such, detracts from housing affordability. Having said all of this, it remains the sole direct form of taxation revenue for municipalities.

We do acknowledge that municipalities face a very significant challenge regarding infrastructure – funding both the renewal of existing infrastructure and creating new infrastructure arising from growth. We do not believe it is reasonable nor sustainable to expect funding for this to be addressed only from the narrow and regressive property tax base. In our opinion, it should be funded through permanent and predictable funding programs in partnership with the senior levels of government.

The property tax is a levy on family and business capital. Governments would do well to devote energies to replacing it with a new funding model for local government.

In the survey mentioned earlier, general findings concerning funding were:

1. Tax increases are not well received by most;
2. 80% said they prefer increased user fees to tax increases;
3. 76% support dedicated tax increases to pay for specific needs; and
4. 70% said that growth in Regina is positive and brings benefits.

These results offer some insights as to public opinion on the funding issue.

ASSOCIATION POSITION ON PROPOSED 2015 BUDGET

Municipal Councils have a very difficult job as they generally are not able to receive the benefit of increasing taxation revenue due to growth in economic activity, as do the other two levels of government. When more revenue is needed, a Council typically has but one alternative – to increase the rate of taxation on property owners.

We believe that the City has done a very commendable job of holding the line on taxation increases in recent years. This has contributed to our competitiveness with other cities. We also recognize that it is no longer reasonable to expect a zero anymore. This is not sustainable.

We support the proposed 2015 budget for two primary reasons:

1. the increase of 3.3% is reasonable and more in line with inflation and the cost of supporting growth; and
2. the idea of dedicating the 1% of the overall increase to street renewal.

Having said this, if it is possible to reduce the increase it would be supported by the association.

Thank you for providing the opportunity to provide input into the development of the 2015 City budget.

Gord Archibald
Chief Executive Officer



Submitted by Gord Archibald & Tim Otitoju

December 8, 2014

Mr. Mayor and Members of Council. My name is Jim Elliott.

I have been before you and other past members of this Council for the past 14 years. Although I do not wish to be seen as a broken record, this year I must restate and continue to ask you to reassess the direction you are proceeding and consider going in a different, in my mind a more sustainable direction.

This council and others in the past have been digging a hole. This hole is the infrastructure deficit. This Council and past councils (some of which you were on) have been digging this hole and thinking that someone in the future will save them before they dig it so deep that they will not be able to get out of the hole. Unfortunately, that day has come and this city is so far down in the hole that they will not be able to get out. What is most disturbing is that this Council still will not acknowledge that what they do each year is putting them further in the ground even when you now begin to ask the taxpayers of this city to bail you out of that infrastructure deficit.

We continue each year to put more roads and water/sewer infrastructure on the inventory when we cannot ever repair it sufficiently enough to get to the laudable goal of having everything in fair condition. Your administration states this clearly. "But two decades of doing so has created a backlog of mandatory infrastructure renewal that the City estimates will require an additional investment of \$93 million per year for 20 years to address."¹

- 1) As stated before, this Council must begin to rein in the development industry and make them begin to renovate our built communities such that more than 50% of what they do is done where the infrastructure is currently in place. We have to stop building outward and sprawling across the valuable agricultural land that is beside our city.

Your second substantive action that is seen by many others to be deplorable is your treatment of our disabled community. For many years, this Council will not adequately provide a basic mobility service to our disabled community such that they can manage their lives without hardship. They have daily barriers put in front of them to being active and productive citizens in their own city. In at least two cases, the Saskatchewan Human Rights Commission has intervened on their behalf to identify inequities in the provision of public transportation in this city. And yet, this Council continues to balk at doing the right thing.

¹ Page 15, Regina 2015 Operating Budget Document.

- 2) As stated before, this Council must begin to redress this inequity by providing at least 2 additional paratransit buses on a daily basis. This should be considered a yearly addition to the operating budget of this city until such time as the refusal rates go down below 2%. In response to the statement, "assuming provincial government support"², who has given you permission to violate someone's human rights just because someone else does not value their human rights?
- 3) Secondly, to save this city some money, return the paratransit to the City of Regina and have it managed and serviced by Regina city employees. In previous years, this was seen as a \$750,000 savings, probably more now.
- 4) And lastly, allow the transit and paratransit to retain within itself a reserve of its annual net revenue and allow them to reinvest this money where they deem it best to increase service and reliability of their services. We know that this coming spring, there will be a substantial increase in ridership using this service with the positive affirmation of the UPass at the University of Regina by the students of that campus. Give the transit department an easier capacity to respond to needs than simply going back to you each year and begging for more crumbs.

This budget continues to not respond to or deal with significant unfunded liabilities.

We have heard for many years the unfunded liabilities for vested sick leave, accumulated vacation credits, service pay and banked overtime. We have heard about the significant unfunded liabilities for pension and benefit plans.

This council may see itself as solving the problems of unfunded liabilities for pension and benefit plans. But all that has been accomplished is placing those unfunded liabilities on the backs of future generations of employees and taxpayers, something this Council will not have to sit and accept responsibility for when this comes back on future taxpayers.

Similarly, the privatization of the wastewater treatment plant will continue to see private corporations having their profits guaranteed by the public purse and short of remunicipalization of the service, the citizens of this city will be expected to belly up to the wicket for the next 30 years and dole out increasing utility fees with no more benefit than they have today. We will lose any skill-building capacity we had with the public employees of this city and will be beholden to the private corporation for services at any cost. And mark my word, they will be coming after more of our services and we will have to give them access to those services.

The City Planning and Development Division, through delegated authority from the Community and Protective Services Committee, provides financial support to

² Page 107, Regina 2015 Operating Budget Document.

community associations and organizations that provide arts, cultural, recreation, and community services along with organizations that address social issues.³

- 5) If the population of this city is increasing in numbers as well as in diversity, then why have the financial support to community associations and organizations that provide arts, culture, recreation and community services along with organizations that address social issues not been proportionally increased?

Since the 1950s residential housing development in North America has concentrated on suburban expansion of single family houses on relatively large lots. As many studies have shown, the "hectarage fees" charged by cities for lot development do not begin to cover the costs of new roads, water and sewer, telephone and power, public transit, garbage collection, schools, libraries, police, fire and other public services. The reality is that the older areas of the city normally subsidize suburban sprawl development. They do this through higher than necessary taxes. (Ewing, 2002; Hulse, 2000; Litman, 2004; Muro, 2004)

In addition, other costs are externalized to this form of residential development. Suburban homes use much more in materials and resources in the construction, devour much more valuable arable land, require much higher uses of energy, and result in greater automobile use. People travel much farther to work, school, shops and services, traffic deaths and injuries increase, and automobile use results in air pollution causing illness and early death. Noise pollution increases. A new study by the Rand Corporation has found a direct link between suburban sprawl and the incidence of many chronic health ailments. None of these costs are factored into development plans or are paid by those who choose to live or site their businesses in suburban areas. (Rand, 2004; Sorensen, 1998; Burchell, 2003; CEDS, 2004)

The social costs of this type of development are seen across North America and found in Regina as well. Those with higher incomes have been moving out to the suburbs, leaving those with lower incomes to the inner city. The socially disadvantages have gathered in the inner city where rents and the price of houses is seen to be lower. Social inequalities are intensified. Services are poorer in the inner city. Crime rates tend to be higher. The downtown centres of cities are hollowed out. These social costs of suburban sprawl are passed on to the public at large. (Gerckens, 2000; Burchell and Mukherji, 2003; Sierra Club, 2004)

As we all know very well, recent suburban growth in Regina has centered on the development of the three box store "power complexes" on the east end of Victoria Avenue, the Pasqua St./Rochdale Blvd. area in the northwest and now in Harbour Landing. This development is based on automobile transportation, large parking

³ Page 70, Regina 2015 Operating Budget Document.

lots, and large warehouse type stores backed by national and international chain stores. As numerous studies have shown, these stores destroy more jobs than they create, drive locally owned businesses to the wall, and drive down wages in the wholesale and retail sectors. They are huge black holes which suck capital out of the local economy. They receive large hidden subsidies, particularly for parking space. While they pay some property taxes they result in an overall decline in taxes, as property values in the older shopping areas falls. (New Rules, 2004; NRDC, 2004)

- 6) This budget should be discouraging the use of the private automobile and actively supporting active transportation, that being walking, cycling and taking public transit.

By continuing to put more and more capital budget money into the expansion of roadways, the limited money from the taxpayers of this city are not spent on residential road maintenance, replacement of aging infrastructure and other capital improvements.

There are no identifiable plans for future energy reduction in operations. Places where reductions in water, heat and electrical use could be taken, there appears to be no overall plan to change.

It is identified in the utility budget that 50% of the greenhouse gas emissions associated with the City of Regina is related to the provision of the water and sewer systems in this city. Why are we not making any efforts to reduce our GHG emissions footprint?

- 7) There needs to be an ongoing, aggressive, comprehensive energy reduction plan.

Respectfully submitted,

Jim Elliott

December 4, 2014

Re: City of Regina's Proposed 2015 Operating Budget

Good evening Your Worship, members of Regina City Council. My name is Marilyn Braun-Pollon and I am the Vice-President, Prairie and Agri-business for the Canadian Federation of Independent Business (CFIB). On behalf of our Regina small business members, I am pleased to provide their views/concerns of the City of Regina's proposed 2015 Operating Budget.

By most measures, Saskatchewan is a good place to own and operate a business. In many ways, we are the envy of entrepreneurs and business owners across Canada. That being said, we cannot afford to rest on our laurels.

CFIB noted the City's 2015 Budget theme is "*Strengthening Our Foundation*" which proposes to "invest in opportunities to strengthen our foundation as we continue shaping the future of our community for the next 25 years." We all agree the foundation of a strong economy is a vibrant, growing small business sector. That said, CFIB fears the City's proposed 4.3 per cent property tax hike will move us further away from fiscal sustainability in 2015, which hinders the efforts of small business owners to grow their businesses and create jobs.

Tax Hikes impact overall competitiveness

We realize budget deliberations require difficult decisions as Council strives to meet the demands of a strong economy and a growing population. However, we are concerned the City is considering another property tax hike for 2015 of 4.3 per cent (3.3 per cent tax increase to cover the costs of providing the programs/services and an additional 1 per cent to renew local roads).

The proposed increase follows a 5.88 per cent hike in 2014, 4.45 per cent increase in 2013, and the 3.90 per cent increase in 2012. If these trends continue, the City of Regina's competitive edge will continue to deteriorate.

As you may know, CFIB provided Council with a copy of our latest research report, ***WANTED: Property Tax Fairness in Saskatchewan***, in November. This is the seventh in a series of reports that examines municipal and total property tax gaps for 69 municipalities with a population of 1,000 or more. The gap measures the ratio of commercial and residential property tax bills for properties assessed at \$200,000.

CFIB's report revealed Saskatchewan commercial property owners in Saskatchewan's 15 cities ranged from \$1.48 to \$4.23 for every dollar in municipal property taxes paid by homeowners, with an average of \$2.48. The City of Regina had the sixth lowest municipal property tax gap (2.16) among Saskatchewan's cities in 2013. While this is a respectable ranking, remaining competitive is a moving target. The City of Regina must develop and implement a long-term plan to reduce the commercial-to-residential property tax gap to ensure tax levels remain competitive.

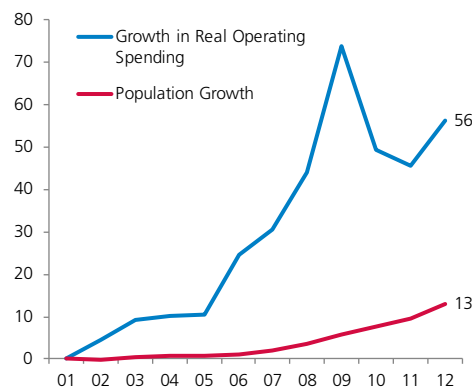
Unsustainable Municipal Spending Is the Problem, Not Revenues

It is our understanding Civic Administration is proposing General Operating Expenditures of \$397.8 million in 2015, up \$26.6 million from \$371.1 million in 2014 – or a 7.2 per cent increase. This is unsustainable as the increase is above the rate of inflation (CPI) plus population growth.

CFIB's released a report in May 2014: *Canada's Municipal Spending Watch*, which looked closely at 14 select cities and found varying degrees of overspending. Regina, for example, had 13 per cent population growth from 2001 to 2012, while the City's inflation-adjusted spending rose by 56 per cent. In Regina, municipal spending grew at a rate that was four times the rate of inflation and population growth, resulting in total excess spending of \$687 million from 2001 to 2012 (see Figure 1). The overspending is driven by the city's labour costs, which account, on average, for 52 per cent of Regina's operating spending.

Figure 1:

Cumulative Growth in Population and Operating Spending; Regina 2001-2012 (adjusted for inflation) (in %)



Source: City of Regina, Annual Reports

When CFIB recently asked its Regina members on whether the City is doing a good job on controlling spending, a strong majority (80 per cent) said 'No' and the balance (20 per cent) said 'Yes'. While we recognize the City is committed to providing efficient services and have achieved annual and one-time savings of more than \$27 million over the last eight years, we believe a Core Services Review must be conducted – as pledged by the Mayor in 2012. It is disappointing no formal discussions have occurred to date.

*"I truly believe that there is a real grain of truth to the fact that **we have a spending problem and not a revenue problem** [...]"*

Moose Jaw City Councillor Dawn Luhning, March 5, 2014 – Discover MooseJaw

Without greater ongoing fiscal discipline on operational spending, the pressure to simply hike taxes, or ask for new taxes, will only grow.

Long-Term Sustainable & Predictable Revenue Sharing: Regina has received a 154% increase in revenue sharing since 2007-08

Municipal leaders often claim that they have insufficient revenues and continue to ask senior levels of government for more money. However, CFIB research has shown that municipal revenues from taxes, fees and net transfers almost doubled from 1981 to 2012.¹ While the Federation of Canadian Municipalities (FCM) claims that cities receive just eight cents out of every tax dollar collected in Canada, the actual number is double that: 15 cents. The FCM leaves out major sources of revenue, including transfers from provincial and federal governments, from its calculations.

As you know, the Saskatchewan government provides one full point of the Provincial Sales Tax (PST) to municipalities, providing a long-term, stable and predictable revenue stream. On July 23, 2014, the Government of Saskatchewan announced Saskatchewan municipalities will be receiving \$8.3 million more revenue sharing in 2015 (a 108 per cent increase since 2007-08).

In 2014-15 the City of Regina received \$39.9 million in revenue sharing from the province – this is a 154 per cent increase in revenue sharing in 8 years. We understand the Municipal Operating Grant (MOG) to Regina is increasing by \$1.3 million to a total of \$41.2 million in 2015, or a 162 per cent increase in revenue sharing since 2007-08. With the province providing this predictable revenue sharing, we believe the City of Regina should use this revenue prudently and work to further contain costs to mitigate a property tax hike in 2015.

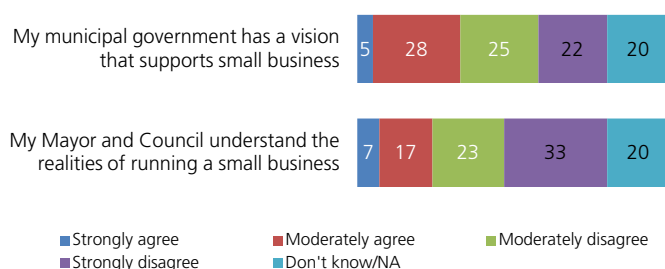
The Small Business Perspective on Municipal Issues:

Understanding the realities of running a small business:

Figure 2:

Mayor & Councils: Understanding the realities of running a small business

Please indicate to what extent you agree or disagree with each of the following statements



Source: CFIB, Sask Pre-budget Survey, October 2014, Regina responses

We know municipal governments make frequent references to the importance of the small business sector and their initiatives to support it. CFIB's recent survey found only 33 per cent (5 per cent strongly agree, 28 per cent moderately agree) of Regina small business owners agree their municipal government has a vision that supports small business. Almost half disagree (25 per cent moderately disagree and 22 per cent strongly disagree), with a further 20 per cent saying they didn't know.

Only 24 per cent believe their Mayor and Council understand the realities of running a business (7 per cent strongly agree, 17 per cent moderately agree), followed by 56 per cent that disagree (23 per cent moderately disagree and 33 per cent strongly disagree), with a further 20 per cent saying they didn't know (see Figure 2). There is clearly room for the Mayor and

¹ Wong, Queenie. (2014). *Municipalities Are Richer Than They Think: Municipal Share of Taxes, Fees, and Transfers*. Toronto: Canadian Federation of Independent Business.

Council to better understand the realities of running a small business and ensure municipal policies reflect this understanding.

Property Tax Hikes Will Impact Small Business Owners:

Figure 3:

Impact of Property Tax Hikes in 2015

If the municipality where your business is located increases property taxes in 2015, what would be the impact on your business? (% response)



Source: CFIB, Sask Pre-budget Survey, October 2014, Regina responses

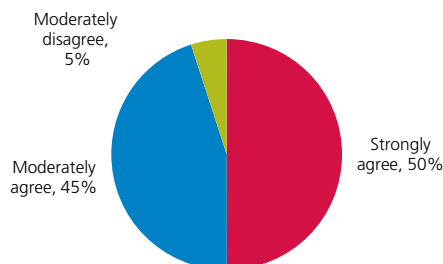
forego hiring new staff. A further 15 per cent would ignore new business opportunities if Regina increases property taxes in 2015. Only 8 per cent said there would be no impact on their business (see Figure 3).

Entrepreneurs Support Infrastructure Investment from Existing Revenues:

Figure 4:

Infrastructure spending:

I support spending more on infrastructure (fixing roads), if funded by efficiencies in my municipality's operating budget (% response)



Source: CFIB, Sask Pre-budget Survey, October 2014, Regina responses

There is an unfortunate misconception within the public realm that a property tax hike will not impact Regina's business community and its overall competitiveness. CFIB's recent survey of Regina members debunks this myth by revealing that property tax hikes have an impact on the ability of small business owners to further grow and expand their business. Seventy-three per cent of respondents said it would reduce business profits, 45 per cent said they would increase prices of products/services, 43 per cent would forego wage increases for employees and a further 25 per cent would

As we've stated in previous submissions, Regina small businesses certainly value infrastructure investment (fixing roads). In fact, a recent CFIB survey found 95 per cent (50 per cent strongly agree, 45 per cent moderately agree) of Regina business owners support spending more on infrastructure, if funded by efficiencies in the operating budget (see Figure 4).

Small business owners believe there are sufficient resources available within existing revenue streams to fund additional infrastructure if municipal operating spending growth is brought back to sustainable levels.

Recommendations:

With these facts in mind, CFIB urges the City of Regina to consider the following recommendations to further contain operating costs and mitigate the proposed municipal operating property tax increase:

- 1. Limit year-over-year spending growth to a maximum of inflation plus population growth** and ensure the funds from the Province's Municipal Operating Grant are used prudently. CFIB believes the 7.2 per cent increase in operating spending is unsustainable and would prefer operating spending growth be held to the Consumer Price Index (CPI) and population growth. Increases beyond this are unsustainable in the long-term and only add to the burden of taxpayers. And whether it's today or tomorrow, we all pay the price through higher property taxes.

Many municipalities tend to argue that the Municipal Price Index (MPI) is a superior measure of inflation than CPI. Cities argue that their "basket" of goods and services are considerably different from that of the average consumer or taxpayer. However, over 40% of the "basket of goods" used for MPI is wages and salaries paid to municipal employees. Increasing spending by MPI is a self-fulfilling prophecy.

- 2. Carefully review what is driving spending growth:**

The lion's share of municipal spending goes to employee compensation. In Regina, over half of the operating spending is for staff salaries and payroll costs. Some say that every efficiency possible has been identified at the City of Regina. However, one missing part of the debate is the costs associated with public sector wages and benefits. CFIB's *Wage Watch* report, which is based on census data, shows that there is a large disparity in wages and benefits in favour of the public sector when comparing similar jobs in the private sector. The results show, on average, municipal government workers in Regina earn 30 per cent more than their private sector counterparts in the same jobs (wages/benefits).

Until governments at all levels get serious about tackling this key component of their budgets, we fear we will continue to see unsustainable levels of spending. Therefore, it is imperative the City of Regina examine its spending on salaries, wages and benefits as this represents such a significant portion of operational expenditures.

- a. Continue to review current programs and services with a view to identifying programs and service areas that can be eliminated, streamlined, contracted out to the private sector, or sold.** While we recognize the City is committed to providing efficient services, we believe even more can be done. The fact that 80 per cent of Regina small business owners don't believe the City is doing a good job on controlling spending should provide enough evidence that more can be done. As stated earlier, we believe a Core Services Review must be conducted.
- b. Introduce a plan to reduce the size and cost of the municipal civil service (primarily through attrition).**

It is important to remind Council that the 2010 Saskatchewan Budget introduced a plan to reduce the size of the provincial civil service by 15 per cent over four years through attrition. This plan has resulted in the elimination of 1,909 positions, with annualized cumulative savings of \$198 million. The provincial government is urging all governments and third party partners to also do more with less and find efficiencies. This initiative has

been achieved while also dealing with the challenge of a growing economy, aging infrastructure and rising prices for supplies and services.

CFIB believes municipalities could also achieve these savings by reducing the size of their civil service. A recent CFIB survey revealed 60 per cent of Saskatchewan small business owners agree Saskatchewan municipalities should introduce a plan to reduce the size of their civil service. Supporters say it would result in smaller, more effective and efficient municipal governments. Only 16 per cent disagree, 24 per cent were undecided on the issue.

Montreal plans to reduce the size of its civil service

In early April, the Mayor of Montreal announced plans to reduce the municipal workforce by 2,200 employees over five years to lower wage costs. The reductions are to be achieved by replacing only every second employee who retires (except police and fire department staff would all be replaced). It is estimated that this would save the City of Montreal \$240 million during the next five years. Source: CBC News (2014). Montreal to cut 2,200 jobs over next five years - Plan will save \$240 million over five years and \$2 billion over 10 years, Mayor Denis Coderre says. CBC News, published April 3, 2014.

We know that one-third of the City of Regina's workforce is eligible to retire in the next six years and 10 per cent of the current workforce could retire today. Completing a Core Services Review would be a very important first step to identify any redundancies and opportunities to streamline the scope and cost of civic services.

With record retirement levels on the horizon in the coming years, this is a once in a generation opportunity to right size the footprint of civic government. We have an excellent example from the provincial government which has accomplished this task within a \$12 Billion General Revenue Budget. They too could have taken the easy way out and raised taxes, but instead exercised leadership and ensured sustainable spending, while further reducing the size and cost of the provincial civil service. We would therefore recommend the City take a similar approach as the Province of Saskatchewan and introduce a plan to reduce the size of the civil service over time, through attrition in non-priority areas.

3. **Develop and implement a plan over time to reduce the commercial- to- residential property tax gap.** The City of Saskatoon provides a good example for municipalities attempting to reduce their tax gaps. It worked hard to achieve the goal outlined in its ten year strategic plan by reducing its property tax ratio (commercial to residential) to 1.75. The City Administration released a report in 2013 recommending that the commercial to residential tax ratio be lowered further from 1.75 to 1.43 over an 11 year period. CFIB presented to City Council on October 21, 2013 and urged them to adopt the recommendations of that report starting in the next reassessment year. We urge Regina to follow Saskatoon's example.
4. **Consider the introduction of a base tax for all homeowners.** When surveyed, 70 per cent of small business owners agree a base tax for basic core services should be implemented for all homeowners. Local government services are enjoyed by all taxpayers and the costs must be shared by all taxpayers.

We thank you for considering the views of Regina's small business community as you work to finalize the 2015 Operating Budget. As you know, small businesses are the backbone of the City and the local economy, and municipal decisions will impact a business' ability to grow and create jobs.

Respectfully submitted by,

A handwritten signature in black ink, appearing to read "Marilyn Braun-Pollon". The signature is fluid and cursive, with a large initial "M" and a stylized "P".

Marilyn Braun-Pollon
Vice President, Prairie and Agri-Business

BIKE REGINA

DE14-103

5 December 2014

His Worship Mayor Michael Fougere
& Members of City Council
City of Regina
PO Box 1790
Regina, SK, S4P 3C8
mtorres@regina.ca

Dear Mayor Fougere and City Councillors:

As an advocate for cycling as transportation, Bike Regina is pleased that Administration and Council recognize the value in providing transportation alternatives that enable year-round integrated, sustainable and affordable choices for all Regina residents, as has been outlined in the city's Official Community Plan. As a Design Regina and Transportation Master Plan stakeholder, we look forward to seeing Council and Administration act as progressive stewards who prioritize the cycling environment in 2015 as in the future.

We are supportive of the decisions to extend the Lorne street bike lane two blocks from Victoria avenue to 11th avenue and to continue recapping portions of the Multi-use. These are small indications of the value placed upon the cycling environment. We would urge council to continue taking small, but significant steps towards a city-wide multi-modal transportation network.

We invite Council to show their commitment to the tone and intent of Design Regina by directing Administration to allocate capital or operational funds for the following items which have also been presented at the 2013 and 2014 budget hearing meetings:

- Documented consideration of cycling infrastructure on planned road improvement projects for 2015, especially those roads designated by the OCP for future cycling infrastructure development;
- Establishment of an acceptable level of road-clearing maintenance through reclassification of all on-street cycling routes or bikeways as priority 1 or 2 clearing;

BIKE REGINA

- Consideration of road diets and cycling infrastructure as traffic calming measures within the budgeted \$ 4,215,000 for Traffic Control & Safety Programs and Projects, and specifically within the Quance street safety improvements intended to improve pedestrian and overall safety;
- Documented consideration of the 37 spot improvements proposed and submitted by Bike Regina to Administration during the 2013 OCP meetings;
- Human and financial resources allocated to ensure annual planning and promotion of Commuter Challenge Week, as supported by the Environmental Advisory Committee.

Finally, we would be remiss to not mention that the 2014 budget indicated that this year's budget would include funding of \$100,000 for a sustainable infrastructure "pilot project and studies pertaining to pedestrian, cycling, transit, and vehicle infrastructure". We would express disappointment that the pilot project and funding are not in fact present in the 2015 budget, as was projected.

In closing, we are encouraged by future plans such as the 12th Avenue Bikeway planned for 2016 and the study and design of an East-West bikeway south of downtown and look forward to their implementation. We would also like to express our appreciation to council and administration for involving Bike Regina in the TMP process, and for participating in our community events. We see this as confirming your commitment to active transportation. Addressing our concerns above will further demonstrate your commitment and help to address the vision outlined by your approved OCP to enhance the existing transportation system focusing on the priority of creating and promoting better active transportation options.

Thank you for your consideration.

Yours Respectfully,

Sara Maria Daubisse, President, Bike Regina
Anna Torgunrud, Vice President of Advocacy, Bike Regina

December 8, 2014

Good evening Your Worship members of Regina City Council. My name is John Hopkins and I am the Chief Executive Officer of the Regina & District Chamber of Commerce. I am here today on behalf of the 1200 plus members of our business organization.

I want to begin my comments by congratulating our community as well as the City of Regina on a number of important fronts:

1. The pension issue appears to be resolved
2. As a community we will save a quarter of a billion dollars on the life cycle cost of the wastewater treatment plant
3. We won a national award for our wastewater treatment plant P3 model
4. We are the richest city in Canada according to a recent StatsCan GDP Study

Your Worship, Regina continues to be a beacon of light among Canadian cities, offering opportunities for people who are here as well as to those abroad. We are a city on the move; we are in many respects the envy of the nation. This is not to say that there are not challenges because there certainly are but rather when looking at the community as a whole we are doing very well, particularly when compared to our peers.

Prior to the release of the budget we sent a survey to our members. The results indicate that members are supportive of a modest property tax increase which we believe is very close to where we are.

When splitting increases into Operations and Capital Expenditures, members are generally supportive of an operating increase with 51% expressing support for an increase in the 1-3% range with a further 24% being neutral. The remaining 23% do not support any increase and would prefer cuts to programs and services or finding more efficiencies to arrive at zero.

When looking at higher rates of increase the message from our membership is very clear in that the majority of members, 70%, would not support a mill rate increase in the 4-5% range followed 91% who oppose a 6-7% increase and 97% who oppose a rate increase in the 8-10% range.

On the capital side our members support a dedicated increase that is targeted to Transportation Infrastructure with 63% supporting a 1 – 3% increase with a further 20% who are neutral. 15% of survey respondents do not support any increase. When looking at a higher rate of increase in excess of 3% there is once again very little appetite.

Your worship in another series of surveys over the course of 2014 we asked our members what business issues are top of mind, infrastructure and in particular “transportation infrastructure” is deemed to be the second or third most important issue facing our members behind only “Labour Shortages” as the top issue.

Given our membership’s view on the importance of transportation infrastructure, we believe the City of Regina is moving in the right direction in terms of record infrastructure investments. We also believe, as is pointed out in the document that deteriorating infrastructure is an impediment to future economic growth.

Having said that your worship we are firmly of the view that property tax cannot, and should not be the only source of funding for improvements. On the contrary, we believe that there must be a national solution developed to address the issues that face us as a nation.

On the property tax front the main issue from our perspective is:

Are we competitive with our peers?

According to the City of Calgary’s *2012 Residential Property Taxes and Utility Charges Survey* Regina ranks 7th out of 12 when looking at net or total property taxes and 3rd best out of 13 when looking at municipal property tax in isolation.

When looking at total property tax per person Regina is 5th. When looking at water, sewer and land drainage charges Regina is not as competitive as the other 14 cities compared with a monthly water and sewer utility cost of \$88.53 as compared to the average of \$55.30.

When combining the Municipal Property Tax charge with Water, Sewer and Land Drainage Charges Regina is 4th best with a rate of \$1,526.53. When combining all property taxes as well as Water, Sewer and Land Drainage charges Regina is 7th out of 12 at a total combined rate of \$2,685.53

The long and short from a local perspective is we are quite competitive on local property tax but not as competitive on the Water and Sewer Utility, and middle of the pack when combining all property taxes with the Water and Sewer Utility charge.

Turning to the budget specifically, we would encourage Council to look at a number of options to reduce the mill rate increase so that it is under 4%. Some of options you may want to consider are:

1. Use 50% of the projected 2014 surplus
2. Determine if there are any projects that are unlikely to proceed in 2015 which is what happened during last year's deliberations
3. If there are any savings from the recent pension agreement use them to reduce the rate of increase
4. Reduce a portion of the Transfers to the Reserves for those reserves which are projected to exceed the maximum allowable

Thank you for the opportunity to be here tonight to present our views on the 2015 General Operating Budget.

Respectfully submitted,

John Hopkins

Chief Executive Officer

Regina & District Chamber of Commerce

December 8, 2014

To: His Worship the Mayor
and Members of City Council

Re: 2015 Utility Operating and 2015-19 Utility Capital Budgets

RECOMMENDATION

1. That the 2015 Utility Operating Budget, with total revenues of \$116,451,500 and total gross expenditures of \$116,451,500, be approved;
2. That the Utility Capital Budget with total gross expenditures of \$57,548,000 in 2015, as summarized on pages 15-26 of the 2015 Utility Operating and Capital Budget, all of which is new funding, be approved;
3. That the City Solicitor be authorized to prepare all necessary bylaws to implement the above recommendations.

CONCLUSION

The recommended 2015 Utility Operating and 2015-19 Utility Capital budgets maintain programs and service levels provided in 2014. Additionally, it invests significantly in asset management and renewal to reduce the risk of asset failure and/or service interruptions. As a direct result of savings from the P3 procurement for the new Wastewater Treatment Plant, the asset renewal program has been able to respond to residents' concerns about sewer and drainage issues by advancing work that had been previously deferred. Notable service impacts anticipated in 2015 are highlighted in the summary included in Appendix A (p. 1) and described in more detail throughout the report.

The financial impact of the recommended plan is that no change is required to the 2015 rate increase of 8.0% approved by Council in 2014.

The total operating budget in 2015 is \$63.4 million, an increase of \$4.3 million from 2014. Utility rates are the primary revenue source for the corporation's water, wastewater and drainage services, representing 98% of 2015's forecasted revenues. The largest expenditure changes relate to costs associated with maintaining existing service levels, investments in services provided by the City's Service Partners and the increased cost of operating the Wastewater Treatment Plant while a new plant is under construction.

Excluding funds carried forward from 2014 for work expected to be undertaken in 2015 and future periods, the 2015 capital budget includes approximately \$19.0 million in ongoing capital renewal work and \$38.5 million for one-time projects.

BACKGROUND

Section 128(1) of *The Cities Act* states that "a council shall adopt an operating budget and a capital budget for each financial year." The following report provides Council with a summary of the Administration's recommendations for the 2015 Utility Operating Budget, the 2015-2019 Utility Capital Budget. The detailed budget plans are included as appendices to this report.

The City's Utility budget is significantly guided by *The Cities Regulations*, which lay out specifics regarding Public Reporting on Municipal Waterworks. The regulations apply only to waterworks, however since the Utility includes water, wastewater and drainage services, the information required by the regulations is provided for the entire utility.

The information requirements include:

- Information on the rate policy and capital investment strategy as adopted pursuant to sections 22.3 and 22.4 of the regulations. This information is provided on pages 15 – 17 of the Utility budget document. Information on the capital investment strategy is included in the Asset Management Section of the Utility budget document beginning on page 5. Details of the 2015 – 2019 Utility Capital Plan start on page 25.
- A financial overview. The data outlined in the regulations is included in the Revenue section of the Utility budget document on page 15 and the Expenditure section on page 27.

The Utility budget is developed in phases and begins with department and branch level planning in the early part of the year. Those plans respond to the Utility's rate policy and capital investment strategy. They identify service priorities, align resources with expected service requirements and identify potential gaps and/or risks. Executive review and Council engagement occurs in the third quarter, with further Council review and public engagement, culminating in a Council decision on the recommended budget occurring in the fourth quarter. Details of the process are provided on page 13 of the 2015 Budget.

Considering the direction established in the Official Community Plan and the work underway to support its goals and objectives, the theme of this budget is "Strengthening the Foundation". This recognizes how the 2015 budget focuses on finishing, or making significant progress on, projects approved in prior periods that will have lasting, positive social and economic benefits for the community and surrounding region. This includes making investments that increase the assurance the corporation is sufficiently and appropriately prepared to meet service expectations throughout all of its departments, now and in the future.

DISCUSSION

Summary

The City of Regina's Utility uses a serviceability approach to asset management which guides its budget planning. Capital and operating budgets are planned in tandem using a 20 year financial model. In the model, asset investments are prioritized and organized into phases to balance performance, risk and cost. As opposed to traditional asset management models that focus on maintenance and renewal spending at prescribed periods, Regina's approach integrates capital asset renewal/replacement decisions with operating budget decisions that ensure asset lifecycle costs are minimized and service levels are maintained.

By using a 20 year model to make service delivery and financing plans, the City is able to manage the peaks and valleys of required spending through gradual rate increases, use of debt, and the building and utilization of reserves. It is important to note that utility services cannot generate a "profit"; the model is designed to ensure the service is financially self-sustaining over the 20-year planning period. Surplus funds generated in one period help reduce expenditure requirements in future periods, just like deficits are funded from either reserves or future rate increases.

The 2015 budget maintains the existing services and service levels provided in 2014. Progress on key community projects, including the Wastewater Treatment Plant upgrade, are included. Also, work to enhance the City's sewer and drainage capacity will be launched.

Revenues

A Utility rate increase of 8%, approved by Council in 2014, will result in average monthly billing increases of approximately \$10.50.

Details		(\$000's)
2014 Revenues		107,725.4
1	Remove Prior Saskatchewan Infrastructure Growth Initiative (SIGI) Grant and interest earned through SIGI	(1,532.7)
2	Metered Water Charges Rate Increase and Growth	4,689.0
3	Wastewater Charges Rate Increase and Growth	3,325.4
4	Drainage Infrastructure Levy Rate Increase and Growth	1,454.5
5	Other Revenues	790.0
2015 Budget		116,451.6

Table 1: Details of revenue changes for 2015.

Revenues from Utility rates are estimated to total \$114.2 million, an increase of \$9.5 million over 2014. Of this increase, approximately 10% is attributable to an increase in the number of service connections, with the balance attributable to the 8% rate increase.

The increase in revenues from rates is offset by a loss of grant revenue and interest revenue. In 2008, the Province of Saskatchewan introduced a program called the Saskatchewan Infrastructure Growth Initiative (SIGI), which provided interest subsidies on loans for municipal infrastructure for up to five years. The City of Regina was able to borrow funds at no cost (interest costs were repaid by an annual grant from the Province). The City used the borrowed funds to reduce the requirement to use its own reserves, leaving reserve funds available for investment to generate interest revenues to reduce the requirement for Utility rate increases. The loan was repaid in 2014 and the annual interest subsidy ended. This produced a corresponding reduction in interest revenue, since it will no longer be earned from being able to invest reserves.

Operating Budget

The Utility Operating Budget for 2015 totals \$64.8 million, a decrease of \$40.2 million from 2014. While most individual operating costs have increased, debt charges will be \$44.5 million lower in 2015 as a result of the SIGI loan, which was repaid in 2014. Table 2 provides details about the changes between the 2014 – 2015 budgets.

Details	(\$000's)
2014 Budget	\$105,005.7
1. Salaries and Benefits - Includes cost changes resulting from in-range progression increases, classification reviews, general employer benefit costs, and negotiated salary increase. (Base). The change also reflects a reduction in staffing costs due to the transfer of former City of Regina employees to EPCOR Water Prairies Inc. as part of the P3 contract to develop and operate the new Wastewater Treatment Plant. (Base)	(1,369.0)
2. Remove 2014 One-Time Expenses (Base)	(166.8)
3. Uncontrollable Price Increases - (On-going) Increases in expenditures that are due to price not volume.	638.2
4. Service Level Impacts - (On-going) Increases in expenditures to ensure service levels are maintained.	716.3
5. Wastewater Treatment Plant: In 2015 and 2016, additional operating costs are budgeted to allow for impact of operating the plant through the construction phase. The change also reflects operational staffing costs now covered through the P3 contract to develop and operate the new Wastewater Treatment Plant due to the transfer of former City of Regina employees to EPCOR Water Prairies Inc. See Salaries and Benefits note above	4,084.9
6. Water & Sewer Utility charges paid to General Operating Fund. Represents the Access fee and Utility administration charges	377.2
7. Debt Costs - This represents the change in total interest and principle payments for the Utility in 2015.	(44,481.0)
2015 Budget	<u>64,805.5</u>

Table 2: Changes in operating expenditures

Employee salaries had a net decrease as a consequence of the transfer of 26 employees to EPCOR Prairie Waters Inc. as part of the P3 contract for the Wastewater Treatment Plant. This decrease was offset by a net increase in the operating costs of the Wastewater Treatment Plant, paid in a contract fee to EPCOR Prairie Waters (increase of \$4.1 million). The increase in operating costs recognizes the complexity of operating the plant while it is under construction. The operating contract fee is scheduled to reduce once the new plant is operational.

The City's services can be significantly impacted by increasing costs of commodities (fuel, electricity, postage, etc.). These uncontrollable price increases cannot be managed by doing less, renegotiating a different price or going to a different supplier. An additional \$632,000 is required in 2015 to pay these uncontrollable price increases.

An additional \$716,000 is required in 2015 to sustain current services levels and to address future service level impacts. These costs include additional employees to respond to growth and changing service requirements.

The Utility Rate Policy includes the following elements that are reflected in the Operating Budget and have resulted in changes from the 2014 budget:

1. An access fee, which is a transfer to the City's General Operating Fund. Any organization or utility operating in a municipality would be required to pay either property taxes or an access fee for the rights to use or access civic assets. Policies on these types of fees vary between cities. For example, Calgary's Utility pays 10% of revenue plus a 10% return on equity. Saskatoon's Utility pays a franchise fee based on 10% of revenue. Winnipeg's is also 10%, with dividends paid. Moose Jaw's rate is 5% of revenue. Regina's access fee is determined by the following formula:
 - 7.5% of the previous year's budgeted revenues for billed water consumption, wastewater charges and drainage infrastructure levy, and
 - The amount of \$675,000, representing an estimate of the portion of the Goods and Services Tax (GST) rebate received by the Utility.

Regina's access fee is \$8.5 million in 2015, an increase of \$491,000 over 2014.

2. A Utility Administration Charge, which is an approximate measure of corporate administration costs attributable to the Utility. It is calculated as 5% of the budgeted utility revenues for the previous year. Several departments, along with City Council, provide services for, and are involved in activities related to, the Water and Sewer Utility. The Utility Administration Charge matches the cost of those activities with the appropriate revenue source, avoiding a taxpayer subsidy.

The total Administration Charge for 2015 is \$5.4 million, a reduction of \$377,000 from 2014.

Full-Time Equivalent Positions

The recommended budget includes a net reduction of 21.4 FTEs. This net reduction is made up of:

- A reduction of 26 FTEs transferred to EPCOR Water Prairies Inc.
- An increase of 4.6 FTEs to support the delivery of water, wastewater, and drainage services to a growing population

Septage

With the construction of the new Wastewater Treatment Plant, the City of Regina is faced with identifying an alternative approach to dealing with septage. The Administration is in the process of examining alternatives for providing a septage service and will be making a recommendation to Council in this regard before the end of 2015. The policy alternatives under consideration vary and require different levels of investment. The proposed capital budget includes \$15 million for a septage solution, resources that will be sufficient for any policy alternative Council wishes to advance. The difference between the cost of the selected policy and the capital budget amount will result in a transfer to/from the General Utility Reserve.

RECOMMENDATION IMPLICATIONS

Financial Implications

The financial implication of the 2015 Utility Operating and Capital Budget is an 8% rate increase, as approved by Council in 2014. The Utility budget provides for transfers of \$13.9 million to the General Operating budget in recognition of the taxpayer-funded resources that are used to support water, wastewater and drainage services. The budget also anticipates a transfer of \$51.6 million to the General Utility Reserve, which supports capital funding requirements as defined in the 20-year financial model.

Environmental Implications

None specifically related to this report

Policy and/or Strategic Implications

The recommendations in this report, and the resulting 2015 Budget, address all of the goals described in The City of Regina's Strategic Plan, as presented on pages 15 and 16 of the 2015 General Operating Budget.

Accessibility Implications

None specifically related to this report.

COMMUNICATIONS

The objectives of communication activities related to the 2015 Budget are to share information about the issues the corporation is managing and to hear feedback from interested stakeholders. Activities included a variety of communication through print, online and social media channels. There was also a four-week public review period of both the 2015 Budget and this report provided in advance of the Council's consideration of this report.

DELEGATED AUTHORITY

The recommendations in this report require City Council approval.

Respectfully submitted,



Ed Archer, Chief Financial Officer
Corporate Services

Respectfully submitted,



Glen B. Davies,
Office of the City Manager

Report prepared by:
Dawn Martin, Governance and Strategy



Strengthening Our Foundation

City of Regina

Water & Sewer Utility

2015 Operating Budget and 2015-19 Capital Budget



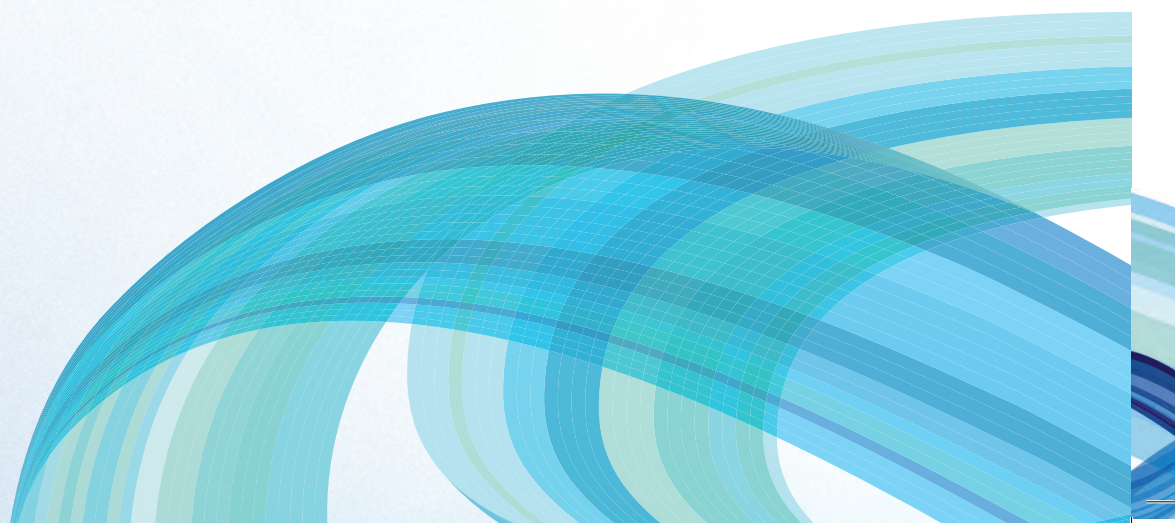
City of Regina



REGINA
Infinite Horizons

City of Regina
Water & Sewer Utility
2015 Operating Budget and 2015-19 Capital Budget

© 2014, City of Regina. All Rights Reserved.



November 7, 2015

To: His Worship the Mayor,
and Members of City Council

Re: 2015 Water and Sewer Utility Budget

Each year City Council is required to adopt operating and capital budgets including the General Operating and Capital Budget and the Water and Sewer Utility Budget. This document is the Water and Sewer Utility Budget, which includes the 2015 Utility Operating Budget and the 2015 – 2019 Utility Capital Budget.

Budget Highlights

- The overall revenue increase for 2015 is 8.1%. The increase in revenue is made up of a combination of the rate increase approved in 2014 and the growth in the number of service connections. These increases are partially offset by some reductions in revenues, most notably the end of the Saskatchewan Infrastructure Growth Initiative (SIGI) and a reduction in interest on investments (resulting from the repayment of the SIGI loan).
- The Utility will launch its effort to develop a Wastewater Master Plan and Trunk Relief Initiative to focus on long-term issues with sewer and drainage capacity while simultaneously addressing specific localized issues
- The City's successful P3 procurement of the Wastewater Treatment Plant, saving \$43.5 million in construction costs and a total of \$247.5 million (including construction and operation) over the 30-year life of the project, will result in benefits to residents of Regina:
 - Much needed investment in sewer and drainage infrastructure, which had been deferred for as much as 10 years in the 20 year capital plan has been advanced to begin in 2015 without requiring changes to Utility rates approved in 2014.
 - The need for future Utility rate increases of the kind Utility customers have recently faced to cover the cost of infrastructure renewal (pump stations, underground infrastructure, etc.) will be moderated

Details of the rates for 2015 are provided beginning on page 17 of this document

- The 2015 Utility Operating Budget provides the funding necessary to meet legislative requirements and Council's service objectives for water, wastewater and drainage. The total 2015 Operating budget for the Utility, excluding debt, access fee, and the transfer to the general operating fund, is \$63.4 million, which is an increase of 7.2% from 2014. The Utility Operating Budget provides for the continued development of asset management, business planning and performance metrics to achieve sustainable infrastructure investment strategies.

- In 2015, debt servicing costs have decreased from \$45.9 million to \$1.4 million. This is due to the repayment 2014 of the \$43.1 million provincial loan taken through the SIGI program.
- The 2015 – 2019 Utility Capital Program totals \$355.6 million, with 2015 totaling \$57.5 million. This is exclusive of the work proceeding on the Wastewater Treatment Plant, the financial model of which was approved in 2014. In addition to the broader Utility Capital Program the Wastewater Treatment Plant project will expend \$47.8 million from 2015 – 2019, none of which is forecast for 2015.
- Each year, a Utility Administration Charge is transferred to the General Utility Fund, representing an approximate measure of corporate costs that are attributable to the utility. This amount is calculated as 5% of the budgeted utility revenues for the prior year. In 2015 is \$5.4 million.
- As well, each year an amount is transferred to the General Operating Fund, representing a payment in lieu of taxes and access fees. Any organization or utility operating in a municipality would be required to pay the municipality either property taxes or an access fee for operating rights. Regina's transfer is the total of 7.5% of the previous year's budgeted revenues for billed water consumption, wastewater charges and drainage infrastructure levy plus an amount (\$675,000) estimated to be 3/7ths of the GST rebate received by the Utility. This amount is the additional rebate provided by the Federal Government starting in 2004. For 2015, these budgeted amounts total \$8.5 million.

Public Reporting

In 2005, the Province adopted new regulations in Part V.1 of *The Cities Regulations* regarding Public Reporting on Municipal Waterworks. The regulations apply only to waterworks, however since the Utility includes water, wastewater and drainage services, the information required by the regulations is provided for the entire utility. The information requirements include:

- Information on the rate policy and capital investment strategy as adopted pursuant to sections 22.3 and 22.4 of the regulations. The information required with respect to the City's rate policy is provided on pages 15 through 17 of this document. Information on the capital investment strategy is included in the Asset Management Section of this document beginning on page 5 and in particular, the 2015 – 2019 Utility Capital Plan starting on page 25.
- The regulations also require a financial overview. The data outlined in the regulations is included in the Revenue section of this document on page 15 and the Expenditure section on page 27. The regulations also require a comparison of the Utility revenues to expenditures and debt payments, expressed as a ratio in accordance with the following formula:

$$\frac{\text{Revenues}}{(\text{Expenditures} + \text{Debt Payments})}$$

For 2015, based on the definitions in the regulations, the ratio for the Water and Sewer Utility is 2.07, based on revenues of \$116,451,600, expenditures of \$55,405,100 and debt repayments of \$906,000. In accordance with the definition in the regulations, expenditures include the interest cost on the debt, while debt payments are the principal repayments on the debt.

For 2015, the ratio indicates that revenues exceed expenditures and debt repayments by 110%. This result shows that the Utility is recovering its operating costs as well as providing investment for future capital requirements. It is anticipated that the ratio will continue to remain in the range of 2.0 over the next several years as additional funding is generated to finance large capital projects such as the Wastewater Treatment Plant Expansion and the Wastewater Master Plan and Trunk Relief Initiative, along with on-going requirements such as infrastructure investment.

Respectfully submitted,



Glen B. Davies
City Manager & Chief Administrative Officer



Table of Contents

BUDGET HIGHLIGHTS	2
INTRODUCTION	3
Water and Sewer Utility Profile	3
Achievements in 2014.....	3
Strategic Context (OCP)	5
General Goals	5
Asset Management	5
Strategic Issues	9
2015 Priorities	10
Utility Service Overview	11
BUDGET OVERVIEW	13
Budget Process	13
Executive Leadership Team (ELT) Directions	13
Council Role	13
2015 BUDGET SUMMARY (GROSS/NET)	14
Utility Operating Revenue Summary (\$000s).....	14
Approved Utility Rates for 2015	17
2015-2019 UTILITY CAPITAL PLAN	25
Utility Operating Expenditure Summary (\$000s)	27
Operating Expenditure Summary (\$000s) by	
Type of Expenditure	28
Analysis of Operating Expenditure Budget Change...	30
Utility System Detail	31

Budget Highlights

2015 Water & Sewer Utility Budget Highlights

Our community's water, sewer and drainage systems are valuable, and we need them to support our quality of life. These systems provide clean and safe water, take away sewage and manage flooding.

Our City's water, sewer and drainage systems are worth over \$2 billion and many of our assets are reaching the end of their service lives as most of them have been in service since the 50s, 60s and 70s. These aging assets will require replacement or major repairs.

The City's water and sewer budget is funded through utility rates rather than through the City's operating and capital budgets. Customers will see an 8% increase to their water and sewer bill, as was approved in the 2014 budget. This is an investment in the safe operations of our water and sewer system. The 2015 water and sewer operating and capital budget is \$174 million.

Key Investments in 2015

In 2015, the average customer will see an increase of just over \$10.50 per month which will allow:

- Continuation of construction of the new Wastewater Treatment Plant.
- Development of a long-term sewer trunk relief strategy.
- Drainage area work to address issues in the South Albert Park neighbourhood and the Cathedral neighbourhood, including Edward Street.
- Continued emphasis on efficient ways to renew underground infrastructure such as relining of sewer and drainage pipes.

Investment in a Key Community Project

Wastewater Treatment Plant Upgrade Project (WWTP)

Through an innovative public-private partnership model (P3), EPCOR Water Prairies Inc. will design, build, finance, operate and maintain the WWTP, while the City will continue to own the asset and set utility rates.

An upgraded WWTP will better protect public health and the environment, meet new provincial regulations and provide capacity for growth.

- The project has realized a total cost savings of \$247.5 million (including construction and ongoing operational costs) from what was originally budgeted over the 30-year life of the project agreement.
- All capital and operating funding is in place for this important project.
- Financial transactions in 2015 are in accordance with the approved budget and project agreement, namely the payment of a monthly operating costs of approximately \$570,000 to EPCOR to operate the facility while construction is underway.

The City's successful P3 procurement of the Wastewater Treatment Plant provides a savings of \$43.5 million in construction costs, which will result in benefits for residents of Regina:

- Much needed investment in sewer and drainage infrastructure. Some of these projects had been deferred for nearly 10 years in the 20-year capital plan and have now been advanced to begin in 2015 without requiring changes to utility rates approved in 2014.
- The need for future utility rate increases similar to those recently faced by customers to cover the cost of infrastructure renewal (pump stations, underground infrastructure, etc.) will be moderated.

Introduction

Water and Sewer Utility Profile

The Water and Sewer Utility provides water, wastewater and drainage services primarily to customers in Regina. It has operated on a full cost-recovery, user-pay basis for many years now. This model is based on users paying for the service rather than having the costs borne exclusively by property owners. Services can be charged by volume, which provides an incentive to conserve valuable resources.

The Utility is responsible for diverse infrastructure including water mains, storage reservoirs, pumping stations, building service connections, a wastewater treatment plant, wastewater and storm drainage sewers as well as drainage channels and creeks. The City of Regina is also a joint owner of the Buffalo Pound Water Treatment Plant with the City of Moose Jaw.

The Utility relies on technical and professional support from other City of Regina departments to ensure work is planned and managed efficiently. For example, underground work for the Utility is frequently coordinated with roadway improvements in a cost effective manner.

This structure has contributed to improved planning, management and oversight of Utility Services. (Figure 1)

The Water and Sewer Utility operates in unique circumstances when compared to other similar services in Canada. Most notably, Regina is not located on a river capable of being a reliable water source. Water must be pumped in from a significant distance. Despite these challenges, Regina's total cost per household is comparable to most other western Canadian cities. (Figure 2)

Achievements in 2014

- The City of Regina awarded the contract to design, build, finance, operate and maintain the City of Regina's new Wastewater Treatment Plant (WWTP) to EPCOR Water Prairies Inc. It's estimated this will save the City \$43.5 million of construction costs. Over the 30-year life of the project, the agreement with EPCOR will save \$247.5 million from the original budget.
- The City of Regina and EPCOR Water Prairies Inc. were named winners of the Chuck Wills Award by the Canadian Council for Public-Private Partnerships in 2014 for innovation and excellence in public-private partnerships.
- Buffalo Pound Water Treatment Plant, which supplies Regina's water, won the "Waterville Taste Test" at the 66th annual Western Canada Water Conference and Exhibition.
- Extreme low temperatures in early 2014 resulted in deep frost and a record number of frozen service connections. While the Water Works Department repairs five frozen connections in a typical year, it restored service to more than 170 customers last winter.
- In the fall of 2014, the City used cost savings from one project to build two new berms to reduce the flooding risk along Wascana Creek in Les Sherman Park along 17th Ave and in Rotary Park. This will improve service levels to residents, and to help avoid costs in 2015 and every year thereafter by reducing the need for sandbagging during the spring melt.

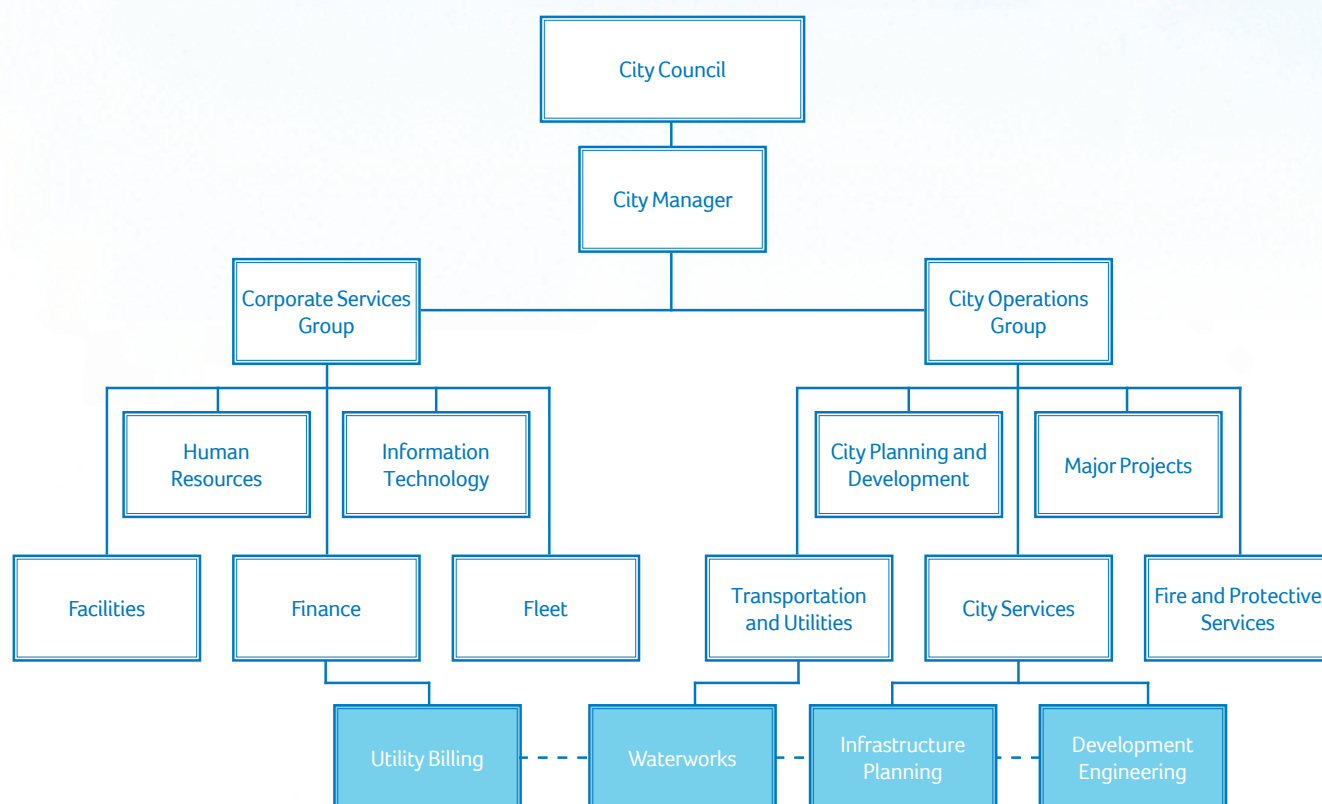


FIGURE 1: REGINA WATER AND SEWER UTILITY ORGANIZATIONAL COMPONENTS SHOWN IN BLUE

Utility Cost Comparisons for the Average Household (2014)					
	Regina	Calgary	Edmonton	Saskatoon	Winnipeg
Water					
Annual Basic Charge	\$ 244.55	\$ 189.00	\$ 84.36	\$ 102.96	\$ 109.50
Annual Volume Charge	572.40	618.30	687.55	368.58	511.20
Total Annual Water	816.95	807.30	771.91	471.54	620.70
Wastewater					
Annual Basic Charge	189.80	193.80	145.32	102.96	-
Annual Volume Charge	422.14	363.38	556.67	211.74	795.60
Total Annual Wastewater	611.94	557.18	701.99	314.70	795.60
Annual Drainage Infrastructure Levy	160.60	110.40	198.09	193.88 ¹	-
Total Annual Utility Charges	\$ 1,589.49	\$ 1,474.88	\$ 1,671.99	\$ 980.12	\$ 1,416.30

FIGURE 2: COMPARISON OF TOTAL UTILITY CHARGES (PER AVERAGE HOUSEHOLD) ACROSS MAJOR WESTERN CITIES.

Note¹: Saskatoon's infrastructure levy is not specific to drainage infrastructure.

Strategic Context (OCP)

General Goals

The City of Regina Water and Sewer Utility has established the following goals:

- Provide safe water that meets legislative and community expectations.
- Collect and treat wastewater to meet legislative requirements.
- Control storm water to minimize danger to the public, property damage and inconvenience.
- Encourage responsible and environmental use of water.
- Be financially self-sufficient.
- Demonstrate operational efficiency through benchmarking and performance reporting.
- Be understanding of customer expectations and satisfaction.

Asset Management

The City's water, sewer and drainage services are delivered through a complex network of assets that include large plants, pump stations and several hundred kilometres of underground pipes.

Regina has adopted a comprehensive approach for the Water and Sewer Utility so it can continue to provide residents and businesses with essential water, wastewater and drainage services.

This approach has begun to give the Utility the processes and structures needed to balance business decisions regarding performance, risk and expenditures to provide the greatest value to customers. The Utility will continue to refine this approach over time.

An asset management approach allows the City to define:

- Inventory and value of assets required to support the delivery of services.
- Condition and expected remaining life of assets.
- Levels of service and what needs to be done to achieve those levels.
- Actions required to sustain services and the timing of such actions.
- Cost to operate, maintain and renew assets while maintaining an acceptable level of risk.
- Level of investment to ensure long-term affordability and service.

The key to best practice asset management is to ensure that the investment balances service levels with the lowest lifetime cost and acceptable risk.

Serviceability Approach and Asset Management Framework

Traditionally, the City of Regina has used an asset-centric approach to water works services management, basing investment solely on the age and condition of assets. Now, like many other Canadian municipalities, such as Calgary and Hamilton, Regina is adopting a serviceability approach. This approach will further the use of strategic solutions, system optimization and cost effective operations to defer work. This serviceability approach is more robust than the asset-centric version by considering the impact on services, the system and operators' ability to deliver those services. The main differences between an asset-centric (asset stewardship) approach and a serviceability approach is illustrated in Figure 3.

The framework in Figure 4 shows the Utility's approach to best practices that links investment to service outcomes through clearly defined levels of service. The framework incorporates a risk-based approach to service. Best practices suggest that managing risk to service levels, rather than being wholly asset-centric, generally results in lower costs over the life of the asset.

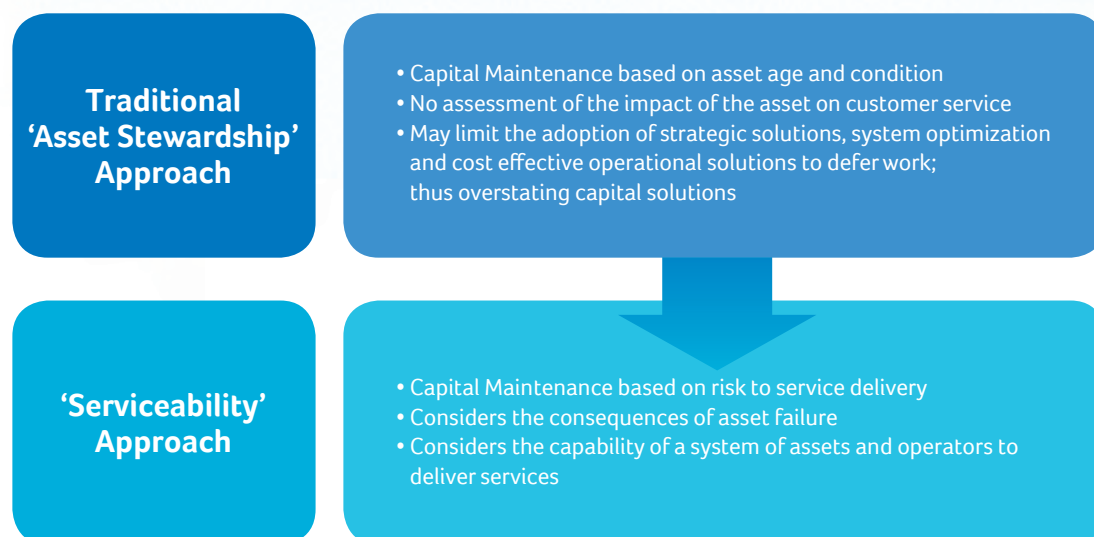


FIGURE 3: ASSET STEWARDSHIP AND SERVICEABILITY APPROACHES TO ASSET MANAGEMENT (ADAPTED FROM CH2M HILL'S UTILITY LEVELS OF SERVICE REPORT FOR CITY OF REGINA (JULY 2012))

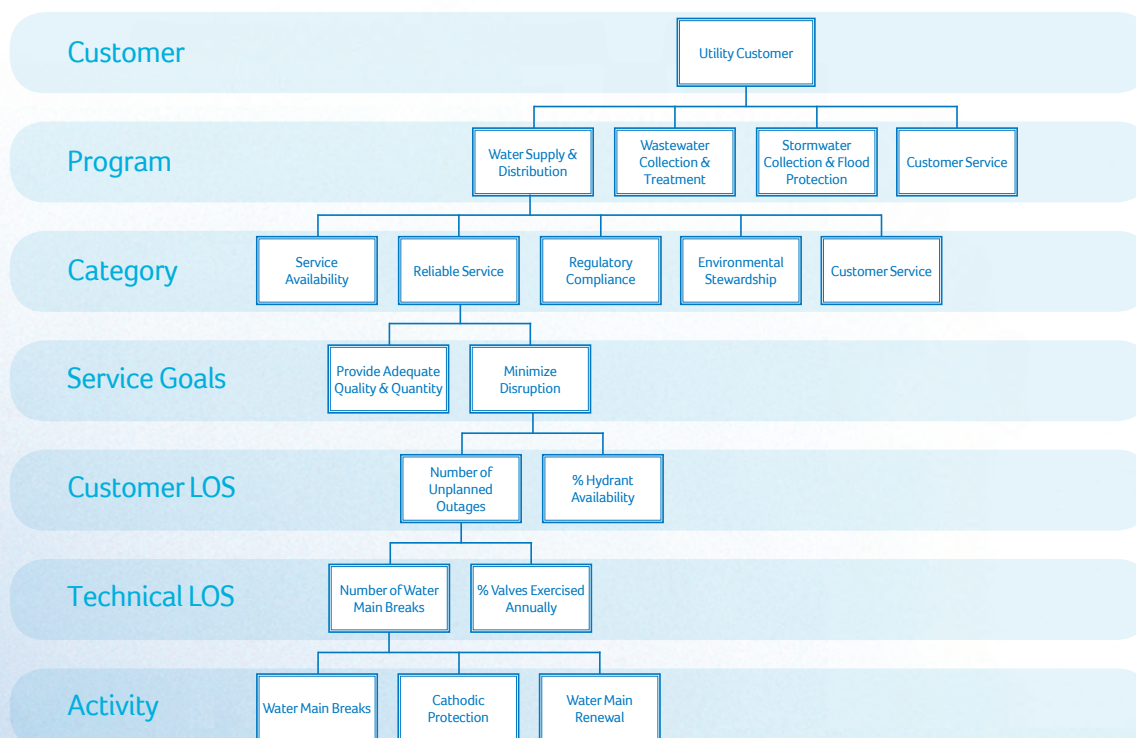


FIGURE 4: FRAMEWORK FOR UNDERSTANDING THE SERVICEABILITY APPROACH TO ASSET MANAGEMENT

Level of Service Framework

The Regina Water and Sewer Utility is working to adopt an integrated Level of Service (LOS) framework to align customer interests with the programs and services it delivers and the daily activities it performs. The framework establishes LOS measures and targets against which performance will be compared.

Programs

The Water and Sewer Utility has three primary services that serve approximately 69,000 residential, institutional, commercial, industrial and recreational properties:

- Water supply and distribution.
- Wastewater collection and treatment.
- Storm water drainage collection, conveyance and flood management.

The water system provides potable drinking water for residential, institutional, commercial and industrial customers as well as water for fire protection and green space management.

The wastewater system collects and treats wastewater from all residential, institutional, commercial and industrial customers in the city as well as some neighbouring commercial and industrial sources.

The drainage system controls water runoff from rainfall and melting snow in and around the city.

Services

Services for each Program are broken into five customer-centric groups, which have been developed in line with customer interests, organizational values and regulatory requirements. These are defined in the table in Figure 5.

Customer Level of Service measures have been developed to evaluate, track and monitor service delivery in each area. The work is preliminary at this stage but will set a strong foundation for future infrastructure planning.

Succession Planning

The Utility is facing challenges with the sustainability of its work force. They include:

- Work force demographics across Canada are rapidly changing as Baby Boomers retire. There are a number of long-serving employees at the Utility who are approaching or have already met retirement eligibility.
- Saskatchewan's booming economy over the last five years has put pressure on the labour market. The growing construction sector is attracting many of the same skilled tradespeople that the Utility needs.

Service	Definition
Regulatory Compliance	Protecting customer interests by meeting regulatory obligations.
Reliable Service	Providing reliable service of acceptable quality and quantity.
Servicing Development	Accommodate growth and redevelopment by providing access to service when and where it is wanted.
Environmental Stewardship	Doing the right things for our customers and the environment.
Customer Service	Being responsive to customer inquiries and needs.

FIGURE 5: CITY OF REGINA WATER AND SEWER UTILITY SERVICES

Since 2002, many roles in water and sewer operations have been regulated by the province. These roles require significant training and certification. Of particular concern is that many of the employees nearing retirement are the same ones who have the required certifications to deliver water and sewer services. Because of the standards, these positions are also difficult to recruit. While the City is not currently in jeopardy of failing to meeting its regulatory obligations, this issue is the primary focus of training investment for the immediate term to avoid future risk.

Ensuring a successful transition of knowledge, skills and abilities from one generation to the next is essential for continued success. Training is provided as opportunities arise, but skills development is primarily limited to regulatory requirements. Other training is made available where possible.

Ultimately, building the foundation for sustained growth and prosperity means citizens, elected officials and administration must work together on sustainable financial models to ensure both services and the assets that deliver them receive appropriate levels of investment. This work has already begun with the Water and Sewer Utility and provides a model for other City departments.

Regional Setting

Regina is the centre of an economic region comprised of about 40 communities. Initiatives are underway to strengthen partnerships and to collaborate on mutual opportunities and interests. Regina's Utility systems provide some regional services and these may increase in the future. Regina's landlocked status is unique among major Canadian cities and impacts the standards and costs for water supply and wastewater treatment and disposal.

The Utility's water supply and wastewater treatment systems are intended to provide services that are appropriate to the natural setting and minimize the impact on the environment and neighbours downstream.

Regina's water supply originates with melting snow and rainfall in the eastern Rocky Mountains, which feeds the tributaries of the South Saskatchewan River. Buffalo Pound Lake is the source of treated water for Regina, Moose Jaw and several other surrounding communities. Regina's treated wastewater effluent and storm water run-off ultimately end up in Wascana Creek, a seasonal stream that originates to the east and flows through the city. These sources contain the only water that feeds Wascana Creek for much of the year. Without them, the creek would be dry.

Regulatory Environment

Saskatchewan Watershed Authority is responsible for management of Saskatchewan's surface water and ground water resources. The Authority regulates the allocation of water, establishes plans for the province's river basins and is responsible for land drainage as well as wetland preservation and enhancement.

Saskatchewan's Water Security Agency regulates water supply and distribution and wastewater collection, treatment and disposal. Permits for the construction and operation of water and wastewater systems must meet specific standards to protect the public's health, ensure consistent water quality and minimize the impact on the environment. Requirements outlined in the provincial regulations include mandatory operator certification, routine facility inspections, testing and reporting to ensure compliance.

The federal government's *Fisheries Act* prohibits the discharge of any "deleterious substance" that may impact fish or their habitat. Ammonia is designated a toxic substance and is part of the federal government's proposed standards to regulate municipal wastewater effluents. The Utility's wastewater treatment plant is currently undergoing a capital upgrade to meet the acute toxicity requirement.

Saskatchewan requires the Utility to meet standards beyond the proposed federal standard. The City of Regina and Saskatchewan's Water Security Agency agree that treated effluent standards for the Utility's upgraded wastewater

treatment plant should consider environmental effects on the downstream environment. To address this, the Utility carries out a monitoring program to document current conditions and help predict future conditions in the downstream environment as well as proceeding with upgrades to the Wastewater Treatment Plant. Significant capital would be required should the Province decide to make standards even more stringent. The City of Regina supports shared fiscal responsibility on the protection of the environment. Currently, there is no provincial or federal funding to assist municipalities in meeting increased regulatory standards.

The Utility, particularly pumping and treatment operations, accounts for about half of The City of Regina's greenhouse gas emissions. The feasibility of alternatives and associated costs is being considered to reduce emissions.

Utility Rates

Rates for the Utility are developed using a long-term financial model that balances optimal capital investment and operating expenditures with the use of debt and manageable rate increases. Three years ago, rates were set for 2011, 2012 and 2013. At the time, the 20-year capital plan included an upgrade to the Wastewater Treatment Plant. Since then, substantial changes have been made to the plan as a result of *Design Regina: The Official Community Plan*, the Water System Vulnerability Study and the Regina Drainage Master Plan. The 20-year capital plan now includes these additional projects:

- \$85 million on the Buffalo Pound Water Treatment Plant.
- \$53 million for an Eastern Pressure Zone, which will be funded through Servicing Agreement Fees.
- \$125 million in drainage area upgrades.
- \$24 million in additional wastewater infrastructure renewal.
- \$17 million in initiatives to improve the conveyance of wastewater, including capacity improvements at McCarthy Boulevard Pumping Station and trunk upsizing or twinning.
- \$7 million in pumping station upgrades.

Over the last several years, efforts have been made to pay off the Utility's debt and build up the General Utility Reserve (GUR) to offset the effect of the increased capital demands. The Utility paid down \$44.6 million in debt in 2014 and is projected to finish the year with \$45.9 million in the GUR. New debt will be assumed as part of the Wastewater Treatment Plant Upgrade Project in 2017.

Based on the projections in the long-term Utility model, annual rate increases of 8% were approved for 2014 and 2015.

Strategic Issues

- **Future Growth Demand:** The City's population is expected to continue to grow at a rate of about 2% per year. This is a new trend for Regina, which has seen a relatively flat population growth for many years. As the city continues to grow, new and upgraded infrastructure will be required to supply customers with water, sewer and storm sewer services. This new infrastructure requirements will require significant capital investment, which will further strain the City's financial resources.
- **Increasing Regulatory Requirements:** The City of Regina is committed to protecting the environment and meeting its regulatory requirements. As the obligation to the environment increases, so does the cost of operation. The Utility's immediate challenge comes from the combined changes in provincial and federal regulations. These changes have resulted in significant capital investment in the Wastewater Treatment Plant to meet operating permit requirements and protect downstream water bodies.
- **Levels of Service:** An industry best practice is to establish a long term Utility Business Plan with Level of Service (LOS) measures and targets. The Utility has begun to establish a set of LOS measures but substantial work is required to validate them with customers and measure the effectiveness of the selected measures.
- **Aging Infrastructure:** Municipalities across the country are facing an increasing backlog of infrastructure renewal and investment. Assets are deteriorating at a faster pace than many municipalities can replace or upgrade them. Regina is

no different but it has already made progress in this regard, thanks to a 20-year financial plan, studies to address some short-term issues and upgrades to the Wastewater Treatment Plant.

- **Sustainability of the Work Force:** The Utility is facing workforce pressures because of pending retirements and shortages of required skills.

2015 Priorities

A key element of the 2015 Utility Budget is the successful procurement of a P3 to construct and operate the new Wastewater Treatment Plant in 2014. The P3 approach resulted in an immediate saving of \$43.5 million in construction costs and a saving of \$247.5 million over the 30-year life of the project.

Given that the Utility Capital Plan is based on a 20-year outlook, these savings have allowed the Utility to re-prioritize some work that had previously been deferred, most notably, the development of a Wastewater Master Plan and a Sewage Trunk Relief Initiative to focus on long-term issues with sewer and drainage capacity while simultaneously addressing specific localized issues.

The proposed 2015 Utility Capital and Operating budget also manages risk in a number of other ways, including:

- Continuing the renewal of the most at-risk underground infrastructure through a relining program.
- Continuing to oversee upgrades to the Wastewater Treatment Plant.
- Continuing priority work to renew the Buffalo Pound Water Treatment Plant.
- Developing a new septage receiving station.
- Continuing to use the long-range financial model to ensure that the Utility's financial capacity is able to meet system and service requirements.

Wastewater Treatment Plant

While the budget for the renewal and expansion of Regina's Wastewater Treatment Plant has already been approved, it is worthwhile reviewing the generational capital project.

On July 3, 2014, the City entered into a public-private partnership contract with EPCOR Water Prairies Inc. for the Wastewater Treatment Plant Upgrade Project. The contract will expire on June 30, 2044. The City maintains permit responsibilities for the plant and full ownership of the asset.

This upgrade is required to meet new regulatory requirements as well as provide expanded hydraulic and process capability associated with the City's future growth. The project has been approved for PPP Canada funding for 25% of eligible capital costs.

Project Cash Flow

Capital Funding (\$000s)	Projected 2015 Carry Forward	Proposed 2015	Proposed 2016	Proposed 2017	Proposed 2018	Proposed 2019
Wastewater Treatment Plant Upgrade Project	19,919.8	0	26,400.0	6,116.7	6,064.0	9,267.7

FIGURE 6: WASTEWATER TREATMENT PLANT PROJECT CASH FLOW**Utility Service Overview**

The services provided by the Utility are grouped into four programs:

1. Water Supply and Distribution
2. Wastewater Collection and Treatment
3. Storm Water Collection and Flood Protection
4. Customer Service

The first three programs are managed by focusing on five different services:

- Regulatory Compliance
- Reliable Service
- Servicing Development
- Environmental Stewardship
- Customer Service

The final program, Customer Service, is managed by focusing on utility billing and communications.

These services have established service levels and, while still a work in progress, ultimately, the entire program will be budgeted, planned and managed to achieve them. The following descriptions outline the programs and the services associated with each one.

Water Supply and Distribution Program

The water system provides water for residential, institutional, commercial and industrial customers as well as for fire protection. The system serves a population of approximately 200,000 including some customers outside the City limits. Its service goals include:

• Regulatory Compliance

- Providing water that meets or exceeds provincial quality standards.

• Reliable Service

- Providing water at adequate pressure and in sufficient quality and quantity to satisfy the requirements for domestic and commercial use, irrigation and fire protection.
- Ensuring water will be available with only minimal disruptions for local maintenance and rare large-scale disruptions due to unforeseen catastrophes.

• Servicing Development

- Accommodating growth and redevelopment within planning policy by providing access to the service when and where it is wanted and planned.

• Environmental Stewardship

- Enhancing water efficiency by reducing water loss, per capita water consumption and the short-term peak water demand.

- **Customer Service**

- Be responsive to customer service requests.
- Minimize length of service disruption.

Wastewater Collection and Treatment Program

The wastewater system collects wastewater from all residential, institutional, commercial and industrial customers in the City and treats wastewater in accordance with provincial and federal environmental regulations and industry standards. Its service goals include:

- **Regulatory Compliance**

- Collecting and delivering wastewater in compliance with the Water Security Agency operating permit.
- Producing and treating wastewater effluent that meets Water Security Agency standards.

- **Reliable Service**

- Collecting and delivering residential, commercial and industrial wastewater with minimal public impact.

- **Servicing Development**

- Accommodating growth and redevelopment within planning policy by providing access to service when and where it is wanted and planned.

- **Environmental Stewardship**

- Ensuring that components that are removed from the wastewater are treated and disposed of appropriately.
- Minimizing the discharge of industrial pollution and hazardous waste to the sewer system.
- Maximizing the efficiency of pumps and treatment system operations.

- **Customer Service**

- Be responsive to customer service requests.
- Minimize length of service disruption

Storm Water Collection and Flood Protection Program

The drainage system controls water runoff from rainfall and melting snow in and around the city. The system serves approximately 69,000 residential, institutional, commercial and industrial properties. Its service goals include:

- **Reliable Service**

- Collecting and controlling drainage water within the City to lower the danger to the public, decrease property damage, and minimize inconvenience.
- Carrying out spring flood control measures as required to prevent property damage and protect public safety.

- **Servicing Development**

- Accommodating growth and redevelopment within planning policy by providing access to service when and where it is wanted and planned.

- **Environmental Stewardship**

- Protecting the environment from storm water-related water quality risks.
- Maximizing the efficiency of pumping system operations.
- Supporting conservation and sustainable storm water management.

- **Customer Service**

- Being responsive to customer service requests.
- Minimizing service disruption.

Customer Service Program

- **Utility Billing**

- Producing and collecting on Utility billings in an efficient, accurate and timely manner.

- **Communications**

- Being responsive to customer inquiries and needs.

Budget Overview

Budget Process

The budget process at the City of Regina is completed in phases, starting with strategic and business planning and ending with a final policy document approved by City Council, which outlines the plan for the coming year.

Early in 2014, the Executive Leadership Team approved and launched a new four-year strategic plan. That plan helped with business planning in numerous departments and branches during the first quarter of 2014 and was used to establish the framework for the 2015 budget.

Executive Leadership Team (ELT) Directions

In May of 2014, ELT issued a call for budget estimates. The Utility plans both its operating and capital budgets on a multi-year basis (20 years) to allow for optimal investment in maintenance and renewal. The Utility was asked to formulate its 2015 budget using Year 2 of the 2014 20-year financial plan as a starting point.

In 2014, Council approved a rate increase for 2015. Administration is not proposing a change to the rates approved at that time.

The Utility, like other City branches, faces two significant pressures on costs:

- Providing the same service to a growing number people due to population growth.
- Inflation.

By evaluating operating and capital expenditures based on the ELT target, prioritizing and phasing work appropriately, the Utility was able to meet this expectation in the proposed budget.

Council Role

The proposed budget is based on recommendations from various City departments and service partners, scrutiny by the Budget Advisory Group as well as review and refinement by ELT. This budget reflects the administration's best advice on how to achieve Council's policy and service priorities given the City's current resources. Ultimately, Council determines the programs and service levels that will be included in the 2015 budget.

2015 Budget Summary (Gross/Net)

Utility Operating Revenue Summary (\$000s)					
Revenue Details (\$000s)	2014 Budget	Forecast	2015 Budget	Budget Change	
				Dollar Change (\$)	Percent Change %
Water Revenue					
Metered Water Charges	53,375.3	53,375.0	58,064.3	4,689.0	8.8
Unmetered Water Charges	50.0	50.0	50.0	-	-
Service Connections (New/Replacement)	345.0	341.2	345.0	-	-
Subtotal	53,770.3	53,766.2	58,459.3	4,689.0	8.7
Wastewater Revenue					
Wastewater Charges	37,970.3	40,000.0	41,195.7	3,225.4	8.5
Wastewater Service Surcharge	100.0	100.0	200.0	100.0	100.0
Subtotal	38,070.3	40,100.0	41,395.7	3,325.4	8.7
Drainage Infrastructure Levy	12,914.1	12,914.1	14,368.6	1,454.5	11.3
Other Revenues					
Provincial Grant - SIGI	732.7	732.7	-	(732.7)	-
Interest Earned on Investments	800.0	800.0	-	(800.0)	(100.0)
Account Service Fees	350.0	375.0	375.0	25.0	7.1
Delinquency & Collection Admin.	267.0	305.0	287.0	20.0	7.5
Meter Administration Fees	25.0	35.0	50.0	25.0	100.0
SAF Administration Fees	764.0	832.0	1,484.0	720.0	-
Other Revenues	32.0	49.0	32.0	-	-
Subtotal	2,970.7	3,128.7	2,228.0	(742.7)	(25.0)
Total Utility Revenues	<u>107,725.4</u>	<u>109,909.0</u>	<u>116,451.6</u>	<u>8,726.2</u>	<u>8.1</u>

2015 Utility Revenue Sources

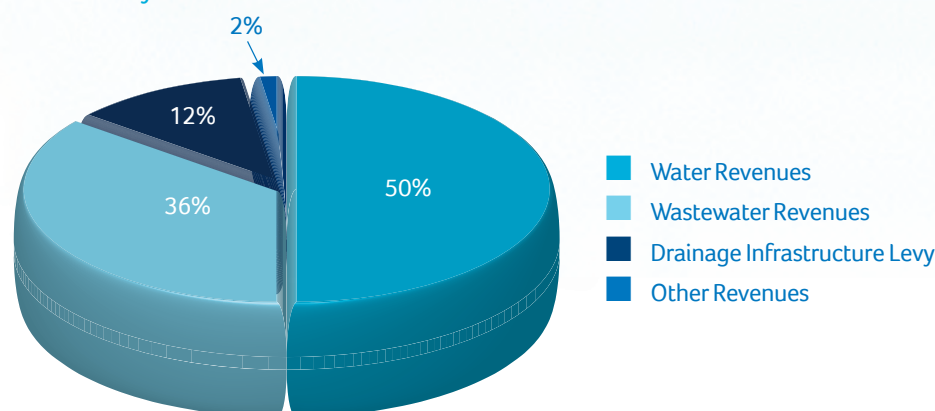


FIGURE 7: 2015 UTILITY REVENUE SOURCES

Utility Rates and Rate Policies

Section 22.3 of *The Cities Regulations* requires Council to adopt a rate policy that sets out the rates or fees that consumers will be charged for the use of water. The policy must include the method used to determine those rates or fees. The following policies have been previously adopted by City Council:

- Utility rates are to be established so that they are sufficient to fully fund operating costs, interest costs, debt repayments, capital requirements and transfer policies, taking into account the operating and infrastructure requirements of the Utility to meet its service goals. The objectives for the Utility's rate structure are:
 - Financial Self Sufficiency** – utility rates must generate enough revenue to meet all short-term and long-term operating and capital costs.
 - Conservation** – utility rates should encourage customers to use water responsibly.
 - Reduction of Peak Demand** – utility rates should encourage water conservation during summer months, reducing the need for infrastructure investment and higher rates.
 - Equity** – utility rates should result in a charge to customers according to the cost of services used.
- The rate structure for water and wastewater will include a base fee that varies according to the size of the water meter. The variation in the base rate will be based on the schedule recommended by the American Water Works Association (AWWA). The ratios for the base rate based on meter size are shown in the following table.

Water and Wastewater Base Fee Ratios	
Meter Size	AWWA Standard Ratio
15 mm	1.0
18 mm	1.0
25 mm	1.4
40 mm	1.8
50 mm	2.9
75 mm	11
100 mm	14
150 mm	21
200 mm	29

FIGURE 8: UTILITY FEE RATIOS

- The rate structure for water and wastewater will include a uniform rate for each cubic metre of water consumed and each cubic metre of deemed wastewater flow. For water, the uniform rate is applied to all consumption. For wastewater, the deemed volume is a percentage of the water consumption.
 - For residential customers, the wastewater volume is 82% of the water consumption.
 - For multiple unit residential properties, the percentage is 95% of the water consumption.
 - For institutional, commercial and industrial properties, the percentage is 98% of the water consumption.

4. The rate structure for the storm drainage infrastructure levy will be based on the size of the property, with larger properties paying a higher levy. The ratios approved by City Council in 2001 (CR01-189) are shown in the following table. The drainage levy applies regardless of whether the property is connected to the water or wastewater systems.

Drainage Infrastructure Rate Ratios	
Area of Property	Rate Ratio
0 to 1,000 m ²	1.0
1,001 to 3,000 m ²	2.0
3,001 to 5,000 m ²	4.0
5,001 to 7,000 m ²	6.0
7,001 to 9,000 m ²	8.0
9,001 to 11,000 m ²	10.0
11,001 to 13,000 m ²	12.0
13,001 to 15,000 m ²	14.0
15,001 to 17,000 m ²	16.0
17,001 to 19,000 m ²	18.0
19,001 to 21,000 m ²	20.0
21,001 to 23,000 m ²	22.0
23,001 to 25,000 m ²	24.0
25,001 to 27,000 m ²	26.0
27,001 to 29,000 m ²	28.0
29,001 to 31,000 m ²	30.0
Over 31,000 m ²	32.0

FIGURE 9: DRAINAGE INFRASTRUCTURE LEVY RATIO

Regardless of actual property size, the rate for properties up to 1,000 m² is applied to all locations designated as “standard residential properties.”

5. In the setting of rates, the Utility must present a balanced budget, with any surplus directed to the following:

- **Transfer to the General Utility Reserve**—The purpose of the reserve is to provide a source of financing for capital projects and funding emergency expenditures. The balance of the Utility’s surplus, after other transfers, is transferred to the General Utility Reserve. The transfer is budgeted at **\$51.6 million for 2015**. An overall requirement for capital funding is set through the Utility Model. Utility rates are set to provide sufficient surpluses to cover the capital costs over the next 20 years.

In the event that the Utility incurs an operating deficit in a given year, the deficit would also be funded from the reserve.

6. The Utility Operating Expenses include an access fee, which is a transfer to the City’s General Operating Fund. Any organization or utility operating in a municipality would be required to pay either property taxes or an access fee for the rights to use or access civic assets. Policies on these types of fees vary from city to city. Calgary’s Utility pays 10% of revenue plus a 10% return on equity. Saskatoon’s Utility pays a franchise fee based on 10% of revenue. Winnipeg’s is also 10%, with dividends paid. Moose Jaw’s rate is 5% of revenue. Regina’s transfer is the total of:

- 7.5% of the previous year’s budgeted revenues for billed water consumption, wastewater charges and drainage infrastructure levy.
- The amount of \$675,000, estimated to be three-sevenths of the Goods and Services Tax (GST) rebate received by the Utility. This amount is the additional rebate provided by the federal government starting in 2004.

For 2015, these amounts total \$8.5 million.

7. The Utility Operating Expenses also include a Utility Administration Charge, which is an approximate measure of corporate administration costs attributable to the Utility. It is calculated as 5% of the budgeted utility revenues for the previous year. Most corporate functions, including City Council, Committees, City Manager, Human Resources,

City Solicitor's Office, City Clerk's Office, Accounting, Budgeting, and Purchasing, are involved in activities related to the Water and Sewer Utility. The percentage transfer is used in lieu of a more detailed cost allocation process. A more detailed process would still involve arbitrary decisions and would significantly increase the effort and cost required compared to the current policy. The total charge for 2015 is \$5.4 million.

Approved Utility Rates for 2015

A two-year schedule of rates was approved for 2014 and 2015 in the 2014 Utility Budget. The new rates for 2015 approved with the 2014 Utility Budget will be implemented January 1, 2015.

The Utility rates for 2014 and 2015 are shown in the following tables. Rates are billed monthly and are based on a daily fixed charge plus a charge based on usage.

Water Rates		
	Approved Rate Schedule (\$)	
Daily Base Fee:	2014	2015
15 mm/18 mm water meter	0.67	0.72
25 mm water meter	0.94	1.01
40 mm water meter	1.21	1.30
50 mm water meter	1.94	2.09
75 mm water meter	7.37	7.92
100 mm water meter	9.37	10.08
150 mm water meter	14.06	15.12
200 mm water meter	19.42	20.88
Volume Charge:		
Charge per m ³	1.59	1.72

FIGURE 10: 2015 APPROVED WATER RATES

Wastewater Rates		
	Approved Rate Schedule (\$)	
Daily Base Fee:	2014	2015
15 mm/18 mm water meter	0.52	0.56
25 mm water meter	0.73	0.78
40 mm water meter	0.93	1.01
50 mm water meter	1.50	1.62
75 mm water meter	5.70	6.16
100 mm water meter	7.26	7.84
150 mm water meter	10.89	11.76
200 mm water meter	15.03	16.24
Volume Charge:		
Charge per m ³	1.43	1.54

FIGURE 11: 2015 APPROVED WASTEWATER RATES

Storm Drainage Rates		
	Approved Rate Schedule (\$)	
Daily Base Fee:	2014	2015
0 to 1,000 m ²	.44	.48
1,001 to 3,000 m ²	.89	.96
3,001 to 5,000 m ²	1.77	1.92
5,001 to 7,000 m ²	2.66	2.88
7,001 to 9,000 m ²	3.54	3.84
9,001 to 11,000 m ²	4.43	4.80
11,001 to 13,000 m ²	5.31	5.76
13,001 to 15,000 m ²	6.20	6.72
15,001 to 17,000 m ²	7.08	7.68
17,001 to 19,000 m ²	7.97	8.64
19,001 to 21,000 m ²	8.86	9.60
21,001 to 23,000 m ²	9.74	10.56
23,001 to 25,000 m ²	10.63	11.52
25,001 to 27,000 m ²	11.51	12.48
27,001 to 29,000 m ²	12.40	13.44
29,001 to 31,000 m ²	13.28	14.40
Over 31,000 m ²	14.17	15.36

FIGURE 12: 2015 APPROVED STORM DRAINAGE RATES

Utility Customers

The Utility provides services to a population of approximately 200,000 including service to some customers and communities outside of the City limits. The following tables provide information on the number and categories of Utility customers.

Water and Sewer Utility Customers			
	Water Customers	Wastewater Customers	Drainage Customers
Residential	64,292	64,282	64,286
Multi-Unit Residential	902	899	883
Commercial	3,333	3,241	3,355
Irrigation	282	35	-
Total	68,809	68,457	68,524
Within City Limits	68,736	68,419	68,524
Outside City Limits	73	38	-
Total	68,809	68,457	68,524

FIGURE 13: REGINA'S UTILITY CUSTOMERS

Water Customers					
Water	Residential	Multi-Unit Residential	Commercial	Irrigation	Total
15 mm - 5/8"	61,386	37	1,290	13	62,726
18 mm - 3/4"	2,744	216	1,054	31	4,045
25 mm - 1"	150	361	439	69	1,019
40 mm - 1.5"	11	153	189	55	408
50 mm - 2"	1	77	215	106	399
75 mm - 3"	-	58	118	6	182
100 mm - 4"	-	-	17	2	19
150 mm - 6"	-	-	8	-	8
200 mm - 8"	-	-	3	-	3
Total	64,292	902	3,333	282	68,809

FIGURE 14: ANALYSIS OF REGINA'S WATER CUSTOMERS

Wastewater Customers					
Wastewater	Residential	Multi-Unit Residential	Commercial	Irrigation	Total
15 mm - 5/8"	61,390	37	1,281	8	62,716
18 mm - 3/4"	2,732	216	1,030	3	3,981
25 mm - 1"	149	361	432	10	952
40 mm - 1.5"	10	151	182	5	348
50 mm - 2"	1	776	184	8	269
75 mm - 3"	-	58	114	1	173
100 mm - 4"	-	-	11	2	11
150 mm - 6"	-	-	5	-	5
200 mm - 8"	-	-	2	-	2
Total	64,282	899	3,241	35	68,457

FIGURE 15: ANALYSIS OF REGINA'S WASTEWATER CUSTOMERS

Drainage Customers					
Drainage		Residential	Multi-Unit Residential	Commercial	Total
0 to 1,000 m ²	1	64,286	390	1,415	66,091
1,001 to 3,000 m ²	2	-	329	847	1,176
3,001 to 5,000 m ²	3	-	68	344	412
5,001 to 7,000 m ²	4	-	37	167	204
7,001 to 9,000 m ²	5	-	17	124	141
9,001 to 11,000 m ²	6	-	12	86	98
11,001 to 13,000 m ²	7	-	12	52	64
13,001 to 15,000 m ²	8	-	4	52	56
15,001 to 17,000 m ²	9	-	1	45	46
17,001 to 19,000 m ²	10	-	3	24	27
19,001 to 21,000 m ²	11	-	5	32	37
21,001 to 23,000 m ²	12	-	2	19	21
23,001 to 25,000 m ²	13	-	1	12	13
25,001 to 27,000 m ²	14	-	1	8	9
27,001 to 29,000 m ²	15	-	-	12	12
29,001 to 31,000 m ²	16	-	-	6	6
Over 31,000 m ²	17	-	1	110	111
Total Properties		64,286	883	3,355	68,524

FIGURE 16: ANALYSIS OF REGINA'S DRAINAGE CUSTOMERS

Utility Rate History and Comparisons

The following tables detail the history of Utility rates since 2005 and the annual cost and cost increases for a sample residential customer who consumes 360 cubic metres of water per year.

Water Rate History				
Year	Fixed Annual Charge (\$)	Volume Charge (\$/Cubic Metre)	Cost for Sample Customer	
			Annual Charge for 360 Cubic Metres (\$)	Per Cent Increase (%)
2005	123.00	0.83	421.80	3.2
2006	129.00	0.85	435.00	3.1
2007	135.05	0.88	451.85	3.9
2008	146.00	0.96	491.60	8.8
2009	160.60	1.05	538.60	9.6
2010	175.20	1.14	585.60	8.7
2011	189.80	1.24	636.20	8.6
2012	208.05	1.35	694.05	9.1
2013	226.30	1.47	755.50	8.9
2014	244.55	1.59	816.95	8.1
2015	262.80	1.72	882.00	8.0

FIGURE 17: REGINA'S WATER RATE HISTORY

Wastewater Rate History				
Year	Fixed Annual Charge (\$)	Volume Charge (\$/Cubic Metre)	Cost for Sample Customer	
			Annual Charge for 360 Cubic Metres (\$)	Per Cent Increase (%)
2005	93.00	0.72	305.54	5.1
2006	99.00	0.75	320.40	4.9
2007	102.20	0.78	332.46	3.8
2008	116.80	0.85	364.07	9.5
2009	124.10	0.93	398.64	9.5
2010	135.05	1.01	433.20	8.7
2011	146.00	1.11	473.67	9.3
2012	160.60	1.21	517.79	9.3
2013	175.20	1.32	564.86	9.1
2014	189.80	1.43	611.94	8.3
2015	204.40	1.54	659.01	7.7

FIGURE 18: REGINA'S WASTEWATER RATE HISTORY

Drainage Infrastructure Levy Rate History			
Year	Property Category	Annual Levy (\$)	Percentage Increase (%)
2005	1,000 square metres or less	78.00	8.3
2006	1,000 square metres or less	84.00	7.7
2007	1,000 square metres or less	91.25	8.6
2008	1,000 square metres or less	98.55	8.0
2009	1,000 square metres or less	105.85	7.4
2010	1,000 square metres or less	116.80	10.3
2011	1,000 square metres or less	127.75	9.4
2012	1,000 square metres or less	138.70	8.6
2013	1,000 square metres or less	149.65	7.9
2014	1,000 square metres or less	160.60	7.3
2015	1,000 square metres or less	175.20	9.1

FIGURE 19: REGINA'S DRAINAGE INFRASTRUCTURE LEVY HISTORY

Customer Impact of Utility Rates

New rates for water, wastewater and drainage for 2014 and 2015 were approved during the 2014 budget process. Examples of the impact of the 2015 rates are provided below. (Note: the 2014 rate increase was implemented on April 1, 2014. For comparison purposes, the tables following provide a full year comparison of the 2014 and 2015 rates.)

Average Home Owner

The chart in Figure 20 illustrates the impact of the 2015 rates on a homeowner who uses 360 cubic metres of water per year. That's typical for a family of two adults and two children in a home with two bathrooms, a dishwasher and washing machine sitting on a lot with typical landscaping. The cost increase from the 2015 rates is about \$10.56 per month for the average homeowner.

Sample Commercial Customer

The chart in Figure 21 illustrates the impact of the 2015 rates on a commercial customer with a 40 millimetre meter that uses 3,000 cubic metres of water per year on a property between 3,000 to 5,000 square metres in size. This water consumption would be typical for a strip mall that had a restaurant and a hair salon as tenants with a parking lot and minimal landscaping.

2015 Rate Impact - Sample Home Owner				
	2014 (\$)	2015 (\$)	Dollar Change (\$)	Per Cent Change (%)
Water				
Annual Basic Charge	244.55	262.80	18.25	-
Annual Volume Charge	572.40	619.20	46.80	-
Total Annual Water	816.95	882.00	65.05	7.96
Wastewater				
Annual Basic Charge	189.80	204.40	14.60	-
Annual Volume Charge	422.14	454.61	32.47	-
Total Annual Wastewater	611.94	659.01	47.07	7.69
Annual Drainage Infrastructure Levy	160.60	175.20	14.60	9.09
Total Annual Utility Charges	1,589.49	1,716.21	126.72	7.97

FIGURE 20: 2015 UTILITY RATE IMPACT FOR AVERAGE HOME

2015 Rate Impact - Sample Commercial Owner				
	2014 (\$)	2015 (\$)	Dollar Change (\$)	Per Cent Change (%)
Water				
Annual Basic Charge	441.65	474.50	32.85	-
Annual Volume Charge	4,770.00	5,160.00	390.00	-
Total Annual Water	5,211.65	5,634.50	422.85	8.11
Wastewater				
Annual Basic Charge	339.45	368.65	29.20	-
Annual Volume Charge	4,204.20	4,527.60	323.40	-
Total Annual Wastewater	4,543.65	4,896.25	352.60	7.76
Annual Drainage Infrastructure Levy	646.05	700.80	54.75	8.47
Total Annual Utility Charges	10,401.35	11,231.55	830.20	7.98

FIGURE 21: 2015 UTILITY RATE IMPACT FOR A SAMPLE COMMERCIAL OWNER

Rate Comparison – Sample Residential Customer

The following chart compares Regina's 2014 rates with those for other cities for a typical residential customer who uses 360 cubic metres of water per year. Such water consumption is typical for a family of two adults and two children, in a home with two bathrooms, a dishwasher and washing machine and on a lot with typical landscaping for Regina. The chart uses rates for 2014 as some other cities have yet to determine their 2015 rates.

Sample Residential Customer - 2014 Rates					
Utility Bill Details	Regina	Calgary	Edmonton	Saskatoon	Winnipeg
Water					
Annual Basic Charge	\$ 244.55	\$ 189.00	\$ 84.36	\$ 102.96	\$ 109.50
Annual Volume Charge	572.40	618.30	687.55	368.58	511.20
Total Annual Water	816.95	807.30	771.91	471.54	620.70
Wastewater					
Annual Basic Charge	189.80	193.80	145.32	102.96	-
Annual Volume Charge	422.14	363.38	556.67	211.74	795.60
Total Annual Wastewater	611.94	557.18	701.99	314.70	795.60
Annual Drainage Infrastructure Levy	160.60	110.40	198.09	193.88 ¹	-
Total Annual Utility Charges	\$ 1,589.49	\$ 1,474.88	\$ 1,671.99	\$ 980.12	\$ 1,416.30

FIGURE 22: COMPARISON OF UTILITY RATES ACROSS WESTERN CANADIAN CITIES FOR A SAMPLE RESIDENTIAL CUSTOMER (2014 RATES)NOTE:

1. Saskatoon's infrastructure levy is not specific to the drainage infrastructure.

Rate Comparison – Sample Commercial Customer

The following chart compares the 2014 rates for Regina and other cities for a sample commercial customer. The commercial customer has a 40 millimetre meter and uses 3,000 cubic metres of water per year on a property between 3,000 and 5,000 square metres in size. This water consumption would be typical for a strip mall that has a restaurant and a hair salon as tenants as well as a parking lot and minimal landscaping. Rates for 2014 were used as some other cities have yet to determine their 2015 rates.

Sample Commercial Customer - 2014 Rates					
Utility Bill Details	Regina	Calgary	Edmonton	Saskatoon	Winnipeg
Water					
Annual Basic Charge	\$ 441.65	\$ 510.00	\$ 286.56	\$ 1,630.80	\$ 149.65
Annual Volume Charge	4,770.00	3,873.00	3,916.38	2,429.11	4,049.68
Total Annual Water	5,211.65	4,383.00	4,202.94	4,059.91	4,199.33
Wastewater					
Annual Basic Charge	343.10	193.80	236.76	1,630.80	0
Annual Volume Charge	4,204.20	3,168.90	5,225.40	2,167.45	6,630.00
Total Annual Wastewater	4,547.30	3,362.70	5,462.16	3,798.25	6,630.00
Annual Drainage Infrastructure Levy	642.40	110.40	1,782.84	1,315.48	-
Total Annual Utility Charges	\$ 10,401.35	\$ 7,856.10	\$ 11,447.94	\$ 9,173.64	\$ 10,829.33

FIGURE 23: COMPARISON OF UTILITY RATES ACROSS WESTERN CANADIAN CITIES FOR A SAMPLE COMMERCIAL CUSTOMER (2014 RATES)

Note: 1. Saskatoon's infrastructure levy is not specific to drainage infrastructure.

2015 – 2019 Utility Capital Plan

The 2015 Utility Capital Plan addresses the most critical capital needs of the Water and Sewer Utility to support the asset management plan and aging infrastructure. The focus is two-fold:

1. Capital Programs: are ongoing investments for renewal and rehabilitation work related to the Utility's major assets to keep them in good working condition, prevent further deterioration and extend their useful life. Investment decisions are made to minimize the risk to a targeted service level.

2. Capital Projects: are investments that result in new assets arising from growth in the city that require the expansion of trunk lines or the acquisition or construction of new assets such as retention ponds. Projects have a defined start date and end date and can take multiple years to complete.

The focus of capital renewal for the Regina Water and Sewer Utility in the future is the upgrading of drainage and wastewater (sewage) collection systems as well as essential plant renewals and upgrades (Wastewater Treatment Plant and Buffalo Pound Water Treatment Plant).

2014 to 2019 Utility Capital Plan - Programs (\$000s)							
Division	Reporting Group	Carryforward	2015	2016	2017	2018	2019
Corporate Services	Other Capital Initiatives	-	20.0	40.0	20.0	20.0	40.0
Corporate Services Total		-	20.0	40.0	20.0	20.0	40.0
Transportation & Utilities	Water Distribution	6,258.5	5,785.0	7,535.0	7,535.0	7,535.0	7,535.0
	Water Supply	1,234.6	-	1,000.0	1,000.0	1,000.0	1,000.0
	Water Pumping	-	-	750.0	1,000.0	2,000.0	3,000.0
	Other Capital Initiatives	1,182.1	300.0	800.0	800.0	800.0	800.0
	Wastewater Collection	5,233.0	10,055.0	25,055.0	19,880.0	18,880.0	11,880.0
	Drainage System Upgrading	295.1	455.0	455.0	280.0	280.0	280.0
	Drainage Infrastructure & New Development	1,218.0	2,400.0	2,400.0	2,400.0	2,300.0	3,300.0
Transportation & Utilities Total		15,421.3	18,995.0	37,995.0	32,895.0	32,795.0	27,795.0
Grand Total		15,421.3	19,015.0	38,035.0	32,915.0	32,815.0	27,835.0
Funding Source			2015	2016	2017	2018	2019
Utility Reserve			19,015.0	34,975.0	30,755.0	6,280.0	4,475.0
Service Agreement Fees (Utility)			-	3,060.0	2,160.0	1,800.0	360.0
Debentures			-	-	-	24,735.0	23,000.0
Grand Total			19,015.0	38,035.0	32,915.0	32,815.0	27,835.0

2014 to 2019 Utility Capital Plan - Projects (\$000s)							
Division	Reporting Group	Carryforward	2015	2016	2017	2018	2019
City Planning & Development	Water Distribution	1,695.0	365.0	5,100.0	10,100.0	12,600.0	15,100.0
	Other Capital Initiatives	-	-	-	-	-	-
	Wastewater Collection	1,200.0	-	-	-	-	-
	Drainage System Upgrading	3,750.0	-	-	-	-	-
	Drainage Infrastructure & New Development	-	2,330.0	-	-	1,750.0	-
	City Planning & Development Total	6,645.0	2,695.0	5,100.0	10,100.0	14,350.0	15,100.0
Corporate Services	Other Capital Initiatives	298.7	325.0	325.0	625.0	325.0	325.0
Corporate Services Total		298.7	325.0	325.0	625.0	325.0	325.0
Transportation & Utilities	Water Distribution	7,321.0	2,820.0	3,900.0	3,150.0	2,000.0	6,500.0
	Water Pumping	-	-	-	-	800.0	800.0
	Water Supply	14,379.7	7,000.0	12,000.0	8,500.0	12,500.0	16,000.0
	Other Capital Initiatives	113.4	1,833.0	1,000.0	1,000.0	6,000.0	11,000.0
	Wastewater Collection	8,537.5	3,360.0	300.0	600.0	100.0	4,600.0
	Wastewater Treatment	16,029.0	15,000.0	-	200.0	-	-
	Drainage System Upgrading	8,493.7	3,200.0	4,150.0	6,500.0	8,450.0	10,200.0
	Drainage Infrastructure & New Development	-	2,300.0	-	-	-	-
	Transportation & Utilities Total	54,874.1	35,513.0	21,350.0	19,950.0	29,850.0	49,100.0
Grand Total		61,817.7	38,533.0	26,775.0	30,675.0	44,525.0	64,525.0
Funding Source			2015	2016	2017	2018	2019
Utility Reserve			26,669.0	15,019.0	15,721.0	26,195.0	19,060.0
Service Agreement Fees (Utility)			9,946.0	8,468.0	12,762.0	15,590.0	23,355.0
Debentures			-	-	-	-	18,000.0
Moose Jaw			1,918.0	3,288.0	2,192.0	2,740.0	4,110.0
Grand Total			38,533.0	26,775.0	30,675.0	44,525.0	64,525.0

Utility Operating Expenditure Summary (\$000s)					
Expenditure Details (\$000s)	2014 Budget	Forecast	2015 Budget	Budget Change	
				Dollar Change (\$)	Percent Change %
Operations & Construction					
Water Operations	13,145.5	12,855.9	13,749.1	603.6	4.6
Water & Sewer Construction	8,089.1	9,369.9	8,576.5	487.4	6.0
Sewer & Drainage Operations	6,121.3	6,621.2	6,388.8	267.5	4.4
Waste Water Treatment	6,718.2	6,718.2	8,883.7	2,165.5	32.2
Subtotal	34,074.1	35,565.2	37,598.1	3,524.0	10.3
Planning & Engineering					
Water Works Engineering	2,292.8	1,412.2	2,457.8	165.0	7.2
Construction & Compliance	2,795.8	2,766.4	2,665.9	(129.9)	(4.6)
Subtotal	5,088.6	4,178.6	5,123.7	35.1	0.7
Utility Administration					
Customer Service & Administration	6,419.0	5,351.3	6,763.6	344.6	5.4
Access Fee	8,002.9	8,002.9	8,494.5	491.6	6.1
Utility Administration Charge	5,501.0	5,501.0	5,386.6	(114.4)	(2.1)
Subtotal	19,922.9	18,855.2	20,644.7	721.8	3.6
Total Operating Expenditures	59,085.6	58,599.0	63,366.5	4,280.9	7.2
Other Expenditures					
Debt Costs	45,920.1	45,920.1	1,439.0	(44,481.1)	(96.9)
Total Expenditures	105,005.7	104,519.1	64,805.5	(40,200.2)	(38.3)
Net Utility Reserve Transfer	2,719.7	2,719.7	51,646.0	48,926.3	1,799.0

Staffing Summary

FTE's by Division	2014 ¹			2015			Change
	Permanent	Casual	Total	Permanent	Casual	Total	
City Operations ²	194.8	28.1	222.9	169.3	31.2	200.5	(22.4)
Corporate Services	25.5	2.8	28.3	26.5	2.8	29.3	1.1
Office of the City Manager	1.0	-	1.0	1.0	-	1.0	
Total	221.3	30.9	252.2	196.8	34.0	230.8	(21.4)

NOTE:

1. The 2014 staffing figures have been restated to remove staffing from work units that allocate costs to the Utility. Those staff are reflected in the staffing summaries in the General Operating Budget.
2. The staffing summary for City Operations for 2015 reflects a reduction of 26 Permanent FTE and 0.2 Casual FTE due to the operational change at the Wastewater Treatment Plant. As of January 1, 2015, these staff are employees of EPCOR Water Prairies Inc. The total above reflects an increase 4.6 FTEs after the transferred employees are accounted for.

Operating Expenditure Summary (\$000s) by Type of Expenditure

Expenditures	2014 Budget	Forecast	2015 Budget	Budget Change	
				Dollar Change (\$)	Percent Change %
Salary & Benefits	17,632.2	17,258.2	15,852.9	(1,779.3)	(10.1)
Employee Related Payments	86.8	90.4	59.4	(27.4)	(31.6)
Office & Administrative Expenses	1,011.2	1,141.6	1,045.1	33.9	3.4
Professional & External Services	2,208.1	2,794.0	8,603.6	6,395.5	289.6
Materials, Goods & Supplies	4,905.3	5,286.1	3,045.8	(1,859.5)	(37.9)
Utilities and Other Expenditures	11,926.7	12,198.3	12,518.8	592.1	5.0
Intra-Municipal Services	21,315.3	19,827.2	22,241.0	925.7	4.3
Total Operating Expenditures	59,085.6	58,595.8	63,366.6	4,281.0	7.2
Debt Servicing	45,920.1	45,920.1	1,438.9	(44,481.2)	(96.9)
Total Expenditures	105,005.7	104,515.9	64,805.5	(40,200.2)	(38.3)
Net Utility Reserve Transfer	2,719.7	2,917.7	51,646.0	48,926.3	1,799.0

Analysis of Utility Operating Expenditures 2015

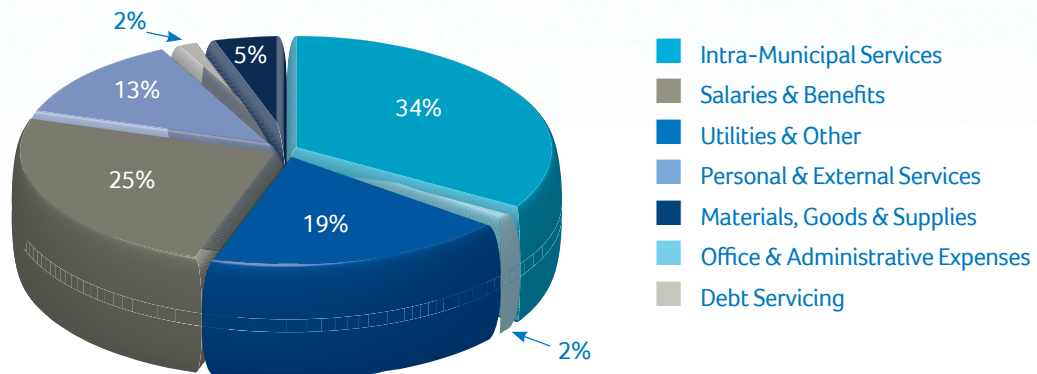


FIGURE 24: ANALYSIS OF 2015 UTILITY OPERATING EXPENDITURES

Analysis of Operating Expenditure Budget Change

Details (\$000s)	
2014 Total Operating Expenditures Budget	\$105,005.7
1 Salaries and Benefits - Includes cost changes resulting from in-range progression increases, classification reviews, general employer benefit costs (EI, CPP, WCB, etc. which increase proportionate with salaries), the City's portion of increases in employee pension contributions and negotiated salary increase. (Base). The change also reflects a reduction in staffing costs due to the transfer of former City of Regina employees to EPCOR Water Prairies Inc. as part of the P3 contract to develop and operate the new Wastewater Treatment Plant.	(1,369.0)
2 2014 One Time Items - This represents the removal of one time items contained in the 2014 budget. (One-Time)	(166.8)
3 Trucking Contract - Increase in price for trucking services. (Base)	169.2
4 Increase in Allocated Fleet Costs for use of vehicles and equipment. (Base)	126.6
5 Increase in other Allocated costs.	179.4
6 Purchase of Water - Increase in cost of water from Buffalo Pound Water Treatment Plant (Base) and due to growth. (On-going)	409.0
7 Power Costs - Increase in power cost for pumping at the Buffalo Pound Water Treatment Plant. (Base)	10.0
8 Utility Billing Postage - Increased cost as a result of postage increases from Canada Post (Base) and due to growth. (Ongoing)	50.0
9 WWTP Operational Costs - In 2015 and 2016, additional operating costs are budgeted to allow for impact of operating the plant through the construction phase. The change also reflects operational staffing costs now covered through the P3 contract to develop and operate the new Wastewater Treatment Plant due to the transfer of former City of Regina employees to EPCOR Water Prairies Inc. See Salaries and Benefits note above.	4,084.9
10 Construction Staff - Increased staffing for water and sewer construction program, supporting both emergency repair and replacement as well as planned capital work. This ongoing request includes two casual FTEs paid through operating funds and one casual FTE paid through the capital program. (Three Casual FTEs) (Ongoing)	167.2
11 Utility Billing Collections Officer - Increased number of customers along with an increased volume of calls has increased work volumes sufficiently to require an additional staff resource. (One Permanent FTE) (Ongoing)	63.5
12 Equipment Operator - Program changes in Sewer and Drainage Operations, including an additional steamer unit to clear frozen catch basins and a specialized mower for drainage channels, are required to support improved service delivery and maintenance standards. (One Casual FTE) (Ongoing)	60.7
13 Closed Circuit Television Camera (CCTV) Operator - This one-time request will provide funding to deliver an increased inspection program and to perform a pilot program to determine feasibility of delivering inspection work to support the capital program through use of internal forces. (One Casual FTE) (One-time)	58.5
14 Utility Billing Staffing - Increased volume of work in addition to increased complexity in billing related to building permits has resulted in a need for additional resources until process improvements planned for 2015 and 2016 can be implemented. (One Casual FTE) (One-time)	60.4
15 Water & Sewer Utility charges paid to General Operation Fund. Represents the Access fee and Utility administration charges.	377.2
16 Debt Costs - This represents the change in total interest and principle payments for the Utility in 2015. (Base)	(44,481.0)
2015 Operating Expenditures Budget	\$64,805.5

Utility System Detail

Water System Overview

The water supply and pumping and distribution system provides water for residential and commercial use and fire protection. The system serves a population of approximately 215,000 including all residents and businesses in the city limits and a number of customers outside the city. Its service goals include:

- Providing water that meets or exceeds provincial water quality standards and objectives.
- Providing water at adequate pressure and in sufficient quantity to satisfy the requirements for domestic and commercial use, irrigation and fire protection.
- Identifying and implementing improvements to the water system through long range planning, monitoring, improved operation, capital works and new technology.

Components of the water system include:

- **Buffalo Pound Lake and Wells** – All water needs are provided from Buffalo Pound Lake. There are wells available for backup purposes. The well water is chlorinated and does not require further treatment to meet current health standards.
- **Buffalo Pound Water Treatment Plant** – Water from Buffalo Pound Lake is drawn and pumped three kilometres to the Buffalo Pound Water Treatment Plant, a facility owned jointly with the City of Moose Jaw. Once there, the water is mixed with coagulants that cause algae, bacteria and other impurities to clump together so that they settle out of the water. The water is then filtered and chlorinated. During warmer weather, the water is passed through granular activated carbon to improve the taste and odour.
- **Supply Pipelines** – From the Buffalo Pound Water Treatment Plant, the water is pumped through a 56 kilometres pipeline to the City's water distribution system. The pipeline has been twinned to increase capacity and reliability of the water supply. A number of other supply

pipelines transport water from wells to reservoirs. In all, the system includes over 280 kilometres of supply pipeline.

- **Reservoirs** – Five storage reservoirs are used to store water to meet peak demands and ensure that there is an adequate supply of water available for firefighting and during high-usage periods. The reservoirs have a combined storage capacity equal to about one-and-a-half days of average water use.
- **Pumping Stations** – There are four pumping stations (North, Farrell, Ross and North Zone) that are used to pump water from reservoirs to the distribution system.
- **Distribution System** – The distribution system consists of more than 1,130 kilometres of pipelines ranging in size from large 1,067 millimetres diameter trunk mains to 100 millimetres distribution pipes. The pipelines are made of a variety of materials including steel, cast iron, concrete, asbestos cement, polyvinylchloride and high-density polyethylene. The distribution system also includes more than 6,000 valves that allow the water to be turned off during repairs and maintenance.
- **Service Connections** – Distribution pipes are connected to a customer's water line through a service connection. The City owns and is responsible for the maintenance of over 600 kilometres of service connection pipe on the "City side" of the property line.
- **Water Meters** – Water meters measure water consumption via automated meter reading equipment and a mobile data collection unit.

Wastewater System Overview

The wastewater collection and treatment system collects sewage from residential, institutional, commercial and industrial customers in the city. Wastewater treatment and final effluent meet provincial environmental standards. Service goals include:

- Collecting domestic, commercial and industrial wastewater in the city and delivering it reliably to wastewater treatment facilities.

- Producing a treated wastewater effluent that is biologically and physically safe for the environment and that meets the requirements of the provincially-issued operating permit.
- Ensuring solids removed from the wastewater are treated and disposed of in an environmentally responsible manner.

Components of the wastewater system include:

- **Service Connections** – Building plumbing systems are attached to the wastewater collection system by a service connection pipe. The City owns and is responsible for the maintenance of over 600 kilometres of pipe on the “City side” of the property line.
- **Collection Mains and Trunk Mains** – The service connection pipes are attached to wastewater collection mains, typically 200–250 millimetres in diameter. The collection mains drain into trunk mains, which are 300 millimetres or more in diameter. The system includes approximately 860 kilometres of pipeline.
- **Manholes** – More than 9,500 manholes provide access to the wastewater collection system for maintenance and repair.
- **Lift Stations** – Wastewater flows through the collection system by gravity. In low-lying areas of the city, lift stations must be used to pump the wastewater to collection and trunk mains at a higher elevation. Gravity then takes wastewater to the McCarthy Boulevard Pumping Station. There are 19 lift stations in the wastewater collection system.
- **McCarthy Boulevard Pumping Station** – All wastewater collected in the city flows to the McCarthy Boulevard Pumping Station. The station provides screening and continuous transfer of wastewater from the collection system to the wastewater treatment facilities five kilometres to the west. The McCarthy facility is capable of transferring wastewater at up to four times the average daily rate.
- **Septage Receiving Station** – The Utility receives trucked liquid waste at the Wastewater Treatment Plant. When the

upgrade at the Wastewater Treatment Plant is completed, this location will no longer be available. In 2014, work began to develop an alternate location for a septage receiving station, which is scheduled for completion before the middle of 2016.

- **Wastewater Treatment Plant** – The plant processes wastewater through four stages of treatment:

- Primary treatment removes sand, grit and organic material from the sewage.
- Secondary treatment reduces dissolved organic material through the use of aerated lagoons.
- Tertiary treatment removes phosphorus, algae and suspended solids with aluminum sulphate and polymer.
- Ultraviolet light is used to disinfect the effluent before it is released into the Wascana Creek.

A major upgrade project is underway through a P3 model to comply with new regulations before the end of 2016.

Drainage System Overview

The drainage system collects water from rainfall and melting snow in and around the city and conveys it to Wascana and Pilot Butte Creeks. The system serves approximately 69,000 residential and commercial properties. Service goals include:

- Collecting and controlling drainage water within the city to minimize danger to the public, property damage and inconvenience.
- Monitoring the potential for flood conditions in Wascana Creek and the drainage channels while carrying out flood control measures as required.

The **Minor Drainage System** consists of the underground piping system that collects and transports small to medium amounts of drainage from rainfall, snow melt and minor storms. Components of the minor system include:

- **Catch Basins** – More than 18,000 catch basins located in streets and open spaces collect water and direct it into the

drainage lines. Catch basins are designed to keep sand, silt and other matter out of the piping system by causing it to settle to the bottom of the basin.

- **Lines, Mains and Trunks** – There are more than 1,180 kilometres of drainage lines located beneath city streets. Lines and mains range from 200 millimetres to 1,200 millimetres in diameter, with trunks more than 1,200 millimetres.
- **Manholes** – More than 9,000 manholes provide access to the system for maintenance and repair.
- **Lift Stations** – Drainage water flows through the system thanks to gravity. There are low-lying areas where lift stations are used to pump the drainage water to a higher elevation. The water flows into a lift station at a low elevation and is pumped to a higher level where it continues to flow through a pipe or channel. There are 13 lift stations in the drainage system.

The **Major Drainage System** is used when drainage water exceeds the capacity of the minor system and must flow over land. The major system is designed so that water will flow down roadways and land easements. Components of the major system include:

- **Graded roadways, land easements, swales and lots** – In order for the runoff water to flow over land to a point where it can be collected, the surface area must be properly sloped.
- **Dry bottom detention facilities** – These are lower land areas in open space areas such as parks. A detention facility contains outlets to and from the minor system. During periods of heavy rainfall, water that would otherwise overload the minor system enters the detention facility and is stored there temporarily. It then flows back into the minor drainage system at a later time when flows have gone down.
- **Lake (or wet) retention facilities** – Lakes such as the ones in Lakeridge and Windsor Park are similar to dry-bottom detention facilities, except they normally contain water

all year round. When the minor system is overloaded, the water in these ponds rises, and then drops when the excess water flows back into the minor drainage system.

- **Underground detention tanks** – They are also used, particularly in some of the downtown areas, to store excess water temporarily until it can be accommodated by the minor drainage system.
- **Drainage channels and creeks** – Drainage water empties into the drainage channels of Wascana Creek. The channels function as very large drainage lines with earthen banks used to control the water rather than enclosed pipelines. The drainage channels carry the runoff to Wascana Creek. Drainage from the Rowatt Flood Control Project south of Regina flows to Wascana Creek through a constructed channel within the city Limits.

Although the major and minor systems are described as separate systems, they are part of an overall drainage system and must work in conjunction with each other.

Customer Service

Service Regina provides front line customer service for the Utility as well as other City services. Objectives include:

- Customer applications for water services and disconnections are handled accurately.
- Customers can access information about their bill and receive prompt responses to their inquiries.
- Payments can be made using convenient payment methods.
- All service requests are processed within a reasonable time frame.

Customer service is accessible by telephone, mail, fax, in-person and electronically via the City's website. Internet requests and e-business inquiries are increasing and this has been an area of focus. Continued awareness of customer needs to access information and services quickly in the manner of their choosing is a central plank of customer service efforts.

Service Regina's one-stop shop approach provides customers with information about the City's services through one central contact number. By directing customer calls to the area in question, staff ensure that the customer is dealt with efficiently at their first point of contact.

Service Regina strives for customer satisfaction in the five essential elements of service: timeliness, knowledge and competency, courtesy, fair treatment and final outcome. When all five of these elements are accomplished, customers rate services highly. The goal of the customer service area is to ensure satisfaction in every one of these areas with every customer.

Billing and Collection Services

The administration of customer accounts and the billing and collection function includes:

- Managing customer accounts, including setting up new customers, discontinuing accounts and transferring accounts from one individual to another. It also manages contracts with out-of-town water users who receive water from the City.
- Managing activities related to water meters, including obtaining meter readings and turning the water service on or off. Customers are divided into automated meter-reading routes so the meters are read according to a monthly schedule.
- Connecting and disconnecting water services in response to customer requests and from collection efforts for unpaid bills.
- Generating customer bills. Customers are divided into billing cycles so each customer is billed every month.
- Collecting overdue customer accounts through a variety of tools. Interest is added to outstanding balances, which encourages timely payment. When accounts remain outstanding, payment arrangements are negotiated where possible. This includes managing post-dated cheques as well as providing equalized payment options for Utility accounts.



Regina.ca

December 8, 2014

To: His Worship the Mayor
and Members of City Council

Re: 2015 Tax-Supported General Operating and Capital Budgets

RECOMMENDATION

1. That the 2015 tax-supported Operating Budget, with gross expenditures of \$397,784,500 and a net property tax levy requirement of \$195,369,000, be approved;
2. That the 2015 General Capital Budget with total gross expenditures of \$263,249,700 in 2015, as summarized on pages 57-58 of the 2015 General Operating and Capital Budget, representing new funding of \$98,784,700 and \$164,465,000 of funding for the RRI Stadium project approved in prior periods, be approved;
3. That the capital budgets for 2016 and 2017 related to the following 2015 capital projects be approved:
 - a) Information Technology Business Transformation
 - i) 2016: \$1,000,000
 - b) North Central Shared Facility
 - i) 2016: \$3,000,000
 - ii) 2017: \$860,000
4. That the gross budget of \$210,000 (\$105,000 (net)) in the recommended 2015 capital budget for the purchase of two paratransit buses and the allocation of \$162,000 in the operating budget to support paratransit operating costs be contingent on the provincial government contributing a proportionate share of the cost;
5. That further to previous committee resolutions throughout 2014, the following be incorporated into the 2015 budget:
 - a) In accordance with PW14-15, a long term Residential Road Network Improvement Program be established, funded by an additional 1% dedicated mill rate increase starting in 2015;
 - b) In accordance with PW14-16 (Appendix C):
 - i) That the current Local Improvement Program (LIP) for walk, curb and gutter replacement be discontinued beginning with the 2015 budget year and construction season for all City planned projects;
 - ii) That all works included under *The Local Improvements Bylaw, 2014, Bylaw No. 2014-34* (the “Bylaw”) be specially assessed as approved under the Bylaw;
 - iii) That special assessment payments for LIP works constructed in 2014 or earlier continue for their full terms.
 - iv) That a new LIP be developed for projects that are initiated by property owners either through requesting installation of a new infrastructure or

- requesting infrastructure renewal be carried out ahead of schedule of the work planned as part of the Residential Road Network Improvement Plan
- c) In accordance with PW14-22 (Appendix D), the Winter Maintenance Policy be amended to:
 - i) Include a requirement for the City to clear sidewalks adjacent to City-owned parks that are next to a public school, requiring a net budget of approximately \$15,000 to be funded from the funds provided by Recommendation 1 of this report;
 - ii) Treat all commercial properties consistently, requiring building owners to clear any frontage sidewalk adjacent to senior citizen complexes with more than twenty units in a single building.
6. That funding from the Fleet Replacement Reserve for the purchase of new vehicles in the amount of \$240,000, to support ongoing service provision, be approved;
7. That the 2015 mill rate be 9.3214, representing a 3.3% increase for all programs and services plus a 1% increase for the recommended Residential Road Network Improvement Program as described in Recommendation 5 a) of this report;
8. That the City Solicitor be authorized to prepare all necessary bylaws to implement the above recommendations.

CONCLUSION

The recommended 2015 budget maintains programs and service levels provided in 2014. Further, it continues the commitment to an increased road maintenance program and, additionally, invests significantly in asset management and renewal to reduce the risk of asset failure and/or service interruptions. Notable service impacts anticipated in 2015 are highlighted in the summary included in Appendix A (p. 2-5) and described in more detail throughout the report.

The financial impact of the recommended plan is a mill rate increase of 3.3%, with an additional 1% dedicated to the renewal of local roadway infrastructure for 2015. For a typical home assessed at \$300,000, this represents a property tax increase of \$78. The 1% levy for road maintenance will cost an additional \$23.50, for a total change of \$101 compared to 2014 municipal taxes. Actual financial impacts will vary subject to Council's deliberations of amendments identified during the public review period and decisions taken on service changes carried forward from various committee meetings throughout 2014, as described in the motions of this report.

The total operating budget in 2015 is \$397.8 million, an increase of \$26.6 million from 2014. Property taxes are the largest single revenue source for the corporation, representing 50% of 2015's forecast revenues. The largest expenditure changes relate to costs associated with maintaining existing service levels, investments in services provided by the City's Service Partners and continued increased investment in asset rehabilitation and renewal.

The \$263.2 million capital budget includes \$2.2 million more compared to prior periods for asset rehabilitation and renewal. Excluding funds carried forward from 2014 for work expected to be

undertaken in 2015 and future periods, the 2015 capital budget includes approximately \$50 million in ongoing capital renewal work and \$213.2 million for one-time projects.

BACKGROUND

Section 128(1) of *The Cities Act* states that “a council shall adopt an operating budget and a capital budget for each financial year”. The following report provides Council with a summary of the Administration’s recommendations for the 2015 Operating Budget and 2015-19 Capital Budget. The detailed budget plans are included as appendices to this report.

The City’s budget is developed in phases and begins with department and branch level planning in the early part of the year. Those plans identify service priorities, align resources with expected service requirements and identify potential gaps and/or risks. The work to update and/or create revenue and expenditure forecasts begins in the second quarter. Executive review and Council engagement occurs in the third quarter, with further Council review and public engagement, culminating in a Council decision on the recommended budget in the fourth quarter. Details are provided on pages 25-26 of the 2015 Budget.

Considering the direction established in the Official Community Plan and the work underway to support its goals and objectives, the theme of this budget is “Strengthening the Foundation”. This recognizes how the 2015 budget focuses on finishing, or making significant progress on, projects approved in prior periods that will have lasting, positive social and economic benefits for the community and surrounding region. This includes making investments that increase the assurance the corporation is sufficiently and appropriately prepared to meet service expectations throughout all of its departments, now and in the future.

DISCUSSION

Enhancements to the 2015 Budget Process

The City’s budget development process continues to evolve. Enhancements to the 2015 budget process included:

- a) Structured approach to making service level choices – staff anticipated that preliminary mill rate increase changes required to support initial workload estimates would not be acceptable to Council. The corporation’s Budget Advisory Group (BAG) was charged by the Executive Leadership Team (ELT) to review all budget requests and, for those that fell outside pre-set financial guidelines, conduct additional analysis before making a recommendation to ELT about whether to include it in the budget
- b) Council Budget Workshops – staff are committed to continuously improving the level of consultation with Council during the budget development process. In response to comments received on the 2014 process, staff held two workshops with Council during the development of the 2015 budget. These included an overview of the draft budget, potential service level changes and a review of the corporation’s financial condition.
- c) Enhanced reporting – the 2015 budget book includes several details designed to increase the reader’s understanding of the economic environment in which the corporation provides its programs and services, the corporation’s financial condition and the relationship between planned service levels and the costs required to support them.

Summary

The 2015 budget recommends an increase in the mill rate of 3.3%, with an additional 1% increase dedicated to the renewal of residential roads. The budget maintains the existing services and service levels provided in 2014. Additionally, it supports service enhancements requested by the corporation's Service Partners including the Wascana Centre Authority (Wascana), Regina Regional Opportunities Commission (RROC), Regina Exhibition Association Limited (REAL) and the Regina Police Service (RPS). Progress on key community projects, including the Regina Revitalization Initiative Stadium and Land Development projects (RRI) and the Wastewater Treatment Plant upgrade, are also included.

For a home assessed at \$300,000, the total cost of the recommended budget produces a \$101 increase (\$78 from property taxes, \$23 for the residential roads program). Regina's property taxes remain relatively low compared to other large Western Canadian cities.

Factors Influencing Plans and Anticipated Results

Staff considered a variety of factors when preparing the 2015 budget:

- a) Previous decisions – as described throughout the budget document, a variety of previous decisions affect the level and extent of spending that will occur in 2015. Generally, costs associated with debt financing, the outcome of labour negotiations and the full-year impact of service changes introduced in 2014 influence the 2015 budget
- b) Corporate financial condition – managing the corporation's financial condition is important because it influences judgments about credit worthiness which, in turn, affects the city's credit rating and the cost of borrowing. Pages 22-24 of the budget provide financial condition indicators as recommended by the Public Sector Accounting Board (PSAB). Generally, the corporation's sustainability is improving, despite significantly higher debt levels than in prior periods.
- c) Strategic direction – service delivery plans and funding strategies reflect an emphasis on improving the corporation's financial viability. The most noteworthy example of this is the increased reliance on fees, especially SAFs, to fund infrastructure projects. There is, correspondingly, a reduction in forecast debt requirements.

Revenues

A mill rate increase of 3.3% will contribute an additional \$7.1M of revenue and represents approximately 2% of the City's \$388 million operating budget.

Details		(\$000's)
2014 Revenues		362,896.3
1	Remove Prior Year One-time Revenues	(2,851.3)
2	Taxation - Mill Rate Increase	7,895.4
3	Taxation - Assessment Growth, tax recoveries and changes to supplemental taxes	2,540.2

Details		(\$000's)
	Government Grants & Transfers	
	Municipal Operating Grant = \$1.3 M	1,645.3
4	Affordable Home Ownership Program \$0.4 M	
5	Licenses, Levies & Fines	(237.9)
	Fees & Charges	
	Transit Fees, including fare increase \$1.5 M	3,287.6
	Building Permit Fees \$1.2 M	
6	Community Services & Parking - \$0.6 M	
	Other Revenue	
	Municipal Surcharges on Gas & Electricity - \$4.0 M	5,057.0
	Interest Revenue - \$0.6 M	
7	Utility Transfer/Administration Fees - \$0.4 M	
8	Funding from Reserves	8,678.3
2015 Budget		<u>388,910.9</u>

Table 1: Revenue Changes from 2014 – 2015.

Property tax revenues resulting from new homes being added to the assessment roll is forecasted to increase by \$2.5 million (net), consistent with previous periods. Revenues from fees and charges are budgeted to increase by \$3.3 million of which \$1.5 million is the result of the transit fee increases approved by Council in September. The Municipal Operating Grant (MOG) is increasing by \$1.3 million to a total of \$41.2 million. It is important to note that although contributions from MOG have increased since 2007, the MOG as a percentage of the City's total revenues is declining from 13% in 2012 to 11% in 2015.

Tax Supported Operating Budget

The General Operating Budget, which funds the majority of the City's programs and services, is \$320 million, an increase of \$22 million from 2014. The majority of the increase in spending (\$7 million) is the result of costs associated with maintaining existing programs and services at their current level, such as increases in staff salaries and benefits. Table 2 details the changes in spending for the 2015 budget.

Details		(\$000's)
2014 Budget		298,115.6
	Salaries and Benefits - Includes cost changes resulting from in-range progression increases, classification reviews and employer benefit costs. (Base)	
1.		6,258.9
2.	Remove 2014 One-Time Expenses (Base)	(1,451.2)
	Uncontrollable Price Increases - (On-going)	
3.	Increases in expenditures that are due to price not volume.	627.2
	Sustaining Current Services - (On-going)	
	Increases in expenditures that are required to continue to provide the current services in the future.	
4.		2,302.5
	Service Level Impacts - (On-going)	
	Increases in expenditures to ensure service levels are maintained.	
5.		2,577.7
	Linked to Capital - (On-going)	
6.	Expenditures required to support approved Capital projects.	412.6

Details		(\$000's)
7.	One-Time Expenditures	970.0
	Miscellaneous expenditures including increased debt	
8.	commitments and affordable housing programming costs	3,246.0
9.	Changes to costs allocated from other departments	829.9
10.	Increase to Current Operating Contributions to Capital - Civic	2,234.6
	Increase to Current Operating Contributions to Capital - Regina Police	
11.	Service	763.5
12.	Increased transfers to reserves (including for RRI)	<u>3,950.1</u>
2015 Budget		<u>320,864.3</u>

Table 2: Changes in operating expenditures from 2014 - 2015

Note: The difference between budgeted revenues of \$388.9 million and budgeted expenditures of \$320.9 million, or \$68 million, represents the net cost required to support the Regina Police Service

The City's services can be significantly impacted by increasing costs of commodities (fuel, electricity etc.) and other contractual obligations (insurance premiums, banking services). These uncontrollable price increases cannot be managed by doing less, renegotiating a different price or going to a different supplier. An additional \$600,000 is required in 2015 to pay these uncontrollable price increases.

An additional \$4.9 million is required in 2015 to sustain current services levels and to address future service level impacts for both the City of Regina and its service partners. These costs include additional software licenses, more space for records storage and additional funds to support the work of the Regina Regional Opportunities Commission and Wascana Centre Authority.

The cost of maintaining services is also affected by the growth of the City. As the City continues to grow, so does the inventory of assets that must be maintained. Services like winter road maintenance, concrete/road maintenance, street sweeping and parks require incremental resources to ensure that service levels are maintained in accordance with Council policy and community expectations.

The 2015 budget continues the efforts Council has made in prior periods to invest a greater share of the annual budget in asset renewal, repair and rehabilitation. In 2015, an additional \$2.2 million is being transferred from general operating revenues for civic capital with an additional \$765 thousand for Police capital.

Although the City's operating budget is increasing in absolute dollars, less of that spending is being directed to program and service delivery and more is being spent on infrastructure. In 2011, program spending accounted for 84% of the City's total expenditures. In 2015, program spending accounts for 77% of total expenditures. This resource shift reflects an increasing emphasis on infrastructure renewal.

Request for New Full-Time Equivalent Positions

The 2015 budget includes the addition of 7.6 full-time equivalent positions. Funding for these positions is as follows:

- 1.9 FTE from property tax revenues;
- 5.7 FTE from reallocating existing resources;

The service impacts provided by these positions are described on p. 41-42 of the 2015 Budget.

Service Partner Budgets

The City works with key service partners, including the Wascana Centre Authority (WCA), Regina Regional Opportunities Commission (RROC) the Regina Exhibition Association Limited (REAL) – also known as Evraz Place and the Regina Police Service (RPS). The WCA, RROC and REAL each make annual requests to City Council for funding through the Community Investments Program. The Regina Police Service submits its budget request to the Board of Police Commissioners that makes its recommendation to City Council for approval.

Wascana Centre Authority

The WCA is responsible for managing 2,300 acres of park land within the boundaries of the City. The WCA is established through provincial legislation and is governed by a Board of Directors that make up the three principle funding partners – the Government of Saskatchewan, City of Regina and University of Regina. Funding to the WCA supports the overall maintenance of the park. The City also contracts directly with the WCA to provide improvements on City owned lands within the park. The WCA has requested total funding of \$2.8 million in 2015, which is an increase of \$219,000 from 2014.

Regina Regional Opportunities Commission

RROC is responsible for advancing economic development and tourism in the Regina region. The agency has an economic development division that develops strategies to attract investment in the region and promoting business and career development. The tourism division work collaboratively with the tourism sector partners to promote Regina as a destination of choice. The RROC has requested a budget of \$1.7 million in 2015, an increase of \$597,000 from 2014.

Regina Exhibition Association Limited (Evraz Place)

REAL is a not-for-profit organization that is responsible for programming, managing and maintaining facilities on the 102 acre site known as Evraz Place in Regina. REAL has requested a total of \$400,000 for 2015, which is unchanged from 2014.

Regina Police Service

As described by RPS senior staff in their November 3, 2014 report to Council, the RPS 2015 budget reflects its strategic plan. It anticipates a net operating budget of \$68.05 million in 2015, with revenues of \$8.87 million. Generally, this reflects the annualization

of staffing costs that were initiated in 2014, investments in equipment and technology for front-line staff and specialized training for sworn officers.

Following a review, RPS identified opportunities for realigning resources to increase the number sworn officers available for front-line service. Its approach involves hiring civilians to perform work previously performed by sworn officers, which minimizes its service costs. For 2015, it anticipates a net increase of 12 civilian positions, which facilitates the availability of 10 police officers for reassignment.

Winter Maintenance Policy Service Level Changes

A report was received by Public Works Committee on October 2, 2014 (PW 14-22) to amend the Winter Maintenance Policy to require the City to clear sidewalks adjacent to City-owned parks that are next to a public school. The Public Works committee concurred with the recommendation and directed that it be included in Council's budget deliberations.

The current service levels outlined in the Winter Maintenance Policy regarding the clearing of snow from sidewalks have been found to be inadequate due to the number of sidewalks that surround City parks, and are adjacent to no frontage locations. Sidewalks that fall under these two categories are currently not cleared during the winter months, as per the Winter Maintenance Policy. Adjusting service levels to clear more snow from sidewalks has an incremental operating cost of approximately \$15,000, which is included in the Administration's proposed budget.

Five Year Capital Plan 2015-19

Each year the Administration submits a five year capital plan to City Council in accordance with the City Manager's Bylaw 2003-70. The 2015 capital plan is separated into two components:

Capital Programs – these are the on-going investments for renewal and rehabilitation work related to the City's major infrastructure that are needed to ensure that assets are functioning optimally and to prevent further deterioration.

Capital Projects – these are investments that result in new assets. They include the expansion of existing assets, such as roads, or the construction/acquisition of new assets.

The 2015-19 Capital Plan includes a total gross expenditure of approximately \$730 million of which approximately \$272 million is for capital programs and \$458 million for capital projects, which includes the \$254 million for the RRI Stadium Project.

As described in Recommendation 2, the proposed 2015 capital budget is \$263.2 million. Additionally, there are capital budgets worth \$131.1 million carried forward for projects approved in previous periods.

Current Contributions to Capital

The City is continuing to dedicate more of its tax supported budget to fund capital programs and projects. Table 5 outlines the transfers from the general operating budget to capital.

Expenditures	2014 Budget	2014 August Forecast	2015 Budget	Dollar Change	Per Cent Change
Contributions to Capital - Civic	29,432.4	29,432.9	31,667.0	2,234.6	7.6
Contributions to Capital - Police	2,000.5	2,000.5	2,764.0	763.5	38.2
Debt Charges	12,352.7	12,310.8	13,746.2	1,393.5	11.3
Total	43,785.6	43,744.2	48,177.2	4,391.6	10.0

Table 5: Current Contributions to Capital

In 2015, \$31.6 million from the tax supported budget will be spent on civic capital and an additional \$2.7 million for police capital. Debt charges include debt payments related to financing for the General Capital Program as well as the Stadium Project. Debt payments for the Stadium Project are funded by dedicated revenue sources, including a 0.45 % mill rate increase, any interest revenue earned by the project and by a withdrawal from the Stadium Project Reserve, if required. In 2015, the draw from the RRI Stadium Project Reserve is \$8.1 million.

Reserves

The use of reserves to fund capital investments is continuing to increase. For 2015, all reserves, with the exception of the land development reserve are expected to remain in a positive balance. The golf course reserve, which is funded through surpluses from City owned courses, is projected to go into deficit beginning in 2016. The solid waste reserve, which is funded through landfill tipping fees, is projected to go into deficit in 2017 for one year, and then return to a net positive in 2018. The cemetery reserve is projected to go into a deficit in 2018. Reviewing the sufficiency and appropriateness of reserve balances will be part of the work undertaken in 2015 to develop a long range financial plan for the corporation.

Service Agreement Fees

The City of Regina enters into agreements with private developers to undertake greenfield development in the City. Developers have been required to provide upfront servicing of lots (water, sewer, roads, etc.) directly as part of their agreement with the City.

In addition to directly delivering basic servicing, developers also pay a Service Agreement Fee (SAF) to the City on a per hectare of land basis that is used towards the construction of infrastructure to support new development. These are costs of connecting to the City system including such things as adding traffic signals, widening roads, and increasing the capacity of water and sewer trunk lines to accommodate the new development.

As part of the Official Community Plan process, the City undertook a project to determine how to phase and finance the new development identified in *Design Regina* and made some changes to the SAF policy that had an immediate impact on the 2015 budget. Approximately \$600,000 was removed from the five-year plan as developers were required to deliver it directly and some projects where the City would have had to pay a portion of the costs are now being fully delivered through SAFs. The City could therefore accommodate its annual capital program without significantly increasing the investment required.

Paratransit

The City receives operating and capital grants from the Province's Municipal Transit Assistance for People with Disabilities program. When the grant program was first implemented, the program funded up to 50% of the net operating cost of the Paratransit program and up to 75% of the capital cost. The operating grant has been converted to a performance-based grant with the level of funding linked to the number of trips. However, the level of provincial funding, as a portion of the net cost of the program, is declining and not keeping pace with escalating costs. In 2015 the Provincial Operating Grant is forecast to cover 26.4% of the service's costs.

The 2015 budget includes an increased capital contribution of \$210,000 (\$105,000 net) for the purchase of two additional buses and increase in the operating budget of \$162,000. The Administration is recommending that these funds not be expended unless there is a commitment from the provincial government to cover its portion of the cost for the new buses and the increased operating budget required to sustain the service.

Local Improvement Program

A report was brought forward to the Public Works Committee in October (PW14-16) that recommended that the Local Improvement Program (LIP) be eliminated in 2015 and that the decision be discussed as part of the budget process.

A new LIP will be introduced in 2015 for projects that are initiated by property owners either through requesting installation of a new infrastructure or requesting infrastructure renewal be carried out ahead of schedule of the work planned as part of the Residential Road Network Improvement Plan.

Residential Roads

The Administration has included in its proposed budget a dedicated mill rate of 1% for the renewal of residential roads. The dedicated mill rate is part of a funding plan for residential roadways that the Administration brought forward to the Public Works committee in October (PW 14-16) and that was referred to the budget process for further consideration.

Recommendation 5a) proposes to establish a new long-term Residential Road Network Improvement Plan funded via a 1% dedicated mill rate increase that supplements a 1% dedicated mill rate increase implemented in 2014. This program will improve the condition of residential roads within the 'poor' category and deliver a program of on-going preventative maintenance and rehabilitation to roads in 'good' and 'fair' condition.

Multi-Year Capital Projects

Recommendation 3, if approved, recognizes the multi-year financial commitments associated with two capital projects that require more than one year to complete. Approving funds in 2016 and 2017 for projects that commence in 2015 allows the City to commit the total cost of the project from tendering through to their completion. This is consistent with the approach used for the RRI Stadium Project and the Wastewater Treatment Plant upgrade projects.

By approving the commitment of these funds the City increases the assurance among bidders that the corporation will fund the entire project. This should increase the attractiveness of the City's bid calls for the work and facilitate more competitive bid pricing. It also maximizes the flexibility of the 2015 capital budget by matching the provision of funds with the year in which they are required, which is a best practice in capital budgeting. Council maintains the discretion to cancel any project at any time, following consideration of the costs associated with doing so.

Fleet Replacement Reserve

The City of Regina manages its vehicles and equipment centrally through Fleet Management Services. Costs for the vehicles and equipment are recovered from the departments that use them via user fees based on estimated lifecycle costs. These recoveries are held in a reserve until they are needed to replace vehicles and equipment that have reached the end of their useful life. From time to time, the reserve operates at a surplus. This can occur for a variety of reasons, but generally a surplus is attributable to favourable pricing on replacement vehicles or equipment, extending the service life of vehicles/equipment beyond their planned retirement date or changes to the composition of the fleet.

The reserve is intended only for replacing vehicles or equipment that are already in the fleet. Capital funds requested in annual capital budgets provide financing for any new additions. However, when the reserve has a surplus, as it currently does, it can be applied to reduce funds required from property taxes for the purchase of new vehicles.

Currently, the policy guiding the Fleet Replacement Reserve does not contemplate the purchase of new vehicles. Recommendation 6 proposes that, for 2015, the Fleet Replacement Reserve surplus be utilized for this purpose. The reserve policy will be reviewed in 2015 as part of the work to produce a long range financial plan for the corporation.

Credit Rating

The City of Regina has received an AA+ credit rating since its first rating was issued in 1989. According to Standard and Poor's, this consistently strong rating is reflective of the City's ongoing commitment to sound fiscal management. As part of its assessment, Standard & Poor's indicated, "Regina's forecast debt burden is moderately high but manageable under this plan. We expect its current low interest burden to remain low through our rating horizon. The City also has significant unfunded pension liabilities, but is taking steps to mitigate these."

RECOMMENDATION IMPLICATIONS

Financial Implications

The financial implication of the 2015 Tax-Supported Operating and Capital Budget is an increase in the property tax mill rate to 9.3214, representing a 4.3% increase from 2014. This provides 3.3% for maintaining current services and service levels (including 0.45% for funding the RRI Stadium financing plan) and dedicates 1% to a Residential Road Improvement program.

Environmental Implications

None specifically related to this report

Policy and/or Strategic Implications

The recommendations in this report, and the resulting 2015 Budget, address all of the goals described in the City of Regina's Strategic Plan, as presented on pages xiii – xv of the 2015 Budget.

Other Implications

Subject to Council's consideration of Recommendation 4, funding for Paratransit services could be dependent on future provincial budget decisions. If provincial funding is not provided at a level that recognizes the funding ratios established when provincial grants were first introduced, service levels could decrease and/or municipal costs could increase.

Accessibility Implications

The 2015 budget includes a variety of accessibility implications. Most noteworthy are the recommended changes to sidewalk clearing and continued support for Paratransit services.

COMMUNICATIONS

The objectives of communication activities related to the 2015 Budget are to share information about the issues the corporation is managing and to hear feedback from interested stakeholders. An online Citizen Budget engagement tool was utilized to create an opportunity for residents to share their perspective on where service changes could be made. Other activities included two workshops with Council and a variety of communication through print, online and social media channels. There was also a four-week public review period of both the 2015 Budget and this report immediately preceding Council's consideration of this report.

DELEGATED AUTHORITY

The recommendations in this report require City Council approval.

Respectfully submitted,



Ed Archer, Chief Financial Officer
Corporate Services

Respectfully submitted,



Glen B. Davies,
Office of the City Manager

Report prepared by:
Dawn Martin, Governance and Strategy
Fabian Contreras, Governance and Strategy
June Schultz, Finance
Janet Aird, Finance



Strengthening Our Foundation

City of Regina 2015 Operating Budget
and 2015-19 Capital Program



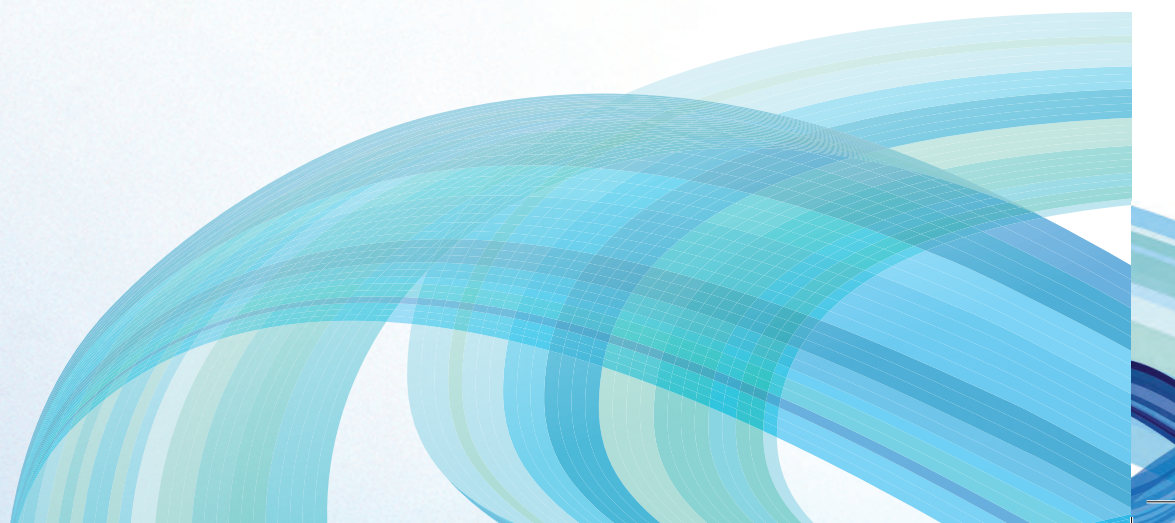
City of Regina



REGINA
Infinite Horizons

City of Regina 2015 Operating Budget and 2015-19 Capital Program

© 2014, City of Regina. All Rights Reserved.



November 7, 2014

To: His Worship the Mayor,
and Members of City Council

Re: 2015 General Operating Budget and 2015 - 2019 Capital Budget

Pursuant to Sections 128 of *The Cities Act*, City Council is required to adopt an operating and capital budget. The budgets summarized in this document are the proposed 2015 General Operating Budget and 2015 to 2019 Capital Budget.

The General Operating Budget for 2015 includes a 3.3% municipal mill rate increase plus an additional 1% dedicated to the renewal of residential roads. The 2015 General Operating Budget totals \$397.8 million in expenditures, an increase of \$26.6 million or 7.2% over 2014.

The 2015 General Capital Budget is \$263.2 million, the largest capital program ever undertaken by the City. It represents an increase of 62.3% or \$101 million over 2014, which was, itself, a record year.

The Administration's proposed budget will strengthen the foundation so that the City is well positioned to meet the needs of a growing community. It includes:

- Maintaining program and service levels to those provided in 2014 and making record investments to the capital budget
- Fixing more residential streets by allocating 1% of the mill rate each year for five years (\$1.8 million) to the Residential Street Program. This is over and above last year's investment for roads.
- Improving the availability of affordable housing by increasing capital incentives to encourage the development of low-income housing from \$10,000 per unit to \$15,000 per unit
- Supporting a safe community by increasing investment in the Regina Police Service to support innovative resource planning that allows for increased civilian roles, which will create the flexibility to reassign officers to front-line service delivery
- Improving transit service by investing \$3 million to purchase six new accessible buses, which will complete a full replacement of the transit fleet
- Increasing the investment for snow clearing to \$8.9 million – a record level

Operating Budget

Major changes in the proposed operating budget include estimated additional costs for wages and benefits totaling \$6.3 million, increased operating funding for two community partners, the Wascana Centre Authority and the Regina Regional Opportunities Commission, totaling \$1.3 million, and a \$3.0 million increase in spending from the tax supported budget to capital programs and projects.

This budget was developed assuming \$41.2 million in funding from the Municipal Operating Grant Program (MOG). Other significant revenue changes aside from the proposed mill rate increase include: increased property tax revenue derived from growth in the tax assessment of \$2.8 million; increase in fees and charges of \$3.3 million; and increases in municipal surcharges on gas and electricity of \$4.0 million. This funding will continue to be invested toward supporting the delivery of community programs and services, while addressing the increased costs of community growth.

Many of the City's revenues and expenditures are subject to change due to external influences, including the weather, the cost of fuel, interest rates, gas rates and electrical rates. There could be positive or negative variances in 2015 due to these factors.

Capital Budget

Major investments in the capital program include: the Regina Revitalization Initiative Stadium Project \$164.5 million; Land Development \$11.6 million; Street Infrastructure Renewal \$21.7 million (of which \$3.7 million is targeted to residential roads, pending the approval of the incremental 1% targeted mill rate proposed in this budget), and Fleet renewal \$11.0 million, including the purchase of 6 new accessible transit buses.

Major funding sources for this capital program include \$33.9 million from reserves, \$11.0 million from the federal Gas Tax Fund, \$19.2 million in developer contributions and fees, and \$27.6 million in capital contributions transferred from the Operating Budget, the largest ever in Regina's history.

We are implementing the *Design Regina* plan. Our focus in 2015 will be to strengthen our foundation, invest in critical infrastructure, and preserve the service levels citizens expect. Administration is recommending a 3.3% increase in the mill rate in 2015, with an additional 1% dedicated to the renewal of residential roads. The budget reflects a balanced approach to addressing the demands of a growing economy and continuing to provide the services that contribute to the quality of life of Regina residents.

Respectfully submitted,

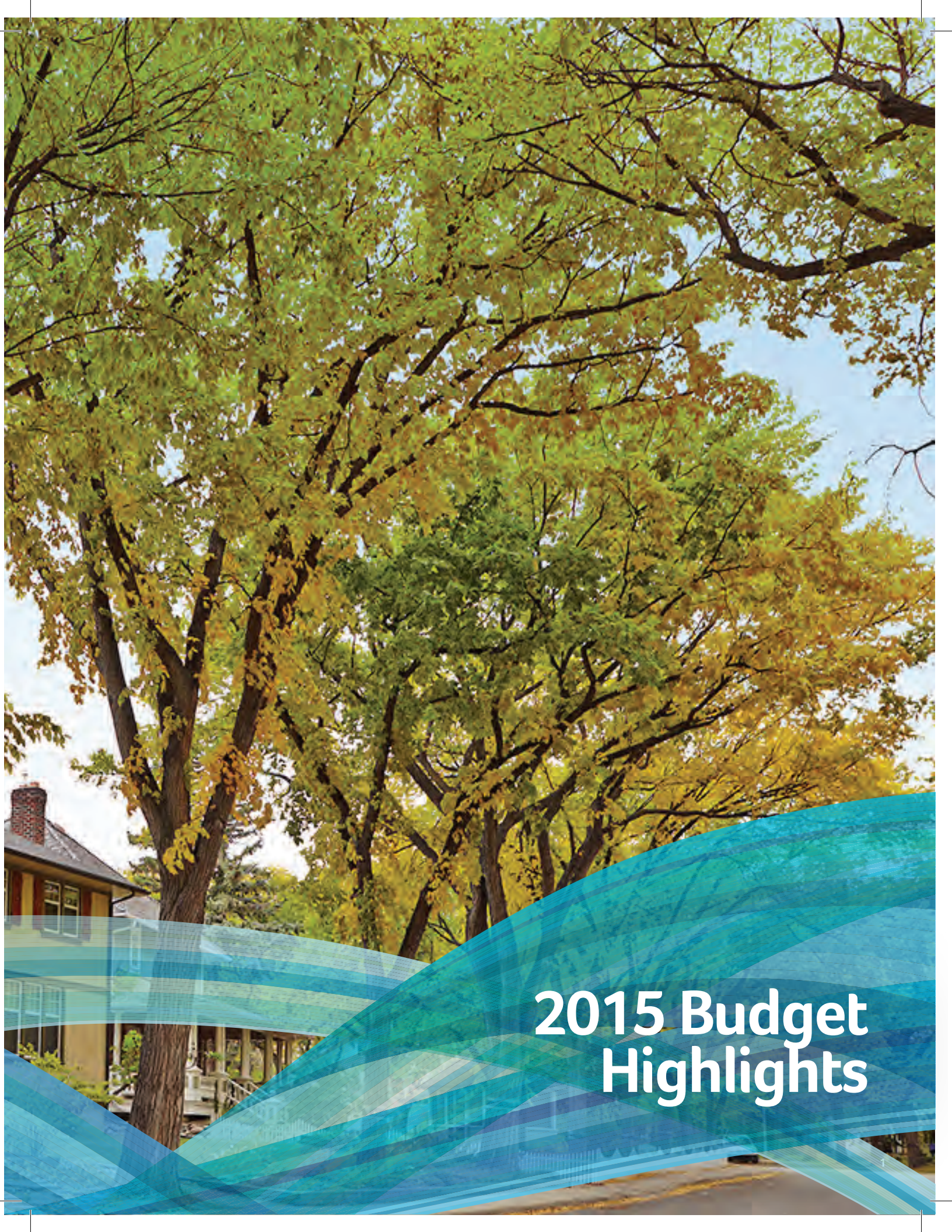


Glen B. Davies
City Manager & Chief Administrative Officer

Table of Contents

BUDGET HIGHLIGHTS.....	2	2015 – 2019 CAPITAL PLAN.....	61
INTRODUCTION.....	9	2015-2019 Capital Investment Plan – Programs.....	61
Community Profile.....	9	2015-2019 Capital Investment Plan – Projects.....	62
Organization Profile.....	13	Committed Projects.....	63
Strategic Context.....	15	City Capital Funding.....	63
Strategic Goals.....	16	Debt.....	64
Financial Policies.....	20	Impact of Capital Investment on Operations.....	64
BUDGET OVERVIEW.....	25	Reserve Impacts.....	64
Financial Condition.....	25	Description of Internal Reserves.....	65
Sustainability.....	25	OPERATING BUDGET.....	69
Flexibility.....	25	City Council and Committees.....	69
Vulnerability.....	25	Community Investments.....	70
Credit Rating.....	25	Corporate Administration.....	71
Summary.....	27	City Manager's Office.....	71
Budget Process.....	28	Corporate Services Group.....	75
Executive Leadership Team (ELT) Directions.....	28	Facilities Management Services.....	76
Budget Advisory Group (BAG) Process.....	28	Finance.....	79
Council's Role.....	29	Fleet Services.....	81
Key Issues and Priorities.....	29	Information Technology Services.....	83
Financial Position.....	30	Human Resources.....	85
Revenues.....	30	Pensions and Long Term Disability.....	87
Taxation.....	30	Operations Group.....	89
Expenses.....	31	Major Projects.....	90
Capital Assets.....	31	City Planning and Development Division.....	92
Reserves.....	33	Assessment, Tax and Real Estate.....	94
Debt Financing.....	33	Development Services.....	96
Service Agreement Fees.....	34	Planning.....	98
Deferred Revenue – Dedicated Lands Change.....	36	City Services Division.....	100
2015 BUDGET SUMMARY.....	41	Community Services.....	101
Analysis of Civic Budget Changes – Revenues.....	42	Parks and Open Space.....	103
Analysis of Civic Budget Changes – Expenditures.....	43	Transit Services.....	106
Compensation/Staffing trends.....	44	Service Regina.....	108
Revenue Sources.....	47	Transportation and Utilities Division.....	108
Taxation Detail.....	47	Roadways and Transportation.....	110
Government Grants and Transfers.....	49	Solid Waste.....	114
Licences, Levies and Fines Detail.....	51	Regina Fire and Protective Services.....	116
Other Revenue Detail.....	58	Operations Group Costing Fund.....	119
		Service Partners.....	120





2015 Budget Highlights

Budget Highlights

The 2015 Budgets invests in opportunities to strengthen our foundation as we continue shaping the future of our community for the next 25 years outlined in the *Design Regina: The Official Community Plan*. To support the achievement of the vision laid out in the OCP, the Administration plans to develop a series of three- to five-year strategic plans to ensure the actions, policies and business strategies required are in place. The first of these was finalized in 2014 – Building the Foundation (2014-17).

The Strategic Plan influences the City's budget development to achieve the objective that by 2018, the City of Regina will operate from a position of strength to achieve the *Design Regina* community priorities. The City will be recognized, in particular, for a long-term financial sustainability strategy and increased ability to deliver innovative services in a fiscally responsible manner.

The 2015 budget focuses on balancing affordability with service levels, while delivering a wide range of services to meet citizen expectations in a growing community. City Administration is proposing a 3.3% tax increase for 2015, along with an additional 1% dedicated to renewing local roads.

What a 3.3% + 1% increase represents for taxpayers:

Current value of your home	\$200,000	\$300,000	\$450,000
2015 Property Taxes (Municipal Portion)	\$1,638	\$2,457	\$3,686
Annual cost 3.3% mill rate increase	\$51.84	\$77.76	\$116.64
Annual cost of 1% for local streets	\$15.72	\$23.52	\$35.40

The municipal portion of your tax dollar pays for policing and fire protection, snow clearing and road repair, garbage pickup, transit, parks and recreation and other services residents rely on every day.



Key Investments in 2015

1. Fixing more local streets

An expanding focus on local road improvements will make sure local roads are fixed and stay in good shape longer

1% mill rate increase per year dedicated to local street program for five years (\$1.8 million) over and above regular road investment

Record-level investment on other road infrastructure, with \$18 million going towards our priority street system

2. Affordable housing

Increased incentives to encourage the development of new low-income housing (from \$10,000 per unit to \$15,000 per unit)

Continued emphasis on policies, zoning and other urban planning tools to increase the availability of a wide range of affordable housing options

3. Police/safe neighbourhoods

Converting select positions from Officer to civilian allow Regina Police Service (RPS) to import skills directly rather than training police officers, while also strengthening the front line police service

Assigning eight police officers to patrol duties to improve the safety of our community

Creating a new Mental Health Liaison Officer position to improve the Regina Police Service (RPS) capacity to respond to issues associated with mental health

Creating a new CARE (Canine Assisted Response and Education) Officer position

Consolidation of equipment and services at a new Emergency Operations Centre to ensure quick, coordinated action when needed

4. Improving transit

Council is investing \$3 million in six new accessible buses, which will complete a full replacement of the transit fleet

Ridership is up 21% in two years

5. Winter road maintenance

\$8.9 million budget to invest in snow clearing; record level of funding

Focus on keeping priority streets clear after major snowfalls to allow residents to continue get to their destinations faster, easier, and more safely

Expanding service as new neighbourhoods grow (Harbour Landing, The Creeks, Hawkstone), keeping streets clear and local roads safer

Increasing sidewalk snow clearing participation through on-going public engagement

Investments in Key Community Projects

Regina Revitalization Initiative (RRI) - Stadium Project

The Stadium Project is the design and construction of a new 33,000-seat stadium. It will be the heart of the larger urban revitalization initiative and provide a facility to support a growing Regina.

- \$4.67 million for project operating costs.
- Capital funding has been previously approved and no new funding is required for 2015.
- *In 2015 three milestone payments are anticipated to be made valued at approximately \$45 million, \$48 million and \$28 million, subject to the recommendation of an independent certifier's review of design and construction progress.*

Regina Revitalization Initiative – Land Development Projects

The Regina Revitalization is a unique opportunity for the City to plan a new community within walking distance of downtown that meets the social and economic needs of the area.

Planning the revitalization of approximately 37 acres of land in the centre of the community will change how people live, work, shop and play.

- There will be a number of important decisions about financing, land use and urban design, and the provision of City infrastructure and services that will be brought to City Council in 2015.
- No new capital or operating funds are requested in 2015, with planning and site preparation efforts to be funded from the \$2.1 million and \$245,000 in approved funding for the Railway and Taylor Field neighbourhood projects respectively.

Wastewater Treatment Plant Upgrade Project (WWTP)

Through an innovative public-private partnership model, EPCOR Water Prairies Inc. will design, build, finance, operate and maintain the WWTP, while the City will continue to own the asset and set utility rates.

An upgraded WWTP will better protect public health and the environment, meet new provincial regulations and provide capacity for growth.

- The project has realized a cost savings of \$247.5 million from what was originally budgeted over the 30 years of the project agreement.
- All capital and operating funding is in place for this important project.
- Financial transactions in 2015 are in accordance with the approved budget and project agreement, namely the payment of a monthly operating fee of approximately \$570,000 to EPCOR to operate the facility while construction is underway.

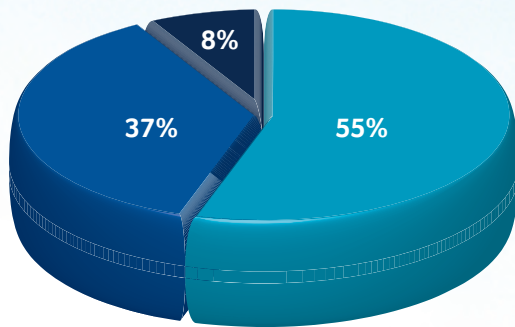
Tax Facts

Cities have limited ways to increase revenue and tax increases are necessary for growth, maintenance and rising costs and, most importantly, to protect our quality of life and deliver the programs and services that residents desire. Municipal taxes are only a small portion of the total taxes residents pay.

The City of Regina receives just eight cents of every tax dollar residents pay. The rest is paid to other governments through a variety of taxes.

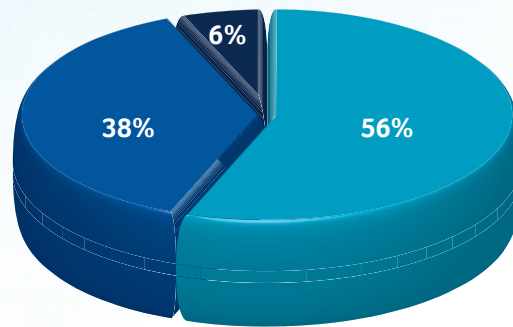
The City of Regina receives just over half of the property tax you pay. The remainder goes to School Boards and Regina Public Library. (Based on 2013 tax rates).

BREAKDOWN OF WHERE TAX DOLLARS GO



- Federal taxes
- Provincial taxes
- Municipal taxes

BREAKDOWN OF WHERE PROPERTY TAXES GO



- City of Regina
- School Boards
- Regina Public Library

Comparison of Tax Increases for Western Canadian Cities

Regina's tax rate has increased at a much slower rate than other Western Canadian Cities.

Get Involved

Residents are encouraged to go online at Regina.ca to review complete Proposed 2015 Budget documents.

In addition, residents can test how their personal choices between service and affordability affect the overall budget through the Citizen Budget tool.

The proposed 2015 budgets and any amendments will be considered at the Monday, December 8 City Council meeting. Media and the public are invited to attend this meeting at 5:30 p.m. in Henry Baker Hall at City Hall.

Residents may appear as a special delegation by filing a written brief with the Office of the City Clerk no later than noon on Thursday, December 4, 2014.

These submissions will be made public on the website on Friday, December 5. Information on preparing a submission is available on Regina.ca, or contact the Office of the City Clerk at 306-777-7262.

Visit Regina.ca

HOW REGINA'S MILL RATE INCREASES COMPARE

	2010	2011	2012	2013	2014	Average Past 5 Years
Calgary	4.79%	5.00%	6.00%	5.70%	5.00%	5.18%
Edmonton	5.00%	5.00%	5.10%	4.57%	4.68%	4.68%
Saskatoon	3.86%	3.99%	4.00%	4.99%	7.26%	4.82%
Regina	4.00%	4.00%	3.90%	4.45%	5.88%	4.45%





Strengthening Our Foundation

Introduction

Community Profile

From its humble beginnings as a small Prairie trading centre serving a mostly rural population at the turn of the 20th century, Regina has evolved into a bustling urban centre with a robust economy that is envied across Canada. Despite its relatively small size, Regina offers a lifestyle that's on par with that of many larger centres.



Saskatchewan's capital today has a population of 215,000 and serves a much larger metropolitan area. And it's growing. Between 2006 and 2011, the city's population increased by more than 14,000, or 7.7%. Perhaps more importantly, the number of young children under the age of five that call Regina home grew by 24% during the same period. In fact, Regina's population is expected to hit 300,000 in just 25 years. Many of those newcomers are expected to be recently-landed immigrants.

Regina has a primarily resource-based economy featuring the oil and gas, potash and agricultural sectors. Companies such as the Co-op Refinery Complex (CRC), the world's first co-operatively-owned refinery; EVRAZ, a vertically-integrated steel, mining and vanadium business; and Viterra, a leading grain and oilseeds marketer and handler, all call Regina home.

The city also boasts the headquarters of provincial Crown utilities SaskEnergy, SaskPower and SaskTel.

One of the strengths of Regina's economy in recent years has been the increasing diversification into sectors such as banking and finance, computer and information technology, manufacturing and telecommunications. Combined, they all play a part in having created one of Canada's strongest economies over the last five years, featuring strong growth in gross domestic product (GDP), low unemployment and rising personal income levels.

While the blistering pace of Regina's growth is expected to level off in the coming years, the city's economic prospects remain strong (Figure 1).

One of Regina's economic highlights is the construction sector, where building permits reached an all-time high in 2012 and continue to perform above the five-year average (Figure 2).

REGINA ECONOMIC INDICATORS

Economic Indicators	2011	2012	2013	2014	2015 ^F	2016 ^F	2017 ^F	2018 ^F
Real GDP at basic prices (2007 \$ millions)	12,177	12,718	13,373	13,815	14,224	14,544	14,853	15,114
percentage change	6.0	4.4	5.1	3.3	3.0	2.2	2.1	1.8
Total employment (000s)	123	126	134	135	138	141	143	144
percentage change	3.3	2.7	5.9	1.1	2.5	1.6	1.3	0.9
Unemployment rate (per cent)	4.7	4.1	3.6	3.8	3.9	3.9	4.0	4.1
Personal income per capita (\$)	44,065	44,695	46,522	46,919	48,165	49,181	50,190	51,130
percentage change	3.4	1.4	4.1	0.9	2.7	2.1	2.1	1.9
Population (000s)	218	225	232	239	245	250	255	260
percentage change	2.0	3.4	3.1	2.8	2.5	2.3	2.1	1.9
Total housing starts	1,694	3,093	3,122	2,014	1,964	1,864	1,761	1,589
Retail sales (\$ millions)	4,547	4,845	5,003	5,295	5,542	5,782	6,015	6,237
percentage change	3.5	6.6	3.3	5.8	4.7	4.3	4.0	3.7
CPI (2002 = 1.0)	1,224	1,246	1,267	1,290	1,316	1,343	1,371	1,399
percentage change	2.9	1.8	1.7	1.8	2.0	2.1	2.1	2.0

FIGURE 1: CONFERENCE BOARD OF CANADA 2014 METROPOLITAN OUTLOOK FOR REGINA

F = FORECAST SOURCES: STATISTICS CANADA; CMHC HOUSING TIME SERIES DATABASE; THE CONFERENCE BOARD OF CANADA

BUILDING PERMITS (2006-2014)

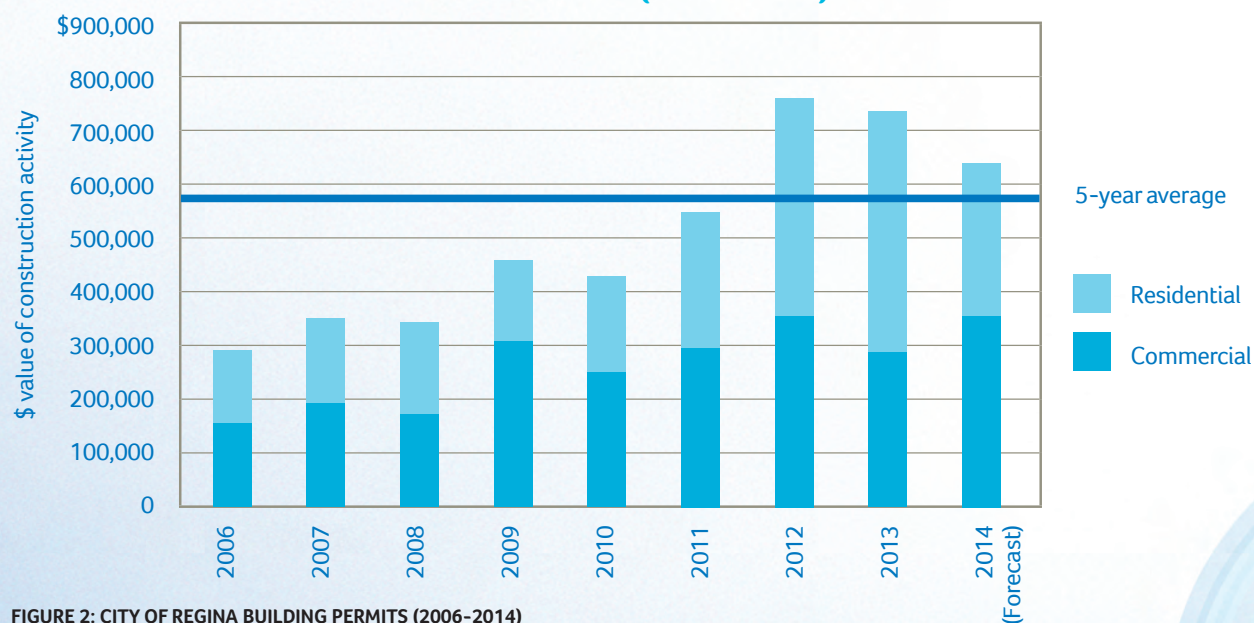


FIGURE 2: CITY OF REGINA BUILDING PERMITS (2006-2014)

It might appear that Regina's success is being driven by Saskatchewan's booming economy, but an examination of virtually every important metric shows the capital city is outperforming the province (Figure 3). Indeed, a 2006 report from the Conference Board of Canada found that urban economies drove the economic success of the surrounding areas. In 2013, Regina and Saskatoon accounted for more than half (52%) of Saskatchewan's GDP.

DEMOGRAPHICS

REGINA		SASKATCHEWAN
193,100	POPULATION in 2011	1,033,381
7.7%	POPULATION GROWTH RATE % change 2006 - 2011	6.7%
11.5%	VISIBLE MINORITY POPULATION 2011	6.3%
2:1	WORKING AGE POPULATION as a Ratio of non-Working Age Population	1.7:1
51.5%	POST-SECONDARY EDUCATION as % of Population	47.2%

LOCAL ECONOMY

REGINA		SASKATCHEWAN
3.1%	UNEMPLOYMENT RATE in August, 2014	4.2%
\$91,200	MEDIAN HOUSEHOLD INCOME in July, 2012	\$80,010

EMPLOYMENT BY SECTOR

REGINA		SASKATCHEWAN
20.2%	GOODS PRODUCING SECTORS (INCLUDING AGRICULTURE)	29.5%
31.5%	SERVICE SECTOR	25.8%
7.4%	PROFESSIONAL SERVICES	4.9%
26.8%	PUBLIC SECTOR	24.9%

FIGURE 3: COMPARISON OF REGINA TO SASKATCHEWAN ON KEY INDICATORS.

CITY OF REGINA REVENUE SOURCES

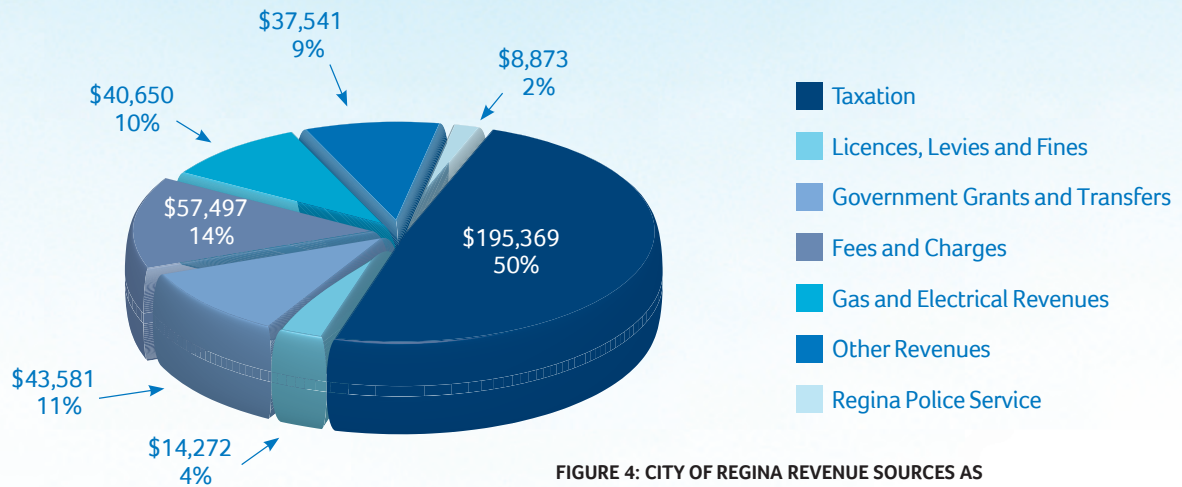


FIGURE 4: CITY OF REGINA REVENUE SOURCES AS PERCENTAGES OF TOTAL REVENUES (PROPOSED 2015)

Organization Profile

The City of Regina delivers the majority of essential public services that affect the day-to-day lives of its residents. They include:

Public safety and security

- Policing
- Fire protection
- Construction permitting and inspection
- Bylaw enforcement

Public health and well-being

- Water treatment and distribution
- Drainage and flood management
- Sewage collection and treatment

Movement of goods and people

- Roads and bridges (including winter road maintenance)
- Transit
- Traffic control

Quality of life

- Urban planning and development oversight
- Parks
- Recreation services (including a wide range of indoor and outdoor public facilities)
- Grants to community service organizations

The City is able to provide these services thanks to a range of revenue sources. About half of its revenue comes from property taxes but the City also charges user fees, secures grants from other levels of government and collects revenues from a variety of smaller sources (Figure 4).

The City delivers its services in a variety of ways, led by approximately 2,000 permanent employees, and casual and part-time workers who account for the equivalent of another 700 full-time positions. Many services are also delivered in partnership with community organizations, such as sport, culture and recreation programs, and by private businesses, such as Paratransit and the Wastewater Treatment Plant.

The City's organization structure is designed to strengthen corporate planning and coordinated service delivery across all service areas. Accountability for results is clear (Figure 5).



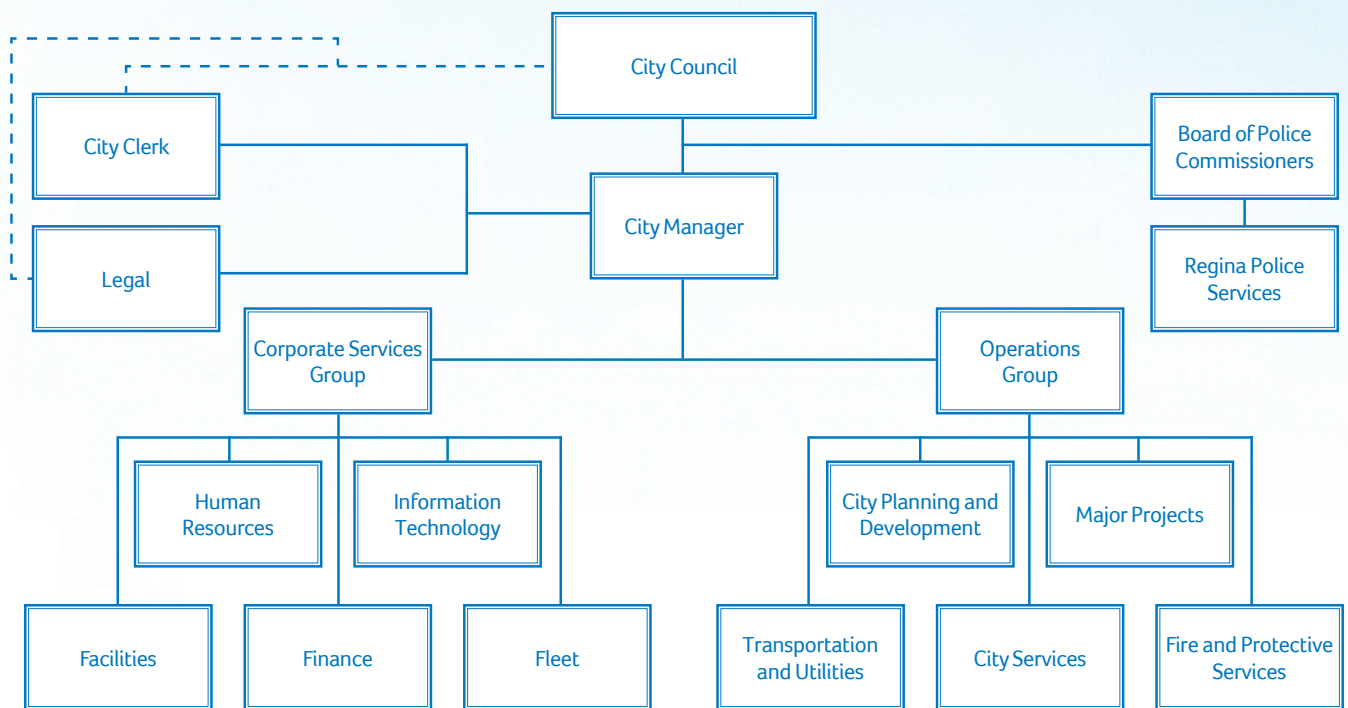


FIGURE 5: CITY OF REGINA ORGANIZATION STRUCTURE (2014)

The City of Regina has always been conscious of the need to balance service commitments with expectations of affordable taxation. This has allowed the City to raise property taxes consistent with increases in household incomes. City Council has decision-making authority over taxes representing 2% to 2.5% of annual median household income in Regina, levels which have remained steady over time (Figure 6).

Even when combined with school taxes, the total taxation level has consistently remained below 4% of median household income. When all household taxes from all levels of government are added up, the municipal property tax accounts for just 8% of the total tax bill.

PROPERTY TAXES AS % OF MEDIAN HOUSEHOLD INCOME

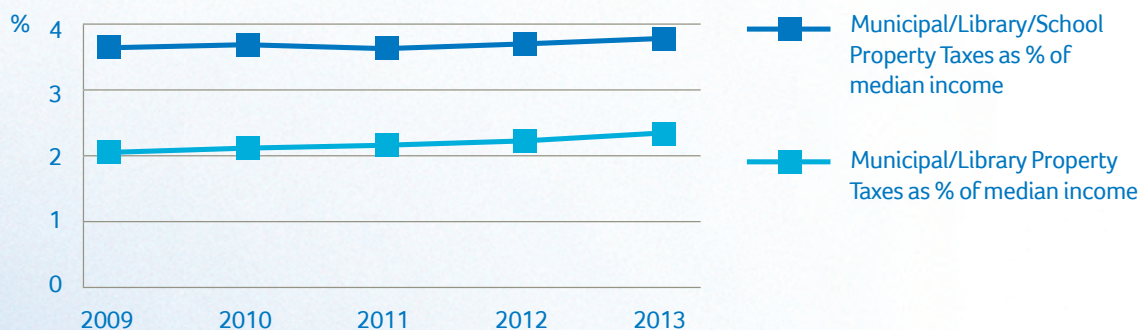


FIGURE 6: PROPERTY TAX AS A PERCENTAGE OF MEDIAN HOUSEHOLD INCOME (REGINA).
NOTE THAT THE CITY OF REGINA NEITHER SETS NOR RECEIVES SCHOOL PROPERTY TAXES.

Strategic Context

Saskatchewan continues to enjoy a prolonged period of economic growth. The thriving provincial economy and low unemployment rate are both boosting salaries and supporting a thriving service industry.

The GDP growth; however, has created some significant challenges – albeit enviable ones – for City decision makers. Regina's unemployment rate of 3.1% in August 2014, was the lowest of any major city in Canada and less than half of the 7.0% national average. The employment crunch has increased the need to recruit new workers to the city, which, in turn, puts pressure on the residential housing market. Indeed, Regina's apartment vacancy rate two years ago dipped down to 1%, raising the possibility that the city's economic growth could be slowed by its relative inability to provide housing to the very workers who were generating that growth.

In response, the City launched the Mayor's Housing Commission and created a new comprehensive housing policy, which have combined to significantly reduce the pressure on accommodations. In fact, Regina's rental vacancy rate in 2014 had more than doubled from 2012 to 2.4%

The economic growth has also presented some operational challenges as well as some opportunities. On one hand, the low unemployment rate and competitiveness of the current labour market has made Regina a hub of high-skilled tradespeople who are in high demand by new and expanding business across the province.

On the other hand, the demographics of the employees show that a large proportion of them are due to retire in the next few years. In order to ensure service needs will continue to be met once they leave the workforce, the City is focusing its efforts today on succession planning and improved strategies to attract and retain employees.

One of the City's biggest challenges is the fact that its costs are rising faster than its revenues. This is due to a number of factors, including rapid inflation of construction materials costs, property taxes which do not grow in line with the economy (as sales taxes and income taxes do) and decreased investment in capital infrastructure from the province and federal government.

Compounding the situation is the pressing need for more infrastructure. The excess capacity that was built in the 1970s has now been used up and significant new investment will be required in order for Regina to continue on its current trajectory.

Another result from the economic prosperity is demand for City services is greater than the capacity to deliver them.

Historically, the City's response to such situations was to defer the renewal of assets and infrastructure. But two decades of doing so has created a backlog of mandatory infrastructure renewal that the City estimates will require an additional investment of \$93 million per year for 20 years to address. This includes the renewal of residential streets, recreation facilities and other buildings in which the City conducts its business. This does not include the maintenance and renewal of new assets in new neighbourhoods.

If left unresolved, this backlog will not only have a crippling effect on the City's ability to maintain service levels and meet spending requirements for repair and maintenance but also reduce its economic competitiveness. Numerous examples of the high costs associated with infrastructure failures and the service interruptions they create have been reported in the media, as many North American cities have experienced asset failures resulting from historically insufficient maintenance and renewal investments. Regina can reduce the risk of the same thing happening here, and the 2015 budget takes some steps to maintain or rehabilitate critical public assets.

Strategic Goals

The City of Regina launched its new strategic plan, Building the Foundation, in early 2014, based largely on the *Design Regina: The Official Community Plan*. Its goals and objectives include:

1. Manage Growth: *The City of Regina will manage growth within the city, collaborate with the surrounding regions and encourage the development of liveable neighbourhoods.*

Objectives:

- Revenues will be optimized to support sustainable growth.
- Renewal of the city will be fostered through intensification [that is, population density will increase via increased use of multi-residential housing].
- The City's decision-making process will be aligned to Community Priorities.
- A regional plan and approach to land use and servicing will be established.

2. Improve Financial Viability: *Residents of Regina will benefit from the City's increased financial capacity to renew and replace critical infrastructure.*

Objectives:

- A full life-cycle asset management approach will be used to support infrastructure renewal decisions.
- The City will optimize its financial capacity and improve the future allocation of resources.
- Decisions about programs and assets will reflect future service needs.

3. Engage and Develop Staff: *The City of Regina will create a workplace environment where employees feel engaged and become positive leaders of change for their community.*

Objectives:

- Strong and effective leaders will be developed at all levels of the organization.
- Our employees will receive the support they need to be safe, efficient and effective.
- Our employees will be engaged to support the City's delivery of the Community Priorities.

4. Engage Citizens: *The City of Regina will develop new processes that seek to engage our citizens and address their ever-evolving needs.*

Objectives:

- Service expectations will be reconciled with the City's fiscal reality.
- The City will be responsive to consumers' needs by meeting established customer service standards.



In order to achieve these goals and objectives, the City has a three-pronged action plan:

Defining Services and Understanding Service Alternatives

The City understands the importance of defining the relationship between its services and their costs.

In 2013, the City released *“The State of the Roadway Infrastructure,”* the first of several reports examining the services it provides and identifying various service options. This report contributed to the Public Works and Infrastructure Committee’s recommendation to allocate 1% of future mill rate increases over the next five years to improving the condition of local roads. This money, which City Council must consider each year, would help bring residential and local roads up to desired standards over the next 25 years.

Other reports are forthcoming over the next several years but the City will also work with residents to strike the right balance between desired service levels and their affordability. The City will examine ways to adjust or eliminate various services that result in cost savings – money that can be allocated to other priorities.

Ultimately, the City requires an asset management strategy, an asset condition assessment system and a funding policy to support spending decisions. These would provide valuable data for a long-range financial plan that increases the likelihood that service levels can be maintained at an affordable level over the long term.

Measuring Performance

Regina has a professional and capable administration that can proactively identify opportunities to improve services while reducing costs. Since 2006, these efforts have resulted in cost savings, productivity improvements and/or cost avoidance worth more than \$27 million.

While property tax rates are subject to a number of influences including assessment values, tax policies and the relative weight that property class assessments have on tax rates, the need for tax increases can also serve as an indicator of the efficiency level at which a City is operating. The City of Regina enjoys relatively low tax rates (Figure 6) and maintains spending levels that are among the lowest in Western Canada (Figure 7).

2015 Priorities

The 2015 budget is designed to position Regina well for the future by focusing on the top priorities we have heard from citizens.

One of the City’s top priorities is fixing the residential roadways. As occurred in 2014, an additional 1% mill rate is proposed to be dedicated to the residential street program each year for five years, which will ensure the streets are smooth and safe for many years to come. The increase will mean an additional \$1.8 million will be spent over and above the regular investment on roads.

The City is also continuing to spend record levels on other road infrastructure, including a proposed \$18 million on Regina’s major arterial streets.

The Board of Police Commissioners has recommended additional police officers to help make our community safer. Thanks to a comprehensive review of resources, which represent 20% of the total municipal budget, the Regina Police Service is able to convert select positions from police to civilian. This has resulted in the assignment of eight police officers to patrol duties to enhance the front-line delivery of service. It has also resulted in a new Mental Health Liaison Officer, who will bring focus to persons-in-crisis

COMPARISON OF TAX RATES

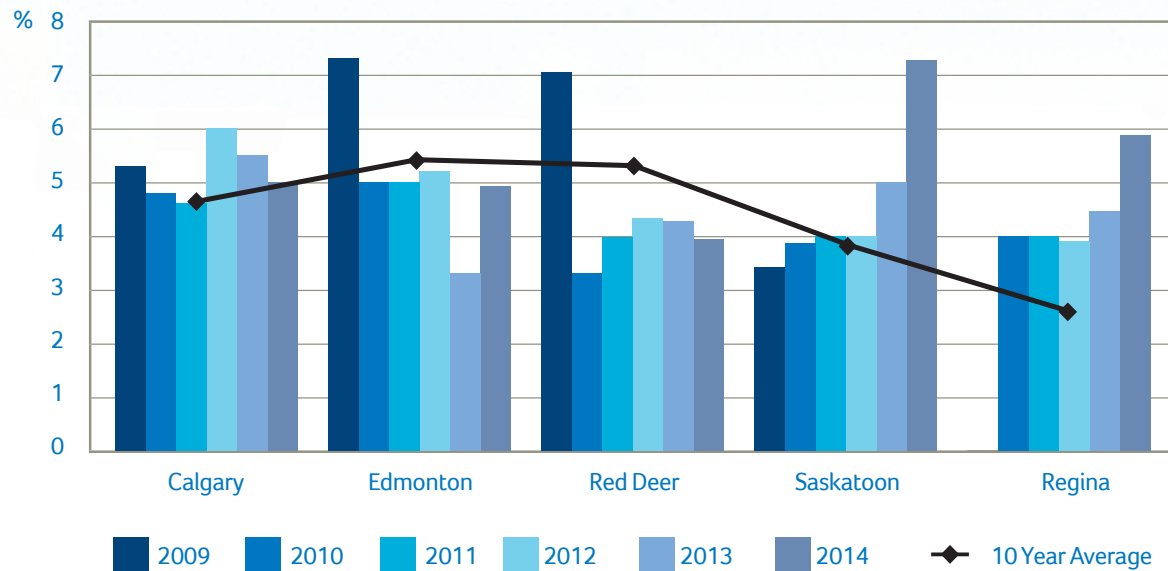


FIGURE 6: COMPARISON OF TAX RATES ACROSS FIVE MAJOR WESTERN CITIES

2013 MUNICIPAL EXPENDITURES PER HOUSEHOLD

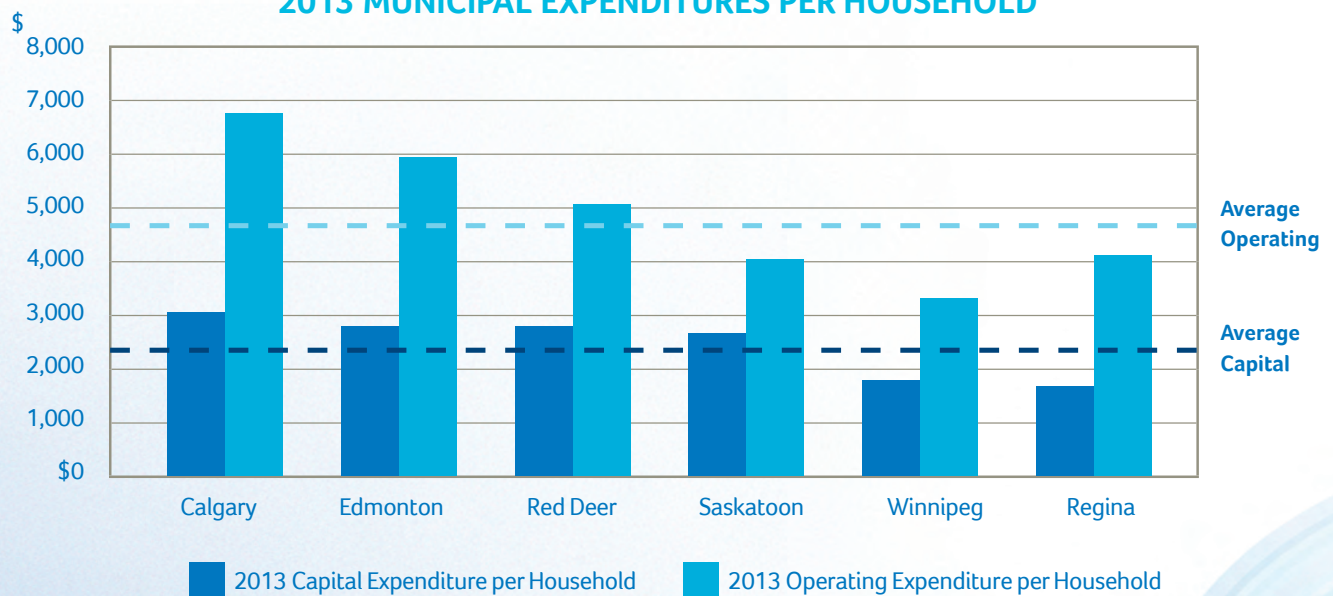


FIGURE 7: COMPARISON OF PER HOUSEHOLD MUNICIPAL EXPENDITURES ACROSS SIX MAJOR WESTERN CITIES

due to mental health issues and establish solutions through collaboration with health care professionals and a new CARE (Canine Assisted Response and Education) Officer to support victims of trauma, assist investigations and build community. New civilian positions will support police operations in the areas of Information Technology, Technological Crime and Criminal Record Checks.

The City is also committed to improving transit service in the community. A \$3-million investment in six new accessible buses will complete the replacement of the entire transit fleet. This is a timely investment as bus ridership is up 21% since 2012.

It's impossible to know when or how much it will snow this winter but City crews will continue to be able to clean streets efficiently. The City also wants to also ensure service can be expanded as neighbourhoods, such as Harbour Landing, The Creeks and Hawkstone, continue to grow. It won't stop at roadways, either. There will be increased snow clearing of sidewalks, too, thanks to ongoing feedback from the community.

Calgary and Winnipeg have been victimized by flooding in recent years and the City of Regina wants to ensure it won't suffer the same fate. As such, thanks to cost savings on other projects, work has already begun on extending the berm along the creek to include Rotary Park and Les Sherman Park, which will provide protection for a 1-in-100-year flood.

Construction will also proceed on:

- The City has begun to consolidate services around the new Emergency Operations Centre to ensure there is quick, coordinated action in the event of a flood or other disaster.
- Efficiencies: Over the last eight years, the City has achieved annual and one-time savings of more than \$27 million. All of this money has been reallocated, either to expanding services to more people or to enhancements to do it better.
- The City is committed to the Regina Revitalization Initiative, the largest project of its kind in the city's history, highlighted by the construction of a new stadium at Evraz Place. By the time it's substantially completed in December, 2016, the equivalent of 124 Olympic-sized swimming pools will have been excavated. The City is also moving forward with the Wastewater Treatment Plant, a project which will ensure that the needs of Regina's growing community will be met for decades to come.





Financial Policies

The City has policies in place to ensure that public resources are well managed and used appropriately. *The Regina Administration Bylaw No. 2003-69* sets out policies and practices that help shape the content and management of annual budgets.

Reserve Policy

A reserve is an internally restricted portion of the City's revenues or operating surpluses earmarked to cover future capital investments. The City currently manages 22 reserve accounts, including the General Fund Reserve, which is the main general-purpose reserve. A general-purpose reserve is not linked to specific future needs but is the primary tool that municipalities use both in the event of unforeseen circumstances and to fund unplanned expenditures. The Reserve Policy also establishes target minimum and maximum balances for each reserve. This information helps the City determine the appropriate use of these funds for operating and capital investments.

Fees and Charges Policy

The Fees and Charges Policy sets out the amounts to be paid for various services. Revenues from fees and charges offset the level of tax subsidy required to keep the service available at current service levels.

Investment Policy

The City uses industry best practices to maximize the income from investments while minimizing the risk to taxpayers.

Purchasing Policy

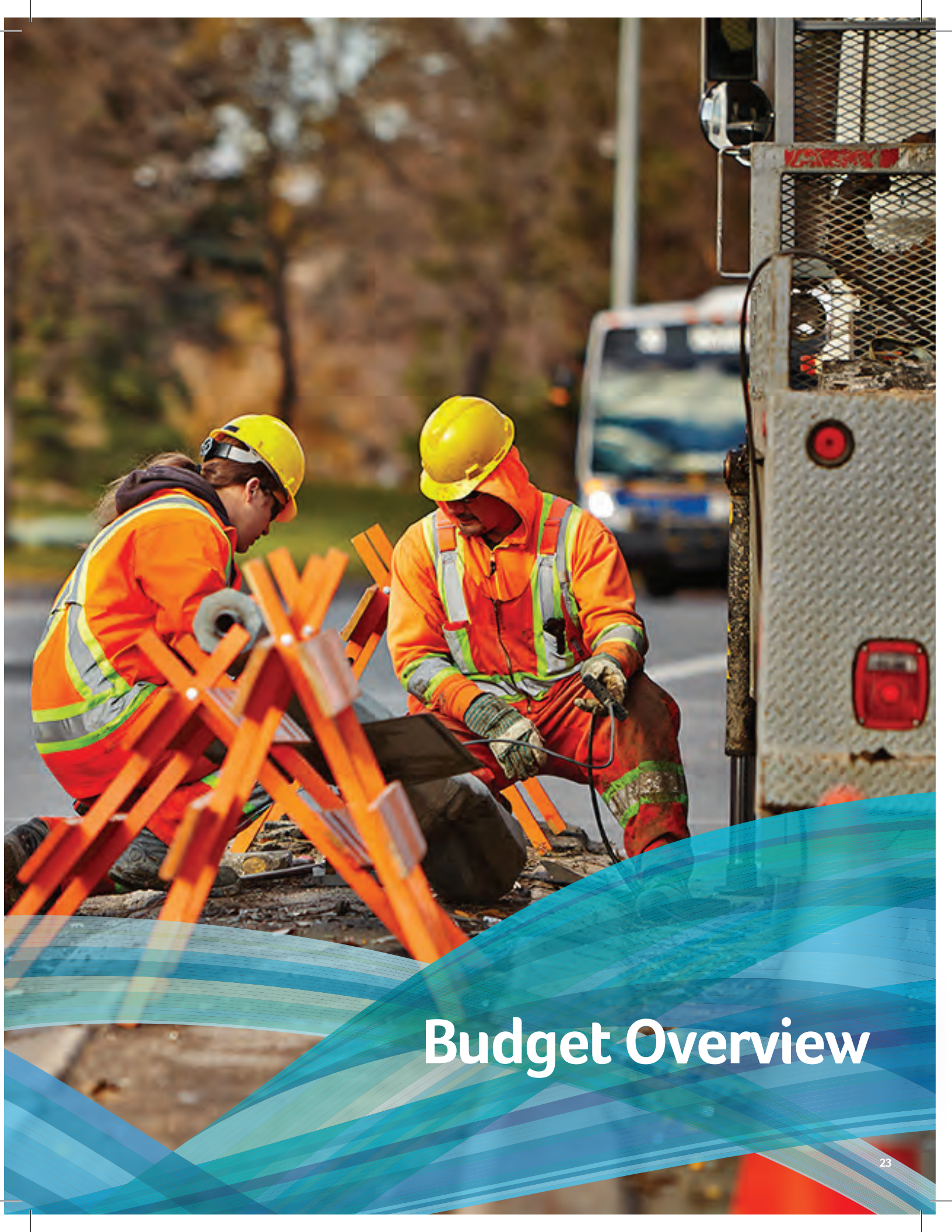
The City wants to ensure the quality and quantity of the goods, equipment and services it obtains is done in an efficient, timely and cost-efficient manner. This policy sets out the City's requirements for purchasing goods and services, awarding contracts and provides guidance for assessing public-private partnerships.

Debt Management Policy

This policy provides the City with parameters for issuing debt, the types and amounts of permissible debt and the steps for managing and reporting outstanding debt. The City's debt limit is set by the Saskatchewan Municipal Board (SMB) and is based on the municipality's financial position. A general rule of thumb is one times (1x) operating revenues, although other factors can be considered. The current debt limit is \$450 million.

These policies are in place to ensure the City maintains a sound fiscal position and protects its credit rating. These policies are reviewed regularly to ensure they're in line with long-term planning and risk management strategies.





Budget Overview

Budget Overview

Financial Condition

The Public Sector Accounting Board (PSAB) issued a Statement of Recommended Practice for governments that supports discussions about a government's financial condition. This financial condition is reflected in the overall economic and financial environment and the City's ability to meet service commitments to the public and financial obligations to creditors, employees and others. It takes into account sustainability, flexibility and vulnerability.

Sustainability

Sustainability is the degree to which a government can maintain existing programs and meet existing creditor requirements without increasing the relative debt or tax burden on the economy.

The City's sustainability is generally following a positive trend (Figure 8). The ratio of financial assets, including liquid financial assets such as investments or cash, to liabilities, is increasing. A number of large infrastructure renewal projects currently underway have resulted in an increase in overall debt levels but this is consistent with the approved plan.

The effect of relying on debt financing for capital projects is highlighted by the "total debt per household" indicator. It is important to note; however, that this is not an estimate of how much each household must contribute to debt repayment. It is merely a way of describing the City's debt relative to the size of the community.

Flexibility

Flexibility is the degree to which the City can increase its financial resources to respond to rising commitments by either expanding its revenues or increasing its debt burden. Figure 9 shows three indicators of flexibility and indicates that the City is maintaining a stable level of flexibility.

As the data in the following table shows, municipal taxes as a share of household income have been increasing for the past five years, although it's still considered to be at an affordable level for the residents of Regina. The overall

ratio of municipal revenues to taxable assessment has remained relatively stable but the level of debt charges to total revenue, which shows the proportion of total revenue required to pay interest charges on debt, will grow in 2015 as a result of a one-time debt settlement payment.

Vulnerability

This is the degree to which a government is dependent on, and therefore vulnerable to, sources of funding that are outside of its control. The risk of relying on external funding sources is that the City does not directly control or influence either the amount or timing of such revenues.

Vulnerability is measured by calculating the ratio of revenues from senior governments to the City's own-source revenues. The City has decreased its reliance on funding from other level of government over the last number of years, including federal and provincial gas tax revenues. This has resulted in reducing Regina's vulnerability, making it relatively low (Figure 10).

Credit Rating

A credit rating is a forward-looking opinion provided by an arm's-length organization, such as Standard & Poor's, about a borrower's overall creditworthiness. It focuses on the borrower's capacity and willingness to meet its financial commitments as they come due. The credit rating also influences the interest rate to be paid when it borrows money.

Standard & Poor's undertakes a detailed analysis of the borrower's financial condition, using a robust set of criteria, and updates it annually. The City of Regina's Standard & Poor's credit rating is **AA+ (Stable)**.

Regina has received this credit rating since its first one was issued in 1989. According to Standard & Poor's, this consistently strong performance reflects the City's ongoing commitment to sound fiscal management. In its assessment, Standard & Poor's said, "Regina's forecast debt burden is moderately high but manageable under this plan."

Sustainability Indicators	2009	2010	2011	2012	2013	2014 Forecast	2015 Budget
Ratio of Financial Assets to Liabilities	1.07	1.11	1.25	1.31	1.44	n/a	n/a
Ratio of Net Debt to Total Revenue	0.22	0.21	0.18	0.15	0.13	0.63	0.65
Total Debt Per Household	\$ 1,425	\$ 1,314	\$ 1,081	\$ 980	\$ 928	\$ 3,308	\$ 4,362

FIGURE 8: CITY OF REGINA'S SUSTAINABILITY INDICATORS. Note that data regarding the Ratio of Financial Assets to Liabilities is not yet available for 2014 year end or for 2015

Flexibility Indicators	2009	2010	2011	2012	2013	2014 Forecast	2015 Budget
Ratio of Debt Charges to Total Revenue	0.01	0.01	0.01	0.01	0.01	0.03	0.01
Municipal Taxes as % of Household Income	2.09%	2.15%	2.19%	2.24%	2.36%	1.69%	1.66%
Ratio of Total Municipal Revenue to Taxable Assessment	0.02	0.02	0.03	0.03	0.01	0.02	0.02

FIGURE 9: CITY OF REGINA'S FLEXIBILITY INDICATORS

Vulnerability Indicator	2009	2010	2011	2012	2013	2014 Forecast	2015 Budget
Ratio of Government Transfers to Total Revenue	0.25	0.20	0.14	0.14	0.13	0.13	0.13

FIGURE 10: CITY OF REGINA'S VULNERABILITY INDICATOR

Standard & Poor's Credit Ratings Definitions	
AAA	A borrower rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard and Poor's.
AA	A borrower rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated borrowers only to a small degree.
The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.	

FIGURE 11: STANDARD & POOR'S CREDIT RATINGS DEFINITIONS

We expect its current low interest burden to remain low through our rating horizon. The City also has significant unfunded pension liabilities, but is taking steps to mitigate these.”

Despite the City's increase in projected borrowing, its credit rating has not been affected. This bodes well for the City's long-term financial future as the higher the credit rating, the lower its borrowing costs will be, leaving more funds available to pay for services.

Given this expected increase in borrowing, it is fundamentally important that the City continues its strategy of conservative financial management. It must monitor debt levels regularly to maintain a sound financial position and strong credit rating. Effective debt management and a well-developed debt policy will help maintain the City's positive financial reputation, facilitate borrowing and ensure competitive rates for the City.

Summary

Regina's current financial condition is stable. The City is heading in the right direction but, with deteriorating assets and insufficient funds available to renew or replace them, it is not funding services at sustainable levels for the long term. While it has instituted whole-life costing for some assets, most notably the new Mosaic Stadium and the Wastewater Treatment Plant, there is still work to be done to identify lifecycle costs, document service level expectations, assess asset condition levels and create financing plans for all programs and services. But Regina has the potential to address these issues – with a strong credit rating and plans for building an asset management strategy, it is well-positioned to build and fund plans that sustain services for the long term.

Budget Process

The budget process at the City of Regina starts off with strategic and business planning and ends with a Council-approved plan for the upcoming year.

The Executive Leadership Team directs the creation of the annual budget by establishing a process for identifying service requirements, creating staff teams responsible for implementing the process and providing directions that guide their work.

The Administration's approach to budget development looks at a number of factors, including:

- The importance of maintaining affordable services.
- The expectation the City's financial condition will improve to achieve the *Design Regina* Community Priority of *Long-term financial viability*.
- The need to maintain service levels when costs are escalating and the city is growing.

Executive Leadership Team (ELT) Directions

In May 2014, the ELT issued a call for budget estimates using the following criteria:

Operating Budget

Services and service levels should be similar to those provided in 2014, as approved or amended by City Council.

Operating costs could not exceed the Municipal Price Index (MPI) of 3.34%. MPI is a generally accepted indicator, similar to the Consumer Price Index (CPI), that describes the estimated cost increase for the average basket of goods typically purchased by a city.

Cost increases driven by population growth have to be accommodated within the MPI cap.

In cases where spending could not be accommodated within the cap, requests were to be subjected to additional scrutiny to determine whether they should be recommended to Council, or whether service adjustments should be

recommended instead that avoided the need for increased spending.

Capital Budget

The 2015 capital budget should reflect the 2015 forecast approved in the 2014 capital budget, adjusted for the reduced funds available from the operating budget

Budget Advisory Group (BAG) Process

Once departmental budget estimates were completed, ELT charged a cross-divisional team of directors and managers with the responsibility to examine the estimates and any requests for incremental funding. Funding requests were ranked as follows:

Operating Budget

1. Projects that have been deemed "high priority" by ELT.
2. Spending adjustments resulting from uncontrollable cost increases, such as electricity and fuel.
3. Spending adjustments required to meet regulatory or safety obligations or to preserve existing service levels.
4. Projects that have been deemed "medium priority" by ELT.
5. Projects that have been deemed "low priority" by ELT.
6. Projects that have been deemed high priority to a division or department.

Capital Budget

1. Projects requiring capital investment that have been deemed "high priority" by ELT.
2. Pre-approved capital program expenditures from year two of the 2014 five-year capital plan.
3. Contractual obligations.
4. Projects requiring capital investment that have been deemed "medium priority" by ELT.
5. Continuation of existing Active Capital Projects.
6. Projects where all of the resources are provided either through partners, funders or reserves.

Following its review, the BAG made recommendations to ELT about the draft 2015 budget. ELT then made the final decisions about what to recommend to Council.

Service Partners

The City's Service Partners, including the Regina Police Service, Regina Exhibition Association Ltd (REAL), Wascana Centre Authority and the Regina Regional Opportunities Commission, received the same criteria as the municipal administration for determining spending requests and were asked to work within those parameters. Their funding requests form part of this document and are included later in this report.

Council's Role

The proposed budget is based on recommendations from various City departments and service partners, scrutiny by the Budget Advisory Group as well as review and refinement by ELT. This budget reflects the administration's best advice on how to achieve Council's policy and service priorities given the City's current resources. Ultimately, Council determines the programs and service levels that will be included in the 2015 budget.

Key Issues and Priorities

Risks

There are a number of risks that, if realized, could affect the City's ability to sustain current service levels. Two risks with potentially significant impacts are:

Asset condition: The City recently completed an assessment of Regina's roadways. While the most heavily used roads are generally operating at expected levels, there are significant issues for residential roads (which resulted in a 25-year plan to renew them).

In the absence of thorough asset condition information, there is a risk that one or more assets could deteriorate or even fail, resulting in a reduction in service levels to citizens. The development of good asset condition information and plans to address asset weaknesses is a priority for the City and a focus of this year's budget.

Succession Planning: In this current economic environment of low unemployment and rising incomes, Regina is poorly positioned to compete in the labour market. Indeed, the City is already having difficulty recruiting for key positions. This issue is further complicated by the fact that one-third the City's workforce is eligible to retire in the next six years. Not only will the City need to recruit replacement workers but it will also be losing significant experience and service knowledge.

A key element of the City's strategic plan will be to deal with the recruitment and retention of employees, including strategies to ensure they have the knowledge, skills and abilities to meet the service expectations of Regina residents.

Financial Position

Revenues

Tax revenues and government transfers – as a percentage of the City's total revenue – will be lower in 2015 than in the four previous years. The most significant change concerns boosting the use of reserves to fund ongoing major projects from 1% to 2%. This is largely the result of the Regina Revitalization Initiative (RRI) Stadium Project, the money for which has been placed in a reserve to be available when required.

Diversified revenue streams can reduce a city's reliance on other levels of government. Non-tax revenues include user fees for landfills, recycling and transit fares, licences, levies and fines.

Taxation

The City's taxation authority is limited by *The Cities' Act*, which restricts taxation to property taxes, amusement taxes and special taxes. The mill rate is the primary determinant

for property tax revenue and grants or payments in lieu of property tax. Property tax revenues account for 50% of 2015's forecasted revenues.

The City continues to consider alternative revenue sources to meet increasing operating and capital funding needs as Regina continues to grow.

Regina's Primary Provincial Funding - Municipal Operating Grant (MOG)

The Municipal Operating Grant is a long term, predictable and sustainable approach to provincial funding for municipalities. It provides for a 1% share of Provincial Sales Tax (PST) revenues to municipalities throughout the province. The City will receive \$41.2 million from the MOG in 2015, up \$1.3 million from 2014 funding levels. However, when examined as a percentage of total revenues, the impact of MOG is declining – from 13% in 2012 to 11% in 2015. The chart below shows the funding from the provincial government from 2007-2015 (Figure 13).

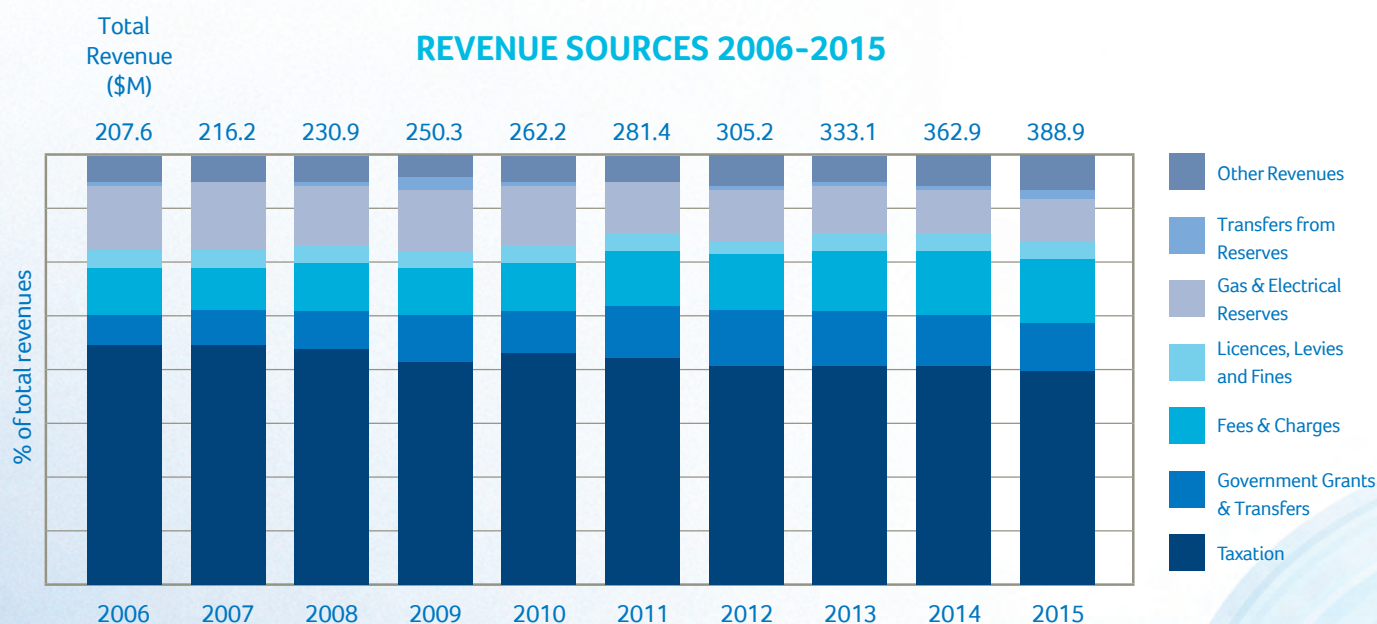


FIGURE 12: CITY OF REGINA REVENUE SOURCES AS A PERCENTAGE OF TOTAL REVENUES (2006-2015)

MUNICIPAL OPERATING GRANT (2007 TO 2015)

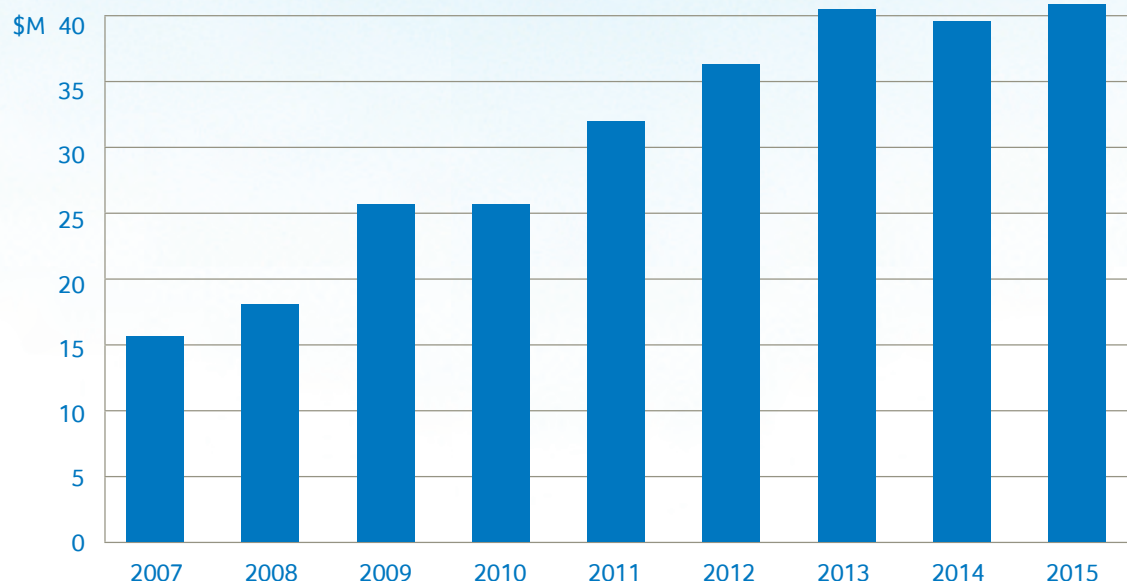


FIGURE 13: PROVINCIAL GOVERNMENT FUNDING TO THE CITY OF REGINA THROUGH REVENUE SHARING AND/OR THE MUNICIPAL OPERATING GRANT (MOG)

Expenses

Money raised by the City is used to fund programs and services for Regina residents. The cost of those services is increasing in absolute dollars. As a percentage of total spending; however, the City is spending less on programs and service delivery and more on infrastructure (Figure 14). Programming costs accounted for 84% of the total expenditures in 2011 but that's expected to fall to 77% in 2015.

With the reduction in funding from other levels of government, the City is using more of its own financing sources to cover infrastructure costs. From 2009-2013, own source revenue (operating contributions to capital and reserves) accounted for 52% of capital funding. That will increase to 74% for 2014-2018 (Figure 15). Funding from current operating contributions has increased from \$13.7 million in 2009 to a projected \$30 million in 2018.

Capital Assets

The City is using more of its own funding sources, including current operating contributions, reserves, development charges and debt, to finance capital investments. This is coupled with a significant increase in capital spending by the City. In the charts in Figure 15 below. The larger section of each pie chart represents the percentage of the City's resources that have been allocated or are anticipated to be allocated to capital projects. The smaller, lifted areas of the pie charts represent resources received from other external partners, including other governments. There has been a dramatic change in funding sources, due in part to the City's strategic focus on increasing its investment in infrastructure renewal. However, there has also been a reduction in transfer payments from other levels of government.

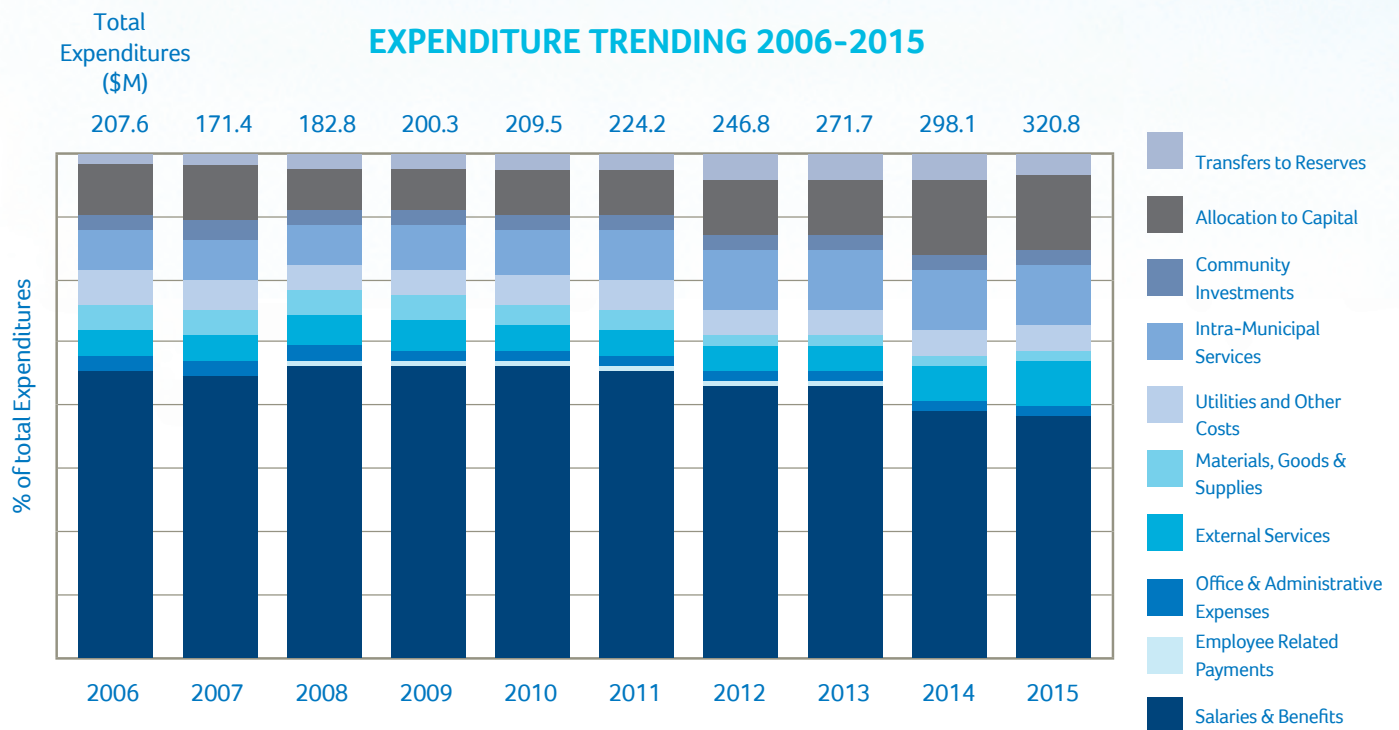
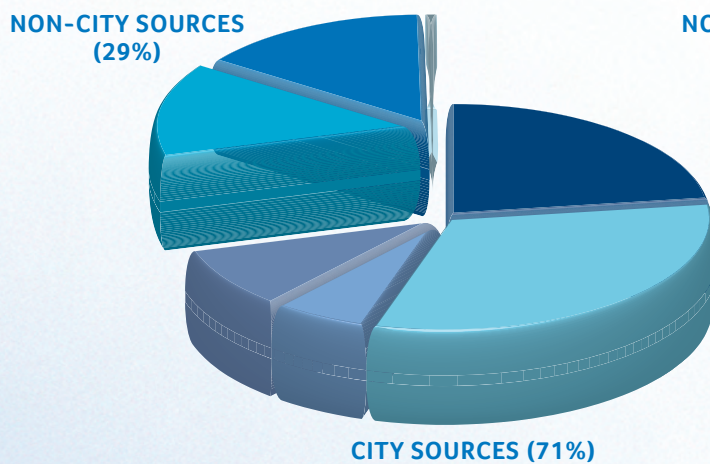


FIGURE 14: CITY OF REGINA EXPENDITURE CATEGORIES AS A PERCENTAGE OF TOTAL EXPENDITURES (2006-2015)

CAPITAL FUNDING SOURCES 2010-2014

5-Year Capital Program \$467.6 million

**CAPITAL FUNDING SOURCES 2015-2019**

5-Year Capital Program \$732.9 million

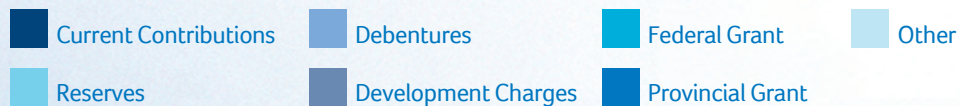
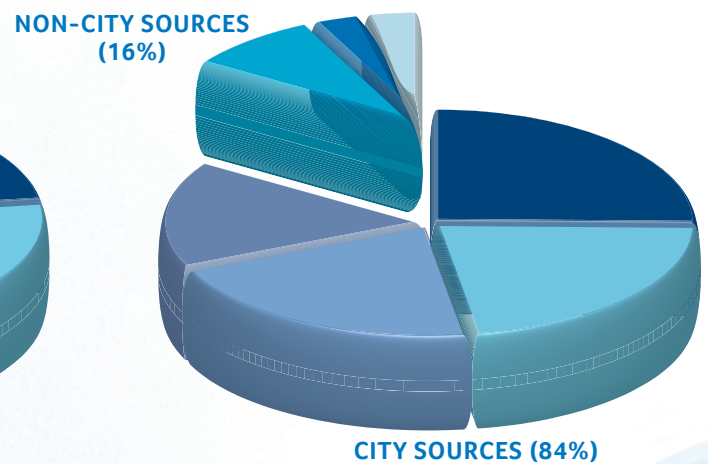


FIGURE 15: CHANGES IN THE SOURCE OF FUNDING INVESTED IN INFRASTRUCTURE AT THE CITY OF REGINA.

Reserves

Reserves will fund \$167 million in capital between 2014 and 2018. The net long-term impact of this will be a reduction in City reserves (Figure 16).

To maintain, replace or strengthen reserve balances over the long term, they will require increased revenues. Alternately, services could be delivered by different methods requiring less municipal funding, such as public-private partnerships, or service levels could be reduced.

Debt Financing

The City's reliance on its own sources of funding for capital investment has also impacted debt levels. While the issuance of debt can provide for increased capital funding, the amount owing plus the related interest must be paid off in future years from operating funds. Debt is a trade-off between increased fiscal flexibility in the short term versus reduced fiscal flexibility over the term of the repayment. While interest costs will add to the total bill, the rapid escalation of construction costs over the past few years indicate that debt financing could lower the overall costs in certain circumstances. With interest rates continuing to hover near historic lows, more municipalities are turning to debt to finance infrastructure requirements.

CITY OF REGINA RESERVE BALANCES

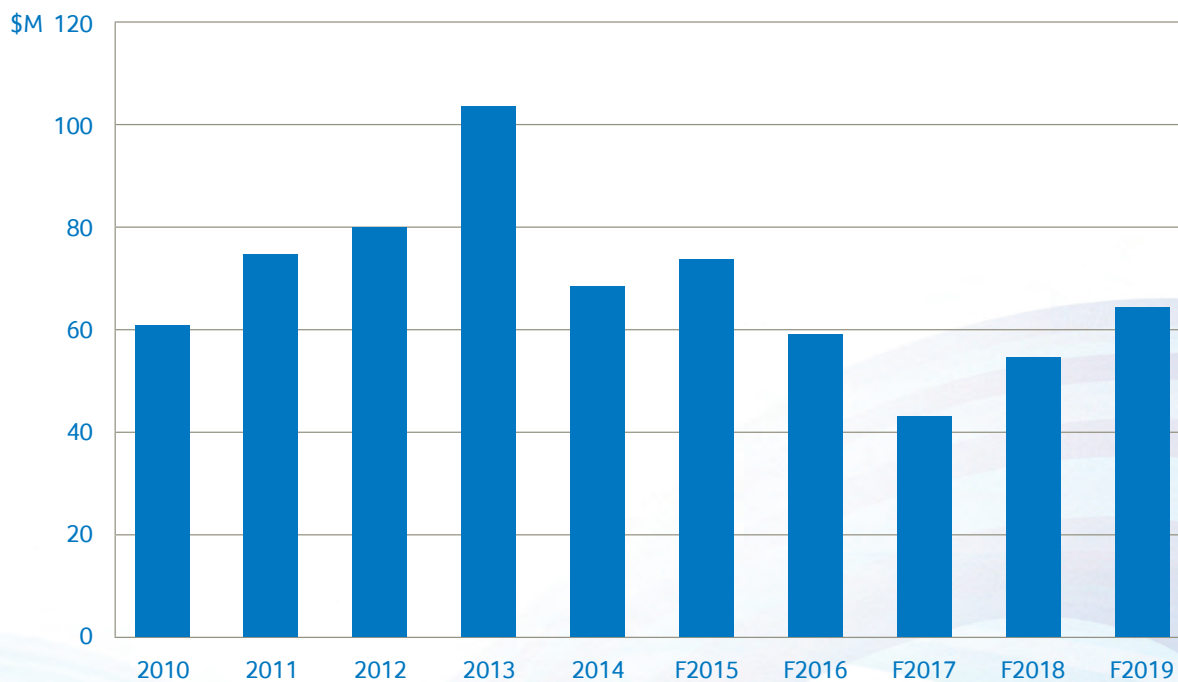


FIGURE 16: CITY OF REGINA RESERVE BALANCES (2010 TO 2019)

F - denotes forecast

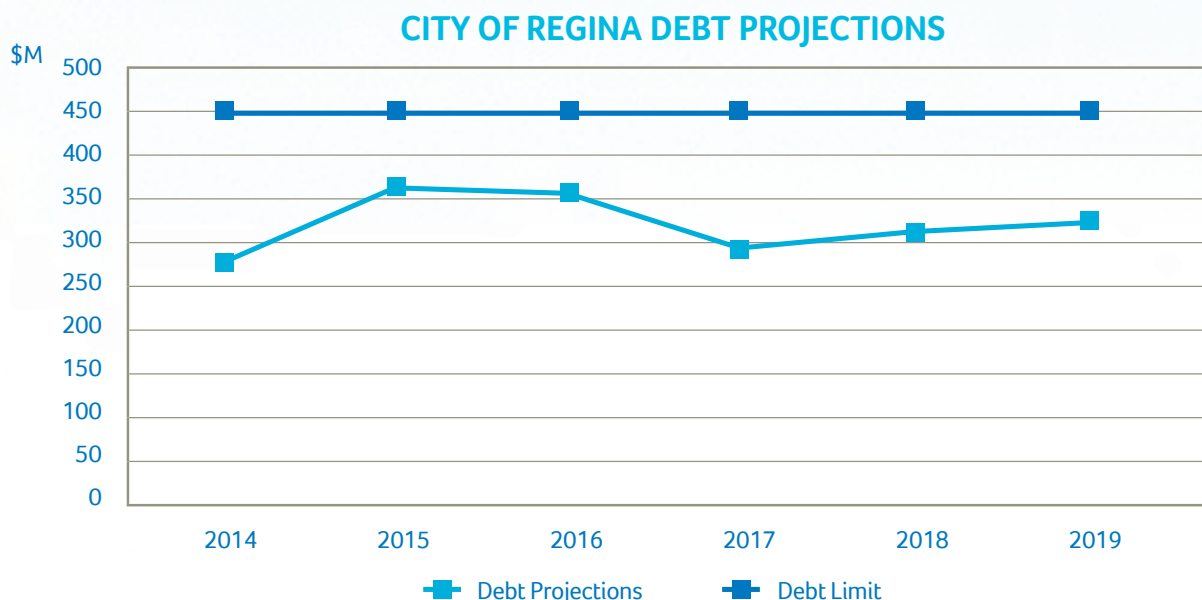


FIGURE 17: CITY OF REGINA DEBT PROJECTION

The City of Regina has an approved debt limit of \$450 million. The chart above represents the General Capital Investment Plan's potential demand for debt from 2014-2019 compared to its debt limit (Figure 17). The increased reliance on debt financing will reduce future spending flexibility.

Regina's debt levels have historically compared favourably to those of other Western Canadian cities but they're starting to increase. The chart below compares the City's debt per household to that of other cities on the Prairies (Figure 18).

Service Agreement Fees

The City enters into agreements with private developers to undertake greenfield development. Those firms have been required to provide upfront servicing of lots, including water, sewer and roads, as part of their agreement with the City.

In addition to delivering basic servicing, developers must also pay a Service Agreement Fee (SAF) when entering into a servicing contract or development levy agreement. The

developers are required to pay the City a predetermined amount per hectare of land within the development area.

The funds are intended to be put towards the construction of regional infrastructure, such as traffic signals, wider roads and increased capacity of water and sewer trunk lines, to support new development.

But funds associated with a specific agreement are not necessarily managed on a project-by-project basis because these infrastructure demands do not necessarily occur exclusively within the particular development. For example, each new development places an indirect demand on wastewater treatment facilities and major arterial roads. City policy determines the projects and the percentage of project costs that are eligible for SAF funding. This percentage is based on the estimated proportion of benefits from any project that flow to existing residents. The City covers any infrastructure costs not paid for by SAFs through property taxes and other revenues.

MUNICIPAL DEBT PER HOUSEHOLD

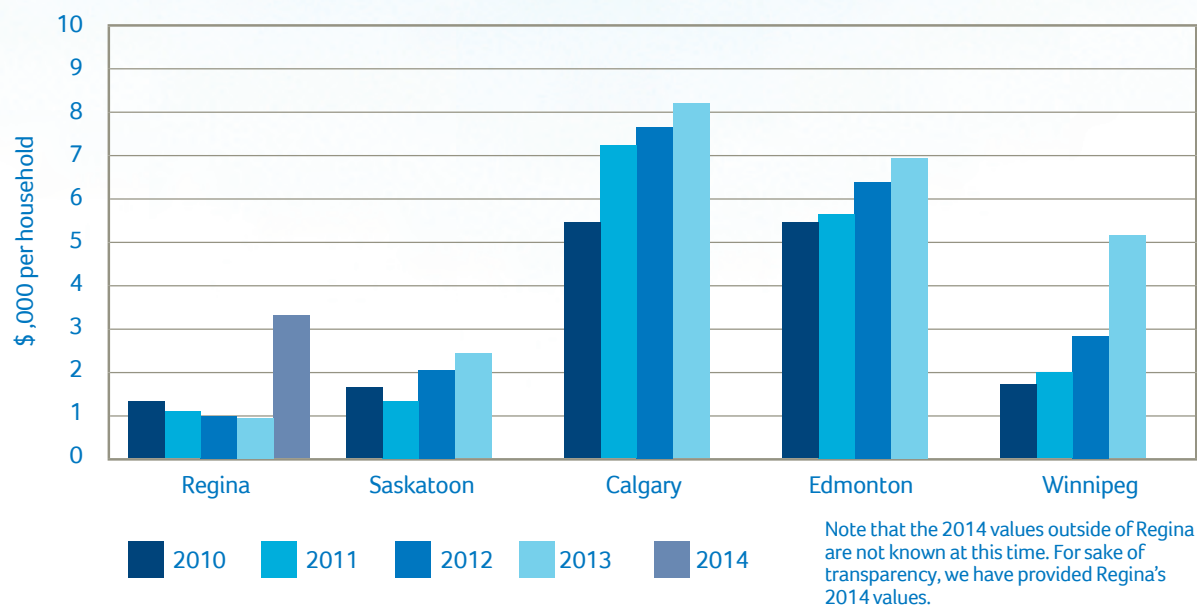


FIGURE 18: CITY OF REGINA'S DEBT PER HOUSEHOLD COMPARED WITH OTHER WESTERN CITIES

In the case of roadways, water, and sewer costs for development, the City typically incurs these costs prior to the development's completion. Cash outflows to fund projects usually occur before the development is fully built out while parks and recreation infrastructure costs are generally incurred later in the process.

Fees have been calculated based on the anticipated cost of connecting and supporting infrastructure over 20 years. They are designed so that the City is fully repaid for any development-related costs before that time is up.

As part of the Official Community Plan (OCP) process, the City launched a project to determine how to finance the new development outlined in *Design Regina*. It examined the manner in which SAFs were calculated and paid and identified financial risks to the City. These included:

1. The recognition that even though the residents of existing neighbourhoods might enjoy numerous benefits from enhanced infrastructure, the only reason the infrastructure needed to be improved in the first place was the rising population resulting from the economic growth. Where the City's proportion of these costs was small (less than 15%), it instituted a new requirement that developers pay the full cost through SAFs so that financial pressures created by new development, such as the establishment of new roadways as well as water and sewer infrastructure do not result in excessive costs to existing residents.
2. Some infrastructure built by the City using SAFs needs to be completed well before the SAFs are paid, which occasionally requires the City to incur debt to pay for the work. This results in a significant risk for the City, particularly if there's a downturn in the economy. The City, however, established SAF rates at a level that takes this risk into account and minimizes the debt exposure.

The institution of these two factors – on a temporary basis pending a full review of the SAF policy scheduled for 2015 – resulted in significant increases to the SAF rate. The City also requires developers to provide more infrastructure than simply the basic servicing of a new development. This allows developers to identify innovative solutions at a potentially lower cost.

The impact of these policy changes was felt immediately in the 2015 budget. Some infrastructure was removed from the five-year plan as developers were required to deliver it directly. In addition, some projects where the City would have had to pay a portion of the costs are now being fully funded through SAFs. The City could therefore accommodate its annual capital program without significantly increasing the investment required. An expansion to the Residential Roadways Program is proposed and, if approved, would require increased investment. This increased investment is accounted for in the proposed mill rate increase.

Deferred Revenue – Dedicated Lands Charges

Developers are required to dedicate a portion of a development as municipal reserve. The legislation governing it says a developer may make a payment in lieu of dedicating the required lands. The funds received are held as deferred revenue until they are allocated to eligible expenditures. The funds are to be put towards the purchase of land for public use or the development and maintenance of existing municipal reserves.







Budget Summary

2015 Budget Summary

(\$000s)

	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Revenue					
Taxation	184,933.4	183,146.4	195,368.9	10,435.5	5.6
Government Grants and Transfers	41,936.0	42,231.2	43,581.3	1,645.3	3.9
Licences, Levies and Fines	14,509.6	12,225.6	14,271.7	(237.9)	(1.6)
Fees and Charges	55,380.2	56,335.9	57,497.1	2,116.9	3.8
Other Revenue	66,137.1	75,922.3	78,191.9	12,054.8	18.2
Civic Total	362,896.3	369,861.4	388,910.9	26,014.6	7.2
Regina Police Service	8,266.2	8,575.5	8,873.6	607.4	7.3
Total General Operating Revenue	<u>371,162.5</u>	<u>378,436.9</u>	<u>397,784.5</u>	<u>26,622.0</u>	<u>7.2</u>
Expenditures					
Salaries & Benefits	145,431.7	142,474.8	152,522.9	7,091.2	4.9
Employee Related Payments	1,399.6	1,557.4	1,462.8	63.2	4.5
Office & Administrative Expenses	6,033.8	6,268.2	6,361.8	328.0	5.4
Professional & External Services	19,727.9	22,265.9	27,478.1	7,750.2	39.3
Materials, Goods & Supplies	7,447.4	7,039.0	7,397.6	(49.8)	(0.7)
Utilities and Other Costs	13,884.7	14,164.8	15,028.8	1,144.1	8.2
Intra-Municipal Services	37,005.3	37,727.8	37,253.5	248.2	0.7
Civic Operating Costs	<u>230,930.4</u>	<u>231,497.9</u>	<u>247,505.5</u>	<u>16,575.1</u>	<u>7.2</u>
Community Investment	8,171.9	9,503.4	10,552.5	2,380.6	29.1
Allocation to Capital	43,748.1	43,743.7	48,177.2	4,429.1	10.1
Transfers to Reserves	15,265.2	18,535.7	14,629.1	(636.1)	(4.2)
Civic Other Expenditures	<u>67,185.2</u>	<u>71,782.8</u>	<u>73,358.8</u>	<u>6,173.6</u>	<u>9.2</u>
Total Civic Expenditures	298,115.6	303,280.7	320,864.3	22,748.7	7.6
Regina Police Service	73,046.9	73,356.2	76,920.2	3,873.3	5.3
Total General Operating Expenditures	<u>371,162.5</u>	<u>376,636.9</u>	<u>397,784.5</u>	<u>26,622.0</u>	<u>7.2</u>
Net Operating Expenditures/(Revenue)	<u>-</u>	<u>1,800.0</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note: The 2014 year end surplus would be transferred to the General Fund Reserve.

Analysis of Civic Budget Changes – Revenues (Excludes Police)

Details	(\$000s)
2014 Revenues	362,896.3
1 Remove Prior Year One-time Revenues	(2,851.3)
2 Taxation - 4.3% Mill Rate Increase	7,895.4
3 Taxation - Assessment Growth, Tax Recoveries and Changes to Supplemental Taxes	2,540.2
4 Government Grants & Transfers Municipal Operating Grant = \$1.3 M Affordable Home Ownership Program \$0.4 M	1,645.3
5 Licences, Levies & Fines	(237.9)
6 Fees & Charges Transit Fees (related to Fare Increase) \$1.5 M Building Permit Fees \$1.2 M Community Services & Parking - \$0.6 M	3,287.6
7 Other Revenue Municipal Surcharges on Gas & Electricity - \$4.0 M Interest Revenue - \$0.6 M Utility Transfer/Administration Fees - \$0.4 M	5,057.0
8 Funding from Reserves	8,678.3
2015 Budget	388,910.9

Analysis of Civic Budget Changes – Expenditures (Excludes Police)

Details		(\$000s)
2014 Budget		298,115.6
1.	Salaries and Benefits (Base Change) - Includes cost changes resulting from in-range progression increases on the same level of staff that was approved in 2014, classification reviews and employer benefit costs. Includes operating fund only (110 Fund).	6,285.9
2.	Remove 2014 One-Time Expenses (Base Change)	(1,451.2)
3.	Regina Revitalization Initiative Program Costs & Reserve Transfer	3,183.8
4.	Increase to Current Operating Contributions to Capital	2,998.1
5.	Sustaining Current Services (On-going) Increases in expenditures that are required to continue to provide the current services in the future. Software licensing, GPS for transit, records storage, pothole patching, winter road maintenance, sidewalk clearing and concrete maintenance & implementation costs for the downtown transportation study. FTE increase of 1.00	2,302.5
6.	Affordable Housing Program - (Base Change) Funded through the the Social Development Reserve	1,815.0
7.	Debt Servicing Costs	1,431.0
8.	Service Level Impacts (On-going) Increases in expenditures to ensure service levels are maintained. Regina Humane Society contract (\$762 K), support & maintenance for technology and assets, parking enforcement and development control staff. FTE increase of 4.96	1,292.1
9.	Community Investment Increase (On-going) Wascan Centre Authority (\$489 K) Regina Regional Opportunities Commission (\$796.6K)	1,285.6
10.	Consulting related to Intensification Work Plan, SAF Policy Review & Human Resources (One-time)	970.0
11.	Uncontrollable Price Increases (On-going) Increases in expenditures that are due to price not volume. This increase cannot be managed by doing less, renegotiating a different price or going to a different supplier. Includes banking services, insurance premiums, commissions and contractual obligations.	627.2
12.	Linked to Capital (On-going) Expenditures required to support approved Capital projects. Resources required for North Central Shared Facility, Douglas Park Support Facility Operating Costs & expansion of Paratransit services. FTE increase is 1.25	412.6
13.	Changes to costs allocated from/(to) other departments	829.8
14.	Transfers to Reserves	766.3
2015 Budget		320,864.3

Compensation/Staffing trends

Salary and Benefits

The increase in the civic portion of the budget for salaries and benefits of \$6,285.9 million is projected based on:

- New collective agreements for CUPE Local 7, CUPE Local 21, Amalgamated Transit Union Local 588 and the Regina Professional Firefighters Association, Local 181, International Association of Firefighters were signed in 2014. Negotiations are ongoing with the Civic Middle Management Association.
- The City is facing the same challenges as other employers with the shortage of labour resulting from demographic trends and economic growth in Western Canada.

The following table provides a summary of the staff complement reflected in the General Operating Budget for 2014 and 2015.

This does not include positions funded through the Water and Sewer Utility Budget.

Staff Complement (FTE's)

	2014			2015			
Department	Permanent	Casual	Total FTE	Permanent	Casual	Total FTE	FTE Change
General Operating Budget							
Civic Administration							
City Council & Committees	16.0	0.0	16.0	16.0	0.0	16.0	0.0
Office of the City Manager	68.0	0.0	68.0	68.0	0.0	68.0	0.0
Corporate Services	292.6	22.6	315.2	293.6	23.4	317.0	1.8
Chief Operating Officer	10.0	0.0	10.0	5.0	0.0	5.0	(5.0)
City Services	386.5	191.0	577.5	390.4	189.9	580.3	2.8
City Planning & Development	179.7	4.1	183.8	181.7	4.1	185.8	2.0
Transportation & Utilities	203.2	82.9	286.1	217.2	70.1	287.3	1.2
Fire & Protective Services	336.5	0.0	336.5	336.5	0.0	336.5	0.0
Major Projects	0.0	0.0	0.0	5.0	0.0	5.0	5.0
Civic Total	1,492.6	300.5	1,793.1	1,513.4	287.5	1,800.9	7.8
Regina Police Service	549.0	17.0	566.0	561.0	17.0	578.0	12.0
Subtotal	2,041.6	317.5	2,359.1	2,074.4	304.5	2,378.9	19.8
Costing Fund							
Corporate Services	132.8	1.9	134.7	132.6	1.9	134.5	(0.2)
City Services	0.0	9.8	9.8	0.0	9.8	9.8	0.0
City Planning & Development	5.2	0.0	5.2	5.2	0.0	5.2	0.0
Transportation & Utilities	9.7	2.8	12.5	9.7	2.8	12.5	0.0
Costing Fund Total	147.6	14.4	162.2	147.4	14.4	162.0	(0.2)
Total City	2,189.2	331.9	2,521.3	2,221.8	318.9	2,540.9	19.6
General Capital Budget							
City Council & Committee	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Office of the City Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Corporate Services	2.0	0.0	2.0	2.0	0.0	2.0	0.0
City Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
City Planning & Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transportation & Utilities	17.6	1.1	18.7	17.1	1.1	18.2	(0.5)
Fire & Protective Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Projects	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Budget Total	19.6	1.1	20.7	19.1	1.1	20.2	(0.5)
Total	2,208.8	333.0	2,542.0	2,240.9	320.0	2,561.1	19.1

Note:

1. The 2014 numbers are restated to reflect the organizational changes that were effective August 1, 2014.
2. Costing Fund refers to FTEs that provide service to other divisions of the City.

The changes in the staff complement for the Civic Administration include:

Corporate Services

- The addition of a casual caretaker to ensure maintenance and operations of new and enhanced assets (0.05 FTE)
- The addition of a casual caretaker to assist with maintenance at the Douglas Park Facility (0.75 FTE)
- The addition of a permanent program development coordinator in Building Services to develop, train, manage and evaluate departmental and operational programs as well as field related activities (1.0 FTE)

Costing Fund Changes

- The addition of a permanent skilled labourer to provide service at the downtown transit shelters in response to findings in the Downtown Transportation Study (1.0 FTE). The recommendations resulting from this study were approved by Council in May, 2014 (CR14-40)
- The reduction of journey person carpenters to allow the creation of a program development coordinator in the Facilities Management Services area (-1.2 FTE)

Chief Operating Officer

- The reallocation of positions based on the reorganization that was effective August 2014 (-5.0 FTE)

City Services

- The addition of a permanent parks maintenance lead man, which was created by reallocating casual labour dollars with the net reduction of casual FTE (-0.22 FTE)
- The addition of a project change manager for the North Central Shared Facility to oversee the project and work closely with the partners (1.0 FTE). The City's participation in the facility was approved by Council in September 2014 (CR14-105)
- The reallocation of positions based on the August 2014 reorganization (2.0 FTE)

City Planning and Development**Net Zero Staffing Changes (funding offsets)**

- The addition of a city planner II is required to help the branch meet performance standards in development application review processes (1.0 FTE)
- The addition of a development control officer II would be responsible for front line permit intake and review of processes (1.0 FTE)
- The addition of a coordinator of building permits and coordinator of residential inspections would operate the branch (2.0 FTE)
- The reallocation of positions based on the August 2014 reorganization (-2.0 FTE)

Transportation and Utilities

- The addition of a casual labourer dedicated to sidewalk clearing (0.13 FTE)
- The addition of a casual labourer for street sweeping associated with infrastructure growth (0.74 FTE)
- The conversion of casual to permanent positions for roadways (-4.39 FTE)
- The addition of a casual labourer for the new scale system at the landfill (0.7 FTE)
- The addition of a permanent crew lead at the landfill to supervise the front line staff (1.0 FTE)
- The reallocation of positions based on the August 2014 reorganization (3.0 FTE)

Major Projects

- The reallocation of positions based on the August 2014 reorganization (5.0 FTE)

Revenue Sources

Taxation Detail (\$000s)

Revenue Source	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Municipal Property Tax	169,719.2	167,514.2	179,765.1	10,045.9	5.9
Payments and Grants in Lieu of Tax	11,079.2	11,646.7	11,743.8	664.6	6.0
Total Property Tax	180,798.4	179,160.9	191,508.9	10,710.5	5.9
Supplementary Property Tax	2,000.0	1,700.0	1,600.0	(400.0)	(20.0)
Recovery from Other Taxing Authorities	2,175.0	2,325.5	2,300.0	125.0	5.7
Tax Cancellations	(40.0)	(40.0)	(40.0)	-	-
Total	<u>184,933.4</u>	<u>183,146.4</u>	<u>195,368.9</u>	<u>10,435.5</u>	<u>5.6</u>

The 2015 budget for property taxes and grants in lieu of property taxes is \$191.5 million, an increase of \$10.7 million from a year ago. This amount consists of a \$7.9-million increase in the municipal mill rate, and a \$2.8-million increase in tax revenue from growth.

The key assumptions or factors that impact the budget are:

A 3.3% increase in the municipal mill rate for 2015 plus an additional 1% dedicated to local road improvements for a total increase of 4.3%. The mill rate for 2014 was 8.9371 compared to 9.3214 for 2015. With no mill rate increase, tax revenues would increase by \$2.8 million. Funding sources worth \$7.9 million or fee adjustments or some combination of the two would need to be found to balance the budget.

The property tax revenue in previous years reflected a reduction of the budgeted levy amount by the projected appeal risk. Since 2010, there has been no provision to fund appeal risk in the general operating budget so the 2015 property tax projection is not adjusted for that.

At the time of the publication of this book, the 2015 preliminary tax assessment roll was unavailable. The estimated mailing date of the 2015 assessment notices is November 7, 2014. The assessment roll will be open for 30 days following the assessment notice mailing and then reviewed for potential risk due to corrections and assessment appeals using preliminary information obtained from appeals filed for 2015. Based upon the review of appeals received, there may be a risk of reduction in the assessment roll. If a deficit for the 2015 fiscal year is caused by the reduction in tax revenues due to assessment appeals, then that deficit must be eliminated by a transfer from the General Fund Reserve to the General Operations Fund.

The following table details the property tax and grants in lieu of tax revenue (budget to actual/forecast) for the last five years. The property tax revenue includes supplementary taxes.

Tax Revenue (\$000's)	2010	2011	2012	2013	2014	2015
Property Tax:						
Budget	128,300.6	136,205.3	144,729.1	154,996.8	169,719.2	179,765.1
Actual/2014 August Forecast	127,519.4	136,130.0	142,516.6	154,451.4	167,514.2 ¹	-
Variance	(781.2)	(75.3)	(2,212.5)	(545.4)	(2,205.0)	-
Grants In Lieu of Property Tax:						
Budget	9,196.2	9,608.1	9,608.1	11,079.2	11,079.2	11,743.8
Actual/2014 August Forecast	8,604.2	9,415.1	11,050.0	11,349.7	11,646.7	-
Variance	(592.0)	(193.0)	1,441.9	270.5	567.5	-

Note: As a result of assessment appeal decisions within the year and allowances for outstanding assessment appeals at the end of each year, there can be significant volatility in actual tax revenue compared to budgeted revenues. The 2014 August forecast includes the estimate for assessment appeals risk.

Mill rates and mill rate factors serve different purposes. The mill rate, applied to the taxable assessment, including the assessment of grant in lieu of properties, determines the total tax generated. Mill rate factors, meanwhile, determine the distribution of taxes between groups of properties. The following table is the history of mill rates, including those for the schools and library, over the last 10 years. There have been reassessments in 1997, 2001, 2005, 2009 and 2013. Upon each reassessment, the mill rate is recalculated such that there is no change in the total taxes levied. The annual per cent change for 2005, 2009 and 2013 in the following table is based on the mill rate for the particular year compared to the restated mill rate for the prior year.

Year	Municipal		Schools		Library		Total	
	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change
2003	18.6212	1.10%	19.7247	-	1.9745	3.50%	40.320	0.67%
2004	18.6212	-	19.7427	-	1.9745	-	40.338	-
2005	17.6987	4.00%	18.0264	-	1.8045	3.00%	37.5296	1.99%
2006	17.6987	-	18.5528	2.92%	1.9320	2.92%	38.1835	1.74%
2007	18.3907	3.91%	19.0166	2.44%	2.0267	4.90%	39.4340	3.17%
2008	18.9130	2.84%	19.7393	3.80%	2.1059	3.91%	40.7582	3.36%
2009	13.4420	-	See Note 1	-	1.4967	-	-	n/a
2010	13.9797	4.00%	See Note 1	-	1.5401	2.90%	-	n/a
2011	14.5389	4.00%	See Note 1	-	1.5919	3.36%	-	n/a
2012	15.1059	3.90%	See Note 1	-	1.6221	1.90%	-	n/a
2013	8.4404	4.45%	See Note 1	-	0.8947	2.90%	-	n/a
2014	8.9367	5.88%	-	-	0.9126	2.90%	-	n/a
2015	9.3214	4.30%	-	-	-	-	-	-
Average Increase - 2003 to 2015		2.95%				2.68%		

Note:

1. The Provincial Government has changed the way education costs are funded by the Province and to the way that education property taxes are calculated.

- The Province now sets province-wide mill rates to calculate the education tax for properties.
- The Province has changed the level of direct funding for school boards.
- The Province-wide mill rates for 2015 will be known when the provincial budget is announced.

Mill rate factors can be established by City Council for each property class or subclass. The factors change the distribution of the total tax levied but do not increase or decrease the total tax collected. The following table shows the mill rate factors since 2011.

Mill Rate Factors

Property Class/Subclass	2011	2012	2013	2014	2015
Residential (including condominiums)	0.90059	0.90059	0.87880	0.87880	0.87880
Multiple Family Residential	0.90059	0.90059	0.87880	0.87880	0.87880
Commercial and Industrial	1.22945	1.22945	1.32901	1.32901	1.32901
Exterior Hotels	n/a	n/a	n/a	n/a	n/a
Golf Courses	0.92187	0.92187	0.86359	0.86359	0.86359
Resource Property	n/a	n/a	1.32901	1.32901	1.32901
Agriculture	1.22945	1.22945	1.32901	1.32901	1.32901

Note: the 2015 mill rate factors are based on the current practices; however, these are under review and may change after the publication of the budget.

In 2009, the province announced changes to the funding of education and the way property tax is calculated in for the education levy. Province-wide education levy mill rates are now set by property class with mill rate factors no longer used to calculate the education portion of property taxes. Mill rate factors can still be applied to calculate the municipal and library property tax levies, however. The following table shows the education mill rates as set by the province. The 2015 provincial mill rates will be announced with the provincial budget in March 2015.

Property Class	2014
Residential (including condominiums)	5.03
Multiple Family Residential	5.03
Agriculture	2.67
Resource Properties	11.04
Commercial and Industrial (All)	8.28
Commercial and Industrial (Taxable Assessment less than 499,999)	n/a
Commercial and Industrial (Taxable Assessment is 500,000 to 5,999,000)	n/a
Commercial and Industrial (Taxable Assessment is greater than 6,000,000)	n/a

Government Grants and Transfers**Operating Revenue Summary (\$000s)**

Revenue Source	2014 Budget	2014 August Forecast	2015 Budget	Dollar Change	Per Cent Change
Municipal Operating Grant	39,910.0	39,938.3	41,200.3	1,290.3	3.2
Paratransit Grant	980.0	980.0	1,005.0	25.0	2.6
Other Grants:					
Discount Transit Pass Grant	520.0	650.0	520.0	-	-
Recycling Grant	140.0	43.0	-	(140.0)	(100.0)
Urban Highway Connector Program	386.0	394.1	386.0	-	-
Affordable Home Ownership Program	-	220.8	470.0	470.0	-
Misc grants	-	5.0	-	-	-
Total	<u>41,936.0</u>	<u>42,231.2</u>	<u>43,581.3</u>	<u>1,645.3</u>	<u>3.9</u>

Municipal Operating Grant

The Province of Saskatchewan provides an annual grant to municipalities equivalent to one-fifth of the revenues generated by the 5% Provincial Sales Tax (PST). These grant funds to municipalities across the province according to a formula. In 2015, the City of Regina anticipates a Municipal Operating Grant of \$41.2 million, an increase of 3.2% over 2014.

Paratransit Grant

The Paratransit grant is projected to be \$1.0 million in 2015, which is an increase of \$25,000 from the previous budget.

Paratransit receives operating and capital grants from the Province's Municipal Transit Assistance for People with Disabilities program. When it was first implemented, the program funded up to half of the net operating cost of the Paratransit program and up to three-quarters of the capital cost. The operating grant has been converted to a performance-based grant with the level of funding linked to the number of trips.

The Paratransit grant has not kept pace with service needs and costs. The following table provides information on the operating grants since 2010.

Paratransit Service (\$000's)	2010	2011	2012	2013	2014	2015
Provincial Operating Grant	1,056.0	1,148.2	1,151.0	1,137.0	980.00	980.00
City's Operating Contribution	2,527.0	2,472.5	2,206.0	2,693.0	2,997.2	2,807.3
Total Contributions	3,583.0	3,620.7	3,357.0	3,830.0	3,977.2	3,787.3
Provincial Operating Grant	29.5%	31.7%	34.3%	29.7%	24.6%	25.9%
City's Operating Contribution	70.5%	68.3%	65.7%	70.3%	75.4%	74.1%
Total Contributions	100.0%	100.0%	100.0%	100.0%	100.0%	200.0%

The Province's contribution has dropped from the initial target of 50% to as low as 25% of the net operating cost of the program. Based on 2015 funding, it is projected that the Province's contribution will be approximately 26%. The City supports a move to a performance-based system for providing the operating grants. The concern; however, is that the level of provincial funding, as a portion of the net cost of the program, is declining and not keeping pace with escalating costs.

Discount Transit Pass Program

For 2015, the Discount Transit Pass Grant is projected to be \$520,000 representing no change from the 2014 budget.

The Discount Transit Pass Program is an agreement between the City of Regina and the Ministry of Social Services that provides monthly bus passes at reduced rates for eligible clients and their families. Eligible clients must be participating in one of the following programs:

1. Saskatchewan Assistance Program (SAP)
2. Saskatchewan Assured Income for Disability (SAID)
3. Transitional Employment Allowance (TEA)
4. Provincial Training Allowance (PTA)
5. Saskatchewan Employment Supplement (SES)

From 2010-2013, the Government of Saskatchewan has been funding 37% of the program costs. Payments are received quarterly. The total 2014 grant is not final as it is dependent on the number of passes sold in the fourth quarter.

Urban Highway Connector Program

The City of Regina signed an agreement on April 1, 2011 to participate in the Urban Highway Connector Program (UHCP) developed by the Saskatchewan Ministry of Highways and Infrastructure (the Ministry). The Ministry will review the size of the payment every two years to determine whether an adjustment should be made.

The UHCP includes public highways located in a municipality that connects two provincial highways. This program provides annual Operations and Maintenance (O&M) Grants to maintain the following assets:

- Roadways
- Bridges and overpasses
- Expressway lighting
- Signs
- Pavement markings
- Winter road maintenance

In the initial stages of the program, maintenance needs were discussed with the Ministry to determine the funding levels required to maintain these assets. The total funding provided by the O&M grants to do so is \$386,000 for 2015.

Rehabilitations, Capital Projects and Transportation Planning Grants are determined through an application process on a project-by-project basis and final approval of the provincial budget. All grants are funded based on the level of provincial interest.

Affordable Home Ownership Program

The 2015 budget for the Affordable Home Ownership program is \$470,000 representing 94 affordable home units being constructed in the year.

The Affordable Homeownership Program (AHOP) is a provincial funding program for homeownership to which the City is enrolled. The City was accepted into the AHOP program in 2013. Funding from the province (Saskatchewan Housing Corporation) is provided to the City for each unit receiving a capital grant through the city's housing incentives policy. The amount is the equivalent to the five-year education tax on the property up to \$5,000 per unit. These funds are used as partial funding for our capital incentive grant program.

Licences, Levies and Fines Detail (\$000s)

Revenue Source	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Licences					
Business Licences	1,600.0	910.0	945.0	(655.0)	(40.9)
Animal Control and Impoundment	485.0	485.0	485.0	-	-
Taxi Licences	100.0	160.0	100.0	-	-
Levies and Other Taxes					
Paved and Gravel Alley Special Tax	4,689.1	3,073.4	5,121.2	432.1	9.2
Amusement Tax	700.0	680.0	700.0	-	-
Fines					
Court Fines	3,300.0	3,300.0	3,300.0	-	-
Parking Tickets	3,403.6	3,408.3	3,403.6	-	-
Animal Fines	181.9	181.9	181.9	-	-
Impound Fees	20.0	20.0	20.0	-	-
Fire Bylaw Violations	30.0	7.0	15.0	(15.0)	(50.0)
Total	14,509.6	12,225.6	14,271.7	(237.9)	(1.6)

The authority for licensing is Section 8 of *The Cities Act*. The majority of the licences issued by the City are pursuant to *The Licensing Bylaw, 2007*.

Business Licences

The 2015 budget for business licences is \$945,000, a decrease of \$655,000 from a year ago. There are two categories of business licences. There's the Resident Business Licence fee of \$225 and the Non-Resident Business Licence fee of \$450, as approved by Council through the adoption of report CR06-88. About 3,400 licences are issued every year, 95% of which are to residents with 5% to non-residents.

The following table details the business licence revenue (budget to actual/forecast) since 2010.

Business Licence Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	700.0	700.0	730.0	730.0	1,600.0	945.0
Actual/2014 August Forecast	733.0	816.3	832.4	790.3	910.0	-
Variance	33.0	116.3	102.4	60.3	(690.0)	-

Animal Control (includes both Licences and Fines)

The 2015 budget for this program is \$686,900, which is the same as last year. *The Regina Animal Bylaw, 2009*, governs the licensing and fines associated with animal control services, which are contracted by the City of Regina through the Regina Humane Society.

The following table details the animal control revenue (budget to actual/forecast) since 2010.

Amusement Tax Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	600.0	600.0	650.0	700.0	700.0	700.0
Actual/2014 August Forecast	733.1	728.0	752.8	719.9	680.0	-
Variance	133.1	128.0	102.8	19.9	(20.0)	-

Taxi Licences

The 2015 budget for taxi licences is \$100,000 representing no change over the 2014 budget. The taxicab owner's annual licence fee is \$375 for regular, temporary, seasonal and accessible taxicab owners. These fees are governed by the *Regina Taxi Bylaw*. All fees collected are used for the cost of the administration to run the licensing program.

Paved and Gravel Alley Special Tax

Funding for maintenance and reconstruction of alleys is derived from a Paved and Gravel Alley Special Tax levied pursuant to Section 275 of *The Cities Act*. It is levied against all properties that abut an alley and is billed in conjunction with property taxes.

The 2015 budget of \$5,121,200 is \$432,100 higher than a year ago. This year's figure reflects an increase in labour, equipment and materials, along with an increase in administrative corporate overhead. There is also deferred revenue collected in prior years that will be expended in 2015.

The following table details rates for alleys and lanes since 2010.

Assessable Rates	2010	2011	2012	2013	2014	2015
Paved and Upgraded Alleys	\$2.72/ft	\$2.88/ft	\$3.09/ft	\$3.56/ft	\$3.90/ft	\$3.85/ft
Gravel Alleys	\$1.71/ft	\$1.81/ft	\$2.04/ft	\$2.33/ft	\$2.57/ft	\$2.71/ft

If the special tax levy is not fully expended in the designated year, the unspent portion is recognized as deferred revenue and placed into revenue which will be expended for the intended purpose in subsequent years. Deferred revenue from prior periods will be expended in 2015.

The rate increase for 2015 is consistent with the direction adopted by City Council to ensure the alley inventory is maintained at an acceptable and sustainable condition. The standard is the provision of a 30-year reconstruction cycle in paved alleys and a 10-year systematic gravel refreshment cycle in gravel alleys.

Amusement Tax

The authority for amusement tax is Section 279 of *The Cities Act, Bylaw 2003-102*, the *Amusement Tax Bylaw*, establishes the amusement tax rate and defines the nature of entertainment that is subject to the tax. The amusement tax is applicable to the sale of movie tickets, and equal to 10%, with one-tenth of the amount going to the theatre as an administrative fee or commission for collecting the tax.

The projected revenue from the amusement tax is \$700,000 for 2015, the same as a year ago. The administrative fee or commission is \$70,000.

The following table details the amusement tax revenue (budget to actual/forecast) since 2010.

Amusement Tax Revenue (\$000's)	2010	2011	2012	2013	2014	2015
Budget	600.0	600.0	650.0	700.0	700.0	700.0
Actual/2014 August Forecast	733.1	728.0	752.8	719.9	680.0	-
Variance	133.1	128.0	102.8	19.9	(20.0)	-

Court Fines

The projected revenue from court fines for 2015 is \$3.3 million, the same as last year.

Court fines are received either through the municipal court or through traffic violations that result in payment through the provincial court system. The Regina Police Service issues tickets for infractions of *The Traffic Safety Act* and the City of Regina *Traffic Bylaw*.

The following table details the court fine revenue (budget to actual/forecast) since 2010.

Court Fines Information (\$000s)	2010	2011	2012	2013	2014	2015
Fine Revenue:						
Budget	3,100.0	3,100.0	3,100.0	3,300.0	3,300.0	3,300.0
Actual/2014 August Forecast	3,256.5	3,462.2	4,134.6	3,585.5	3,300.0	-
Variance	156.5	362.2	1,034.6	285.5	-	-

While the Province administers and enforces the collection of tickets, they deduct the following charges from the fine revenue remitted to the City:

- A court security fee of \$320,000 per year.
- An administration fee of 25% of the value of the tickets collected, plus the costs for credit and debit cards and collection agency fees.

Parking Ticket Fines

The projected revenue from parking fines for 2015 is \$3.4 million, the same as last year.

Fines and regulations for parking tickets are established in *The Regina Traffic Bylaw No. 9900*.

Fines increased January 1, 2014. Parking fines range from \$55 to \$200 depending on the violation.

The following table provides a summary of the parking fine revenue since 2010 along with information on the tickets issued and paid as well as other related information.

Parking Ticket Information	2010	2011	2012	2013	2014	2015
Parking Ticket Fines (\$000s):						
Budget	1,625.0	1,625.0	1,750.0	2,703.6	3,403.6	3,403.6
Actual/2014 August Forecast	1,445.1	1,564.9	1,946.4	2,412.0	3,408.3	-
Variance	(179.9)	(60.1)	196.4	(291.6)	4.7	-
Parking Tickets:						
Tickets Issued - City	68,482	65,526	83,816	110,746	-	-
Tickets Issued - Wascana/University	20,541	22,904	18,306	16,697	-	-
	89,023	88,430	102,122	127,443	-	-
Tickets Paid	75,707	75,278	83,858	105,915	-	-

Fire Bylaw Violations

The projected revenue from fire bylaw violations for 2015 is \$15.0 thousand, which is a \$15,000 reduction over the 2014 budget. These are fines issued for non-compliance with the regulations as set out in the *Regina Fire Bylaw 2005-18*.

Fees and Charges Detail (\$000s)

Revenue Source	2014 Budget	Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Landfill Fees	17,000.0	16,356.4	17,120.0	120.0	0.7
Recycling Fees	5,992.5	5,992.5	5,906.5	(86.0)	(1.4)
Transit & Paratransit Fees	7,895.1	8,429.1	9,428.1	1,533.0	19.4
Building Permit Fees	4,000.0	5,000.0	5,241.0	1,241.0	31.0
Development Application Fees	2,421.5	2,649.4	2,207.1	(214.4)	(8.9)
Golf Courses	2,894.4	2,904.1	2,962.5	68.1	2.4
Cemeteries	1,033.6	1,033.6	1,084.8	51.2	5.0
Parking Fees	3,030.0	2,762.8	2,865.7	(164.3)	(5.4)
Registered Program & Recreation Fees	3,354.6	3,267.2	3,532.4	177.8	5.3
Facility Rentals & Operating Agreements	4,365.5	4,660.6	4,575.2	209.7	4.8
Fire Suppression Fees	280.2	440.2	425.4	145.2	51.8
Street & Block Permits & Fees	130.0	132.0	130.0	-	-
Taxation Admin & Appeal Fees	229.0	231.0	271.0	42.0	18.3
Towing, Auction & Salvage & Inspection Fees	499.0	696.5	599.0	100.0	20.0
False Alarm Fees	50.3	50.0	50.3	-	-
Saskatchewan Lotteries Grant	305.7	305.7	305.1	(0.6)	(0.2)
Miscellaneous Revenue	1,898.6	1,424.8	792.9	(1,105.7)	(58.2)
Total	55,380.0	56,335.9	57,497.0	2,117.0	3.8

Landfill Fees

The 2015 budget for landfill fees is \$12.4 million, an increase of \$120,000 from a year ago. The landfill tipping fees are \$75/tonne and the private vehicle rate is \$15/vehicle.

The following table details landfill revenue collected from external parties (budget to actual/forecast) since 2010.

Landfill Revenue (\$000s)	2010	2011	2012	2013	2014
Budget	5,368.0	6,478.0	8,635.0	11,490.0	12,300.0
Actual/2014 August Forecast	6,037.5	7,806.1	9,576.8	11,711.8	12,300.0
Variance	669.5	1,328.1	941.8	221.8	-

In addition, to the fees collected from private haulers, City departments, such as solid waste collection, pay landfill tipping fees through an internal allocation. This is done at the same tipping fee unit price as for all other users to ensure that landfill revenues reflect the full cost of providing the landfill service.

Recycling Fees

The 2015 budget for recycling revenue is \$5.91 million, a decrease of \$86,000 from a year ago.

City Council set recycling fees for a three-year period starting July 1, 2013 through report CR12-133. The approved daily fee of \$0.25 per household is charged to residents through their utility bill. Recycling services are provided through a third party. A portion of the revenue in the table below comes from a 25% share from the sale of the recyclable materials.

The following table details recycling revenue (budget to actual/forecast) since 2013.

Recycling Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	-	-	-	3,366.2	5,992.5	5,906.5
Actual/2014 August Forecast	-	-	-	2,899.1	5,992.5	-
Variance	-	-	-	(467.1)	-	-

Transit Fees and Charges

The 2015 budget for Transit revenues is \$9.4 million, an increase of \$1.5 million compared to a year ago. Transit revenues include cash fares, ticket and pass sales for both transit and paratransit services. The budgeted amounts reflect Council-approved fare increases, which come into effect January 1, 2015.

The following table details transit revenues and fare prices (budget to actual/forecast) since 2010.

Transit & Paratransit Fees (\$000s)	2010	2011	2012	2013	2014	2015
Transit Operations Revenue:						
Budget	6,476.4	6,798.3	6,920.3	7,213.5	7,263.5	8,783.5
Actual/2014 August Forecast	6,827.6	7,419.5	7,657.9	7,996.1	7,669.5	-
Variance	351.2	621.2	737.6	782.6	406.0	-
Paratransit Services Revenue:						
Budget	406.6	406.6	406.6	631.6	631.6	644.6
Actual/2014 August Forecast	412.8	441.2	714.8	781.3	759.6	-
Variance	6.2	34.6	308.2	149.7	128.0	-
Transit Operations Rates(\$):						
Cash Fares:						
Adult	2.50	2.50	2.50	2.50	2.50	2.75
Youth	2.00	2.00	2.00	2.00	2.00	2.25
Tickets (10 tickets):						
Adult	20.00	20.00	20.00	20.00	20.00	24.50
Youth	15.00	15.00	15.00	15.00	15.00	20.00
Bus Pass:						
Adult (monthly)	62.00	62.00	62.00	62.00	62.00	75.00
Post Secondary (monthly)	53.00	53.00	53.00	53.00	53.00	65.00
Youth (monthly)	47.00	47.00	47.00	47.00	47.00	55.00
Senior (semi-annual)	101.00	101.00	101.00	101.00	101.00	120.00
Senior (annual)	202.00	202.00	202.00	202.00	202.00	240.00
Discounted Pass (monthly)	20.00	20.00	20.00	20.00	20.00	25.00
Paratransit Services Rates:						
Cash Fares	2.50	2.50	2.50	2.50	2.50	2.75
Tickets (10 Tickets)	20.00	20.00	20.00	20.00	20.00	24.50
Punch Pass (40 uses)	100.00	100.00	100.00	100.00	N/A	N/A

Building Permit and Development Application Fees

The 2015 budget for building permit fees is \$5.2 million, an increase of \$1.2 million from a year ago. Building permit and development application fees are 100% cost recovery for all fee-for-service activities. Future growth will pay for itself with full cost recovery and will reduce the amount of taxpayer dollars required to fund the building permit and development planning services provided by the City.

The following table details building permit fees (budget to actual/forecast) since 2010.

Building Permit Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	1,406.1	2,919.2	3,313.1	3,313.1	4,000.0	5,241.0
Actual/2014 August Forecast	2,301.4	3,732.7	6,092.1	5,896.6	5,000.0	-
Variance	895.3	813.5	2,779.0	2,583.5	1,000.0	-

Other development fees paid are servicing agreement administrative fees. These are paid to the City by land developers to cover the costs of reviewing and inspecting new infrastructure arising from new developments within the city limits.

Golf Course Revenue

The 2015 budget for golf course revenue is \$2.9 million, an increase of \$68,100 from a year ago. A three-year fee schedule for 2013-2015 was approved by City Council in December 2012. Western Golf Management (WGM) is under contract with the City to operate the Joanne Goulet, Lakeview, Murray and Tor Hill golf courses. As per the management contract, the City receives an annual base fee from WGM along with a percentage of green fees collected. The percentage of green fees varies by course.

The following table details golf course revenue (budget to actual/forecast) since 2010.

Golf Course Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	2,664.7	2,709.3	3,490.1	2,878.3	2,894.4	2,962.5
Actual/2014 August Forecast	2,819.8	2,763.6	3,073.2	2,723.0	2,904.1	-
Variance	155.1	54.3	(416.9)	(155.3)	9.7	-

Cemetery Revenue

The 2015 budget for Cemetery revenue is \$1.1 million, an increase of \$51,200 from a year ago.

A proposed two-year fee schedule, effective January 1, 2014, and January 1, 2015, will feature fee increases of 5% each year. Fee increases are necessary to compensate for rising operating expenses, continue the restoration of existing infrastructure and provide capital funding to develop new interment options. The proposed fees will be in line with those charged by other municipally-operated cemeteries in Saskatchewan and other Western provinces. Cemeteries are operated on a cost-recovery basis.

The following table details cemetery revenue (budget to actual/forecast) since 2010.

Cemetery Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	829.4	880.6	933.2	994.1	1,033.6	1,084.8
Actual/2014 August Forecast	1,007.1	911.4	1,088.4	1,058.9	1,033.6	-
Variance	177.7	30.8	155.2	64.8	-	-

Parking Fees

The budget for parking fees for 2015 is \$2.9 million and includes parking meter revenues as well as fees paid by City employees for parking spots, residential parking permits and taxi stand permits. The majority of the projected revenue (\$2.2 million) is related to public parking meter revenues. The parking meter rate is \$2 per hour which is consistent with meter rates in other Canadian cities and off-street parking costs in the downtown.

The following table details public parking meter revenue (budget to actual/forecast) since 2010.

Public Parking Meter Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	1,400.0	1,400.0	1,400.0	1,400.0	2,383.3	2,199.6
Actual/2014 August Forecast	1,388.4	1,353.8	1,433.4	1,426.5	2,076.8	-
Variance	(11.6)	(46.2)	33.4	26.5	(306.5)	-

Registered Program and Recreation Fees

Fees and charges are at cost-recovery levels that establish an acceptable balance between user fees and taxpayer subsidy. A higher level of tax subsidy is deemed to be appropriate where the community at large benefits from an individual's use of a program or service, such as recreation activities for children and youth that focus on water safety, than when the primary beneficiary is an individual, such as activities where adults develop specialized skills. This is a benefits-based approach to establishing cost recovery levels.

To reflect this, cost recovery levels for City services that are less specialized and targeted mostly at children and youth, such as outdoor pools, athletic fields and neighbourhood centres, have been set between 15% to 25%, with the community sharing between 75% to 85% of the cost through tax subsidies. Cost recovery levels for services that are more specialized, such as fitness and aquatic facilities, arenas, and the Neil Balkwill Civic Arts Centre, have been set between 40% and 50%, with the community subsidizing between 50% to 60% of the cost through tax subsidies. Where other service providers exist in Regina, such as for fitness and aquatics services, rates reflect the market value for those services. This ensures that the City's provision of services at subsidized rates does not discourage other entrepreneurs from providing similar services in the marketplace.

The City also offers an Affordable Fun Program, which provides further subsidies for citizens who have financial barriers to participation. Through it, individuals who meet established criteria are able to purchase leisure passes and register in programs at a subsidized rate.

The strategy for fees and charges for sport, culture and recreation facilities is currently being reviewed. Recommendations will be presented to committee and Council in the coming months. The budget proposal does not reflect any assumed fee changes.

Fire Suppression Service Fees

The 2015 budget for Fire Suppression Service revenue is \$425,400, an increase of \$145,200 from last year.

The majority of this comes from fees from service agreements with the Rural Municipality of Sherwood, the Rural Municipality of Lumsden and other entities such as the Sakimay and Global Transportation Hub. The fees have two components – retainer fees and service call fees. The service call fees are charged per incident and are billed to the rural municipality. Other fire suppression service fees are received from Saskatchewan Government Insurance for motor vehicle accidents and fires.

Other Revenue Detail (\$000s)

Revenue Source	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Electrical Distribution	30,836.3	32,770.0	33,650.0	2,813.7	9.1
Gas Distribution	5,800.0	7,000.0	7,000.0	1,200.0	20.7
Interest	12,307.9	12,904.0	12,944.0	636.1	5.2
Tax Penalties	1,050.0	1,250.0	1,050.0	-	-
Local Improvement Interest	75.0	87.7	75.0	-	-
Admin Fee - GTHA	-	38.0	30.0	30.0	-
Interfund Transfers					
Utility Access Fee	8,002.9	8,002.9	8,494.5	491.6	6.1
Utility Administration	5,501.0	5,501.0	5,386.6	(114.4)	(2.1)
Buffalo Pound Water Admin. Board	32.6	32.6	32.6	-	-
Transfers from Reserves					
General Fund Reserve	1,680.5	1,680.5	440.0	(1,240.5)	(73.8)
RRI - Stadium Reserve	806.9	2,149.1	7,667.2	6,860.3	850.2
Social Development Reserve	-	1,079.2	1,345.0	1,345.0	-
Employee Provided Parking Reserve	44.0	44.0	44.0	-	-
Benefit Reserve	-	-	33.0	33.0	-
SAF	-	83.3	-	-	-
Transfer between reserves	-	3,300.0	-	-	-
Total	66,137.1	75,922.3	78,191.9	12,054.8	18.2

Electrical Distribution Revenue

The projected revenue for 2015 is \$33.6 million, an increase of \$2.8 million from a year ago, and is based on a five-year average of revenue received from SaskPower.

The City receives a 10% municipal surcharge, which is added to a customer's bill, and 5% of the SaskPower revenues within the city limits, which is called a "payment in lieu of taxes."

The following table details the electrical revenue (budget to actual/forecast) since 2010.

Electrical Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	28,261.5	29,556.6	28,500.0	29,636.3	30,836.3	33,650.0
Actual/2014 August Forecast	28,632.9	30,060.8	30,074.5	32,842.5	32,770.0	-
Variance	371.4	504.2	1,574.5	3,206.2	1,933.7	-

Natural Gas Distribution Revenue

The projected revenue for 2015 is \$7.0 million, an increase of \$1.2 million from a year ago.

The City receives revenues from SaskEnergy and its TransGas subsidiary from the consumption of natural gas. For SaskEnergy, there is a 5% surcharge (payment in lieu of taxes) which is added to a customer's bill. For customers who purchase natural gas from another supplier, TransGas delivers the natural gas and then bills for the transportation costs. TransGas also collects a 5% payment in lieu of tax paid to the City, which is calculated on the costs of transportation, plus a deemed cost of gas calculated in accordance with regulations. The deemed cost of gas is calculated using the average cost of gas determined by Saskatchewan Industry and Resources.

The following table details the gas revenue (budget to actual/forecast) since 2010.

Gas Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	8,655.0	5,398.5	6,800.0	6,700.0	5,800.0	7,000.0
Actual/2014 August Forecast	6,875.1	6,644.6	5,620.3	6,739.5	7,000.0	-
Variance	(1,779.9)	1,246.1	(1,179.7)	39.5	1,200.0	-

Investment Income (Interest)

The 2015 budget for interest earnings is \$12.9 million, an increase of \$636,100 from a year ago. They are a combination of earnings on daily bank balances, short-term investments in money market funds, and revenue from funds held in a long-term bond fund. Investments are made in accordance with the City's investment policy and are executed by Northern Trust.

The following table details the interest revenue (budget to actual/forecast) since 2010.

Interest Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	5,066.1	5,066.1	8,319.0	7,713.0	12,307.9	12,944.0
Actual/2014 August Forecast	10,948.2	6,907.2	9,470.8	7,315.2	12,904.0	-
Variance	5,882.1	1,841.1	1,151.8	(397.8)	596.1	-

Tax Penalties

The 2015 budget for tax penalties is \$1.05 million, unchanged from a year ago. Tax penalties are applicable to current taxes not paid by June 30 each year as well as tax arrears. The exception for current taxes is where property owners pay through Tax Installment Payment Plan Service (TIPPS) program. The penalty rate for current taxes is 1.25% per month and 1.5% per month for tax arrears.

The following table details the tax penalty revenue (budget to actual/forecast) since 2010.

Tax Penalty Revenue (\$000s)	2010	2011	2012	2013	2014	2015
Budget	975.0	975.0	975.0	1,050.0	1,050.0	1,050.0
Actual/2014 August Forecast	991.9	1,010.8	1,014.1	1,137.2	1,250.0	-
Variance	16.9	35.8	39.1	87.2	200.0	-

Water and Sewer Utility Transfers

For 2015, the utility transfers are \$13.9 million, an increase of \$377,200 from a year ago.

Transfers from the Water and Sewer Utility include an access fee paid to the general operating fund and a utility administration charge.

The access fee is calculated based on 7.5% of the previous year's budgeted revenues from billed water consumption, wastewater charges and a drainage infrastructure levy and \$675,000, which is estimated to be three-sevenths of the Goods and Services Tax (GST) rebate received by the Utility. This amount is the additional rebate which has been provided by the federal government since 2004.

The utility administration charge is calculated as 5% of the budgeted utility revenues for the prior year. Most corporate functions, including City Council, committees, the city manager, human resources, the City solicitor's office, the City clerk's office, as well as accounting, budgeting, and purchasing, are involved in activity related to the Water and Sewer Utility. The percentage transfer is used in lieu of a more detailed cost-allocation process, which would still involve arbitrary decisions and would significantly increase the effort and cost required compared to the current policy.

The following table provides the actual/budgeted utility transfers since 2010.

Water & Sewer Utility Transfers (\$000s)	2010	2011	2012	2013	2014	2015
Access Fee paid to the General Operating Fund						
Base Access Fee	5,198.9	5,701.9	6,206.2	6,705.9	7,327.9	7,819.5
GST Rebate Transfer	675.0	675.0	675.0	675.0	675.0	675.0
Total Access Fee paid to the General Operating Fund	5,873.9	6,376.9	6,881.2	7,380.9	8,002.9	8,494.5
Utility Administration Charge Transfer	3,519.5	3,853.4	4,350.3	4,708.3	5,501.0	5,386.6
Total Transfers	9,393.4	10,230.3	11,231.5	12,089.2	13,503.9	13,881.1

Transfers from Reserves

The operating budget includes transfers of \$9.1 million from reserves to cover operating costs. The majority of the transfers (\$7.7 million) are associated with the Regina Revitalization Initiative to cover the borrowing costs for this project.

Details of all the reserve activity and projected 2015 year-end balances can be found in the 2014-2019 Reserve Continuity Schedule (Table 1).

2015 – 2019 Capital Plan

The 2015 Capital Plan addresses the City's most critical capital needs to support the strategic plans and aging infrastructure. The focus of the capital plan is two-fold:

1) Capital Programs: These are ongoing investments for renewal and rehabilitation work for the City's major infrastructure assets to keep them in good working condition and prevent further deterioration. These investments; however, do not reflect the full cost required to maintain the entire infrastructure at an optimal and sustainable condition. Each program is designed to maintain a specific infrastructure asset. Investment decisions are based on maintaining a certain condition level determined by the asset's age or condition index such as fair, good or excellent.

2) Capital Projects: These are investments in new assets required due to the City's growth. They include the expansion of existing assets, such as roads, or the acquisition or construction of new assets, such as recreation facilities. Projects have a defined start date and end date and can take several years to complete.

The majority of Regina's capital needs continue to be related to infrastructure such as roads, bridges, fleet and facilities. This is reflected in the 2015 recommended investment plan, excluding the Regina Revitalization stadium project.

2015-2019 Capital Investment Plan – Programs (\$000s)

Asset Class	2015 Carry-forward	2015	2016	2017	2018	2019
Asphalt Plant Renewal	389.9	-	-	150.0	150.0	150.0
Bridge Infrastructure Renewal	9,046.7	3,500.0	8,830.0	6,900.0	6,580.0	6,900.0
Cemeteries	30.0	165.0	115.0	100.0	100.0	100.0
City Centre Development	-	30.0	30.0	30.0	30.0	30.0
Facilities	4,203.6	5,300.0	4,985.0	5,185.0	5,160.0	5,075.0
Fire & Protective Services	-	70.0	40.0	40.0	40.0	540.0
Fleet	3,474.7	10,978.5	10,790.4	8,350.2	12,091.0	12,208.0
Golf Courses	60.0	350.0	225.0	375.0	375.0	375.0
Information Technology	395.0	450.0	700.0	1,200.0	1,200.0	1,200.0
Landfill	673.3	-	5,000.0	3,000.0	-	-
Open Space Restoration	-	25.0	50.0	50.0	50.0	25.0
Other Capital Initiatives	-	15.0	15.0	15.0	15.0	-
Other Transportation Projects	-	-	50.0	-	50.0	50.0
Outdoor Play Amenities	40.1	300.0	225.0	225.0	225.0	230.0
Recreation Facilities	202.3	1,162.7	1,045.0	1,045.0	895.0	1,040.0
Roadway Network Improvements	9.5	25.0	25.0	25.0	25.0	25.0
Street Infrastructure Renewal	4,338.4	21,672.3	21,745.7	21,820.6	21,897.0	21,975.0
Streetscape	123.0	84.0	124.0	209.0	167.0	228.2
Traffic Control & Safety	200.0	2,700.0	2,280.0	2,140.6	2,371.8	2,280.0
Transit	250.2	-	-	-	-	-
Waste Collection	-	480.0	480.0	480.0	480.0	480.0
Police	-	2,763.7	2,878.0	2,712.0	1,502.9	2,692.3
Grand Total	23,436.6	50,071.2	59,633.1	54,052.4	53,404.7	55,603.5

Funding Source	2015	2016	2017	2018	2019
Reserves	15,383.5	21,810.4	16,975.2	13,831.0	13,948.0
Current Contributions	21,481.0	22,822.2	22,157.7	25,284.0	27,158.2
Current Contributions (Police)	2,763.7	2,878.0	2,712.0	1,502.9	2,692.3
Gas Tax (GT)	9,218.0	11,508.8	11,508.8	12,088.1	11,088.1
Development Fees	1,225.0	613.8	698.8	698.8	717.0
Grand Total	50,071.2	59,633.1	54,052.4	53,404.7	55,603.5

* The 2015 carry-forward numbers represent previous year's funding approved for the program that is anticipated to be carried over to 2015. The reasons for the carry-forward can be two-year contracts with the vendor to complete the work or in the case of the Fleet Replacement, the vehicles have been ordered but they will not be delivered until 2015.

** The Street Infrastructure Renewal program includes the dedicated funding for the Local Roadway Improvement program targeted to residential roads. This is equivalent to a 2% mill rate increase (1% was approved in 2014 with an additional 1% in 2015).

2015-2019 Capital Investment Plan – Projects

(\$000s)

2014 to 2019 Capital Spending Plan - Projects - as per August 2014 Variance							
Type	Asset Class	2015 Carry-forward	2015	2016	2017	2018	2019
Project	Cemeteries	-	20.0	-	-	-	-
	City Centre Development	155.6	-	-	-	-	-
	Facilities	7,525.6	2,035.0	17,530.0	24,090.0	10,290.0	7,560.0
	Fire & Protective Services	50.7	571.5	802.6	488.4	495.1	-
	Information Technology	55.0	679.0	550.0	400.0	-	-
	Land Development	16,190.3	11,565.0	10,800.0	17,970.0	5,100.0	-
	Landfill	8,532.3	6,650.0	3,600.0	3,600.0	3,600.0	3,600.0
	Landscape Design	-	-	-	-	-	-
	Official Community Plan	270.0	-	-	-	-	-
	Open Space Upgrades & New Development	5,675.0	835.0	400.0	270.0	-	-
	Other Capital Projects - Community Services	-	-	-	-	-	-
	Other Transportation Initiatives	4,172.5	795.0	425.0	625.0	-	-
	Outdoor Play Amenities	-	-	-	-	-	-
	Parking Enforcement	-	-	-	-	-	-
	Recreation Facilities	503.5	757.0	110.0	110.0	110.0	-
	Regional Planning	150.0	-	-	-	-	-
	Roadway Network Improvements	1,614.3	15,810.0	24,750.0	35,575.0	11,575.0	18,975.0
	Street Infrastructure Renewal	5,500.0	-	-	-	-	-
	Streetscape	-	375.0	-	-	-	-
	Traffic Control & Safety	850.0	1,515.0	-	-	-	725.0
	Transit	136.1	256.0	86.0	-	-	-
	Unused Funding Returned	972.6	-	-	-	-	-
	Waste Collection	2,235.0	-	-	-	-	-
Project Total		54,588.5	41,863.5	59,053.6	83,128.4	31,170.1	30,860.0
Special Project	Regina Revitalization Initiative	52,543.2	164,465.0	25,359.0	12,500.0	-	-
Special Project Total		52,543.2	164,465.0	25,359.0	12,500.0	-	-
Committed Project	Info Tech Business Transformation	505.1	3,850.0	1,000.0	-	-	-
	North Central Shared Facility	-	3,000.0	3,000.0	860.0	-	-
Committed Project Total		505.1	6,850.0	4,000.0	860.0	-	-
Grand Total							
Grand Total		107,636.8	213,178.5	88,412.6	96,488.4	31,170.1	30,860.0
Type	Funding Source		2015	2016	2017	2018	2019
Projects	Current Contributions		3,335.8	7,396.1	12,310.9	10,827.6	9,476.9
	Reserves		18,494.2	24,610.0	30,910.0	3,800.0	3,600.0
	Developer Contributions		5,601.0	4,020.0	1,350.0	-	-
	Gas Tax (GT)		1,750.1	-	-	-	-
	Other External		229.0	-	-	-	-
	Provincial Grant		105.0	-	-	-	-
	Development Fees		12,348.4	21,257.5	35,407.5	14,052.5	17,033.1
Projects Total	New Building Canada Fund (NBCF)		-	1,770.0	3,150.0	2,490.0	750.0
			41,863.5	59,053.6	83,128.4	31,170.1	30,860.0
Committed Projects	Current Contributions		6,850.0	4,000.0	860.0	-	-
Committed Projects Total			6,850.0	4,000.0	860.0	-	-
Special Projects	Debentures		139,465.0	12,859.0	-	-	-
	Private Sports Groups		-	12,500.0	12,500.0	-	-
	Provincial Grant		25,000.0	-	-	-	-
Special Projects Total			164,465.0	25,359.0	12,500.0	-	-
Grand Total			213,178.5	88,412.6	96,488.4	31,170.1	30,860.0

* The 2015 carry-forward numbers represent previous year's funding approved for the program that is anticipated to be carried over to 2015. The reasons for the carry-forward can be two-year contracts with the vendor to complete the work or delivery of the asset will not take place until 2015.

Committed Projects

The 2014 capital spending plan includes committed projects, which are multi-year projects commencing in 2015. They require additional funding in future years that was not requested as part of the 2015 funding plan. As such, the Administration is recommending that Council approve the total project costs for these committed projects as follows:

- Business Transformation Program - \$4,850,000 (2015 and 2016 amounts)
- North Central Shared Facility - \$6,860,000 (2015 – 2017 amounts)

This allows the City to commit the total cost of the project from tendering through to the completion of the work while allowing flexibility in the cash management.

Note: The full detail of the five-year capital plan, including a list of all planned projects, is available at Regina.ca.

City Capital Funding

The City is using more of its own sources of financing to cover infrastructure costs. A significant portion of the capital funding comes from current operating contributions appropriated from the operating budget.

The operating budget also covers the repayment of debt issued to fund capital projects. In accordance with Section 129(1) of *The Cities Act*, the budget is to include **“the amount to be transferred to the capital budget”** and in accordance with Section 129(1)(b), it is also to include **“the amount needed to pay all debt obligations with respect to borrowings of the City.”**

The contributions to capital include two components – funding the capital budget as submitted by the Board of Police Commissioners and funding the civic portion of the General Capital Budget (excluding the capital budget for the Regina Police Service).

Operating Costs for Capital Investments (\$000s)

Expenditures	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Contributions to Capital - Civic	29,432.4	29,432.9	31,667.0	2,234.6	7.6
Contributions to Capital - Police	2,000.5	2,000.5	2,764.0	763.5	38.2
Debt Charges ¹	12,352.7	12,310.8	13,746.2	1,393.5	11.3
Total	43,785.6	43,744.2	48,177.2	4,391.6	10.0

Note: Debt charges includes debt payments related to financing for the General Capital Program \$2.293 million as well as the Stadium Project \$11.453 million. Debt payments for the Stadium Project are funded by dedicated revenues sources, including 0.45% mill rate increase, any interest revenue earned by the project and by a withdrawal from the Stadium Project Reserve, if required. The funding and financing model for the Stadium Project was approved by City Council January 28, 2013.

Debt

The five-year capital plan will require the City to take on some additional debt. The chart below identifies the debt plan over the five years.

(\$000s)	2015					
	Opening Balance	New Issue	Closing Balance	Principal	Servicing Cost Interest	Total Payments
General Capital	18,280.1	-	16,836.1	1,444.0	849.4	2,293.4
RRI	197,904.4	-	194,431.3	3,479.8	7,973.0	11,452.8
Utility Capital	59,009.1	79,232.0	137,335.1	906.0	532.9	1,438.9
Other Debt - Evraz Municipal Corp	1,700.0	-	1,500.0	200.0	99.0	299.0
2015 CityTotal	276,893.6	79,232.0	350,102.5	6,029.8	9,454.3	15,484.1

(\$000s)	2016-2019					
	Opening Balance	New Issue	Closing Balance	Principal	Servicing Cost Interest	Total Payments
General Capital	16,836.1	15,000.0	9,750.0	22,086.1	4,722.0	26,808.1
RRI	194,424.6	-	179,023.3	15,401.3	30,410.0	45,811.2
Utility Capital	137,335.1	96,692.8	138,951.3	95,076.6	16,945.8	112,022.4
Other Debt - Evraz Municipal Corp	1,500.0	-	700.0	800.0	276.0	1,076.0
2016-2019 CityTotal	350,095.8	111,692.8	328,424.6	133,364.0	52,353.8	185,717.8

Note 1 - Balloon payment of 12,816,822 scheduled in 2019 to pay off 25.5M General Debt

Note 2 - Balloon payment of 8,041,928 scheduled in 2019 to pay off 16M Utility Debt

Utility debt issue includes P3 WWTP amount of \$78,725,000

Impact of Capital Investment on Operations

The investment in new or additional capital assets adds infrastructure that requires ongoing funding in operations and maintenance. When making capital investment decisions, the ongoing operating impacts need to be considered.

The 2015 capital plan results in an increased operating budget of \$412,600. The additional costs were required to provide resources to support the North Central Shared Facility and the operating costs for the new Douglas Park Support Facility.

Reserve Impacts

In addition to the current operating contributions, the use of reserves to fund capital investments is also increasing. The impact of the use of those funds on the projected 2015 year-end balances for the reserves managed by the City are as follows:

2014-2019 Reserve Continuity Schedule (\$000s)										
Operating Reserves			2014	2015	2015	2015	2016	2017	2018	2019
Minimum Allowable	Maximum Allowable		Projected Ending Balance	Additions	Reductions	Projected Ending Balance	Projected Ending Balance	Projected Ending Balance	Projected Ending Balance	Projected Ending Balance
** 19,423.5	38,847.1	General Fund Reserve	20,627.7	-	- 440.0	20,187.7	20,187.7	20,187.7	20,187.7	20,187.7
300.0	1,500.0	Asphalt Reserve	855.1	200.0	- 100.0	955.1	1,155.1	1,205.1	1,255.1	1,305.1
-	10,000.0	Asset Revitalization Reserve	6,528.7	2,500.0	- 2,500.0	6,528.7	6,528.7	9,728.7	9,728.7	9,728.7
-	625.0	Cemetery Reserve	417.0	12.6	- 185.0	244.6	132.4	35.5	61.1	157.5
400.0	6,000.0	Employer-Provided Parking Reserve	659.8	489.8	- 321.0	828.6	997.4	1,116.2	1,285.0	1,453.8
4,750.0	10,000.0	Fleet Replacement Reserve	7,438.1	13,970.7	- 11,264.5	10,144.3	13,274.6	15,695.1	14,374.9	12,937.6
100.0	750.0	Facilities Reserve	800.0	200.0	-	1,000.0	1,200.0	1,400.0	1,600.0	1,800.0
500.0	2,000.0	Golf Course Reserve	282.5	220.7	- 500.0	3.2	216.2	725.2	1,223.3	1,710.1
-	350.0	Community Investments Grants Reserve	512.5	-	-	512.5	512.5	-	-	-
2,000.0	12,000.0	Land Development Reserve	1,832.8	4,500.0	- 10,900.0	4,567.2	10,567.2	22,067.2	17,567.2	13,067.2
300.0	13,000.0	Solid Waste Reserve	14,662.9	12,437.9	- 9,961.9	17,139.0	5,551.6	3,521.2	5,455.3	14,956.1
-	800.0	Operational Commitments Reserve	160.6	-	- 160.6	-	-	-	-	-
500.0	7,000.0	Planning & Sustainability Reserve	6,726.1	-	- 900.0	5,826.1	5,226.1	4,626.1	4,426.1	4,426.1
-	700.0	Pest Management Reserve	340.9	-	-	340.9	340.9	340.9	340.9	340.9
400.0	2,000.0	Regina Police Service Radio Equip Reserve	110.8	-	-	110.8	110.8	110.8	110.8	110.8
N/A	N/A	Regina Revitalization Initiative Stadium Reserve	709.8	8,172.0	-	8,881.8	8,881.8	8,881.8	8,881.8	8,881.8
N/A	N/A	Social Development Reserve	3,364.4	-	-	3,364.4	3,364.4	3,364.4	3,364.4	3,364.4
400.0	3,000.0	Technology Reserve	567.2	-	- 90.0	477.2	477.2	477.2	477.2	477.2
42.0	84.0	Small Tools	103.8	84.0	- 84.0	103.8	103.8	103.8	103.8	103.8
3,523.0	3,923.0	Winter Road Maintenance Reserve	2,612.0	-	-	2,612.0	2,612.0	2,612.0	2,612.0	-
Total Operating Reserves			69,312.8	42,787.7	(37,407.0)	74,693.5	59,873.7	43,571.9	55,352.0	65,139.2

**These Minimum and Maximum values are based on 2015 Operating Revenues

Table 1: Reserve Continuity Schedule

Note: This table does not include the benefits reserve or any reserve that does not have a balance.

Description of Internal Reserves

All reserves of the City of Regina are established by Council through bylaw. They are subject to established financial policies regarding their use and their financial minimums and maximums.

General Fund Reserve

The General Fund Reserve is the primary general-purpose reserve maintained by the City to cover unforeseen or emergency circumstances or to take advantage of opportunities. Its major sources of funding are any operating surplus and unexpended capital funds originally sourced from the reserve. A suggested minimum balance for the fund is \$19.4 million to \$38.8 million, which represents five to ten per cent of budgeted revenues.

Asphalt Plant Reserve

The Asphalt Plant Reserve funds the capital requirements and maintenance costs of the asphalt plant. It is funded through a \$5 per tonne charge on the asphalt produced in the plant, which is split between funding capital requirements and maintenance.

Asset Revitalization Reserve

The Asset Revitalization Reserve funds the City's strategic capital priorities to manage its growth and revitalization. The major source of funding is interest revenue earned over the budgeted earnings in the annual operating budget.

Cemetery Reserve

The Cemetery Reserve is funded through a transfer of surpluses from cemetery operations while any operating deficits are withdrawn from the reserve to fund the shortfall. The Cemetery Reserve is used to fund capital expenditures for the cemeteries.

Employer Provided Parking Reserve

The Employer Provided Parking Reserve is funded from parking fees paid by employees. The net fees, after deducting operating costs, are transferred to the reserve to fund capital requirements for the parking facilities, which include the parkade at City Hall and parking lots at other civic facilities.

Fleet Replacement Reserve

The Fleet Replacement Reserve is used to fund the replacement of vehicles and equipment for the civic, transit and fire fleets, including support vehicles. It is not, however; used to purchase new equipment that expands the fleet. Additional equipment is funded separately through the capital program. The amount transferred to the reserve each year is the equivalent of the depreciation charged on the existing fleet of vehicles and equipment.

Facilities Reserve

The Facilities Reserve is used to fund capital upgrades for Mosaic Stadium. The funding comes from rent collected from the Saskatchewan Roughriders.

Golf Course Reserve

The Golf Course Reserve is used to fund capital expenditures for the City's golf courses and is funded through a transfer from the General Operating Budget. Operating surpluses and an allowance for administrative costs are transferred to the Golf Course Reserve. Conversely, any operating deficits are withdrawn from the reserve to fund the shortfall.

Community Investments Grants Reserve

The Community Investments Grants Reserve is funded from unused, but approved, community investment funding. Reserve funding is used to pay for Council-approved community investments.

Land Development Reserve

The Land Development Reserve is funded through a transfer of surpluses from real estate operations. Conversely, any operating deficits are withdrawn from the reserve to cover the shortfall. The funding is used for land development projects within the City.

Solid Waste Reserve

The Solid Waste Reserve is funded through a transfer of surpluses from Landfill and Waste Diversion operations. Conversely, any operating deficits are withdrawn from the reserve to fund the shortfall. This reserve is used to fund capital expenditures for Landfill Operations, Solid Waste Collection and Waste Diversion branches.

Operational Commitments Reserve

The Operational Commitments Reserve is funded through annual operating budgets to smooth the financial impact for items that only happen once every three or four years, such as municipal elections and property assessment revaluations.

Planning and Sustainability Reserve

This reserve is used to fund planning and sustainability capital projects. Its funding comes from the year's net operating revenue and expenditures from the Planning and Sustainability Department fee-for-service development activities. Conversely, any operating deficits are withdrawn from the reserve to fund the shortfall.

Pest Management Reserve

The Pest Management Reserve manages the difference from the budget and actual expenditures associated with the pest control program. Over expenditures are funded from the reserve and under expenditures are transferred to the reserve.

Regina Police Service Radio Equipment Reserve

This reserve funds capital or operating expenditures for communications investments. It is funded by the Regina Police Service's radio shop, which provides maintenance for the trunked radio system used by both the police and the City.

Regina Revitalization Initiative Stadium Reserve

The Regina Revitalization Initiative Stadium Reserve is used to fund stadium capital projects or a loss in stadium operations. It is funded by the net revenue and net capital funding from stadium operating projects plus interest revenue.

Social Development Reserve

The Social Development Reserve is funded with transfers from the Council-approved general operating budget and revenues from the Land Development Agreement with Saskatchewan Housing Corporation. The money is used for capital projects that advance affordable housing and social development initiatives in Regina.

Technology Reserve

The Technology Reserve is funded from the net revenue from print services. These services are budgeted to provide a small surplus to fund the replacement of equipment for the print services operations, and, if required, offset a shortfall in the operation of the services.

Small Tools Reserve

This reserve is used to fund the replacement of the existing small tools inventory, not for the purchase of new tools. The amount transferred to the reserve each year represents the depreciation on the tools.

Winter Road Maintenance

The Winter Road Maintenance Reserve covers the difference between the budgeted amount for the Winter Road Maintenance Program and actual expenditures. Over expenditures are funded from the reserve and under expenditures are transferred to the reserve. The program includes a range of services such as snow clearing, ice shaving, road salting and sanding and the operation of the City's snow storage site.

Regina Police Service General Reserve

The Regina Police Service General Reserve is used to fund one-time operating expenditures included in the budget and transfers to fund capital projects requested by the Board of Police Commissioners and approved by Council. This reserve is funded with the net revenue from the Regina Police Service's annual operating budget and unexpended capital funds from projects that are either completed or not proceeding.

Operating Budget

City Council and Committees

Overview

City Council is responsible for the governance of the City of Regina, subject to Provincial legislation. Councillors are elected every four years in a municipal election, the last one having taken place on October 24, 2012. The Mayor is elected at large. The City of Regina uses a ward system for electing Councillors, with the city divided into ten wards and one Councillor elected in each one. City Council establishes policies and budgets for the programs and services delivered by the City of Regina. City Council and Committees includes the budgets for:

- Mayor's Office
- City Council, including Councillors' remuneration, the Councillors' travel and communication allowance, support services and other costs related to City Council
- Committees established by City Council
- Memberships in various organizations, including the Saskatchewan Urban Municipalities Association and the Federation of Canadian Municipalities

Operating Expenditure Summary (\$000s)

Expenditures	2014 Budget	Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Office of the Mayor	675.2	675.2	574.6	(100.6)	(14.9)
City Council	638.6	640.0	627.5	(11.1)	(1.7)
Corporate Memberships	130.0	130.0	130.0	-	-
Other Committees	111.2	115.7	91.5	(19.7)	(17.7)
Quasi-Judicial Committees	52.2	94.2	52.2	-	-
Total Operating Expenditures	1,607.2	1,655.1	1,475.8	(131.4)	(8.2)
Transfers to a Reserve	36.3		36.3	-	-
Total Expenditures	<u>1,643.5</u>	<u>1,655.1</u>	<u>1,512.1</u>	<u>(131.4)</u>	<u>(8.0)</u>

Note:

1. City Council adopted *Bylaw 2001-108* that established a formula for the remuneration of the members of City Council. The Mayor's remuneration is 77.3% of a Provincial Cabinet Minister's salary for the prior year. The remuneration for a Councillor is one-third the remuneration of the Mayor.
2. The Transfer to the Reserve represents a transfer of one-quarter of the cost of the municipal election to the Operational Commitments Reserve.

Staff Complement

Full Time Equivalents	2014	2015
Permanent	16.0	15.0
Casual	-	-
Total	<u>16.0</u>	<u>15.0</u>

Community Investments**Overview**

Community investments are payments to individuals or organizations for a variety of purposes and are allocated through the following committees:

- The City Planning and Development Division, through delegated authority from the Community and Protective Services Committee, provides financial support to community associations and organizations that provide arts, cultural, recreation, and community services along with organizations that address social issues.
- The Finance and Administration Committee provides financial support for economic and promotional purposes.
- The Executive Committee provides financial support for special events and funding to the Regina Exhibition Association Limited, the Regina Regional Opportunities Commission (RROC) and the Wascana Centre Authority.

City Council determines the total allocation for the year and the allocation to each committee.

Operating Expenditure Summary (\$000s)

Expenditures	2014 Budget	Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Community & Protective Services Committee	3,359.6	3,359.6	3,359.6	-	-
Finance and Administration Committee					
Henry Baker Scholarships	19.0	19.0	19.0	-	-
Other Economic & Promotional Initiatives ¹	265.0	265.0	265.0	-	-
	<u>284.0</u>	<u>284.0</u>	<u>284.0</u>	-	-
Executive Committee					
EVRAZ Place	400.0	400.0	400.0	-	-
North American Indigenous Games	250.0	250.0	-	(250.0)	(100.0)
Paragon Awards	5.0	5.0	5.0	-	100.0
City of Regina Writing Award	7.0	7.0	7.0	-	100.0
Mayor's Arts & Business Award	10.0	10.0	10.0	-	100.0
Saskatchewan Book Awards	3.0	3.0	5.3	2.3	100.0
Special Events	125.0	125.0	122.7	(2.3)	(1.8)
Corporate Sponsorship Program	50.0	50.0	50.0	-	-
Regina Regional Opportunities Commission	1,122.9	1,122.9	1,719.5	596.6	53.1
Wascana Centre Authority	2,577.9	2,577.9	2,796.9	219.0	8.5
Total Expenditures	4,550.8	4,550.8	5,116.4	565.6	12.4
Transfer to Reserve				-	-
Total	<u>8,194.4</u>	<u>8,194.4</u>	<u>8,760.0</u>	<u>565.6</u>	<u>6.9</u>

Note:

1. The 2015 Budget includes funding of \$5,000 for SUMA and \$5,000 for SARM.

Costing Funds

Across the City of Regina, various divisions and departments provide services to other divisions and departments that are charged out to their operating budgets. The stand-alone costs of providing these services are tracked through **Costing Funds**, the details of which are provided in the budget information for each service provider.

Corporate Administration

City Manager's Office

The City Manager's Office is Council's link to the City Administration. The Office manages key relationships both within the community and across the country. It provides executive direction, strategic guidance and governance support to the corporation and its officials. The Office also provides advice and support on matters of municipal governance, strategy and protocol and ensures the City operates according to its legislative requirements.

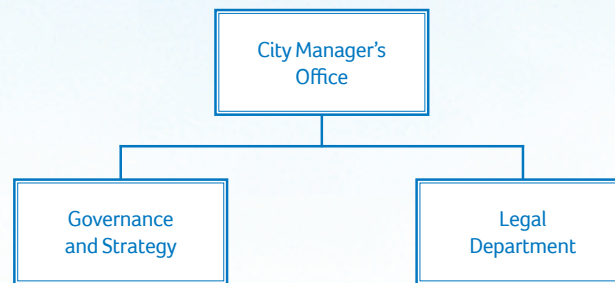


FIGURE 19: ORGANIZATIONAL STRUCTURE OF THE CITY MANAGER'S OFFICE

Overview

The City Manager is responsible for management of civic administration (excluding the Regina Police Service). Appointed by City Council, the City Manager's authority is established by the *City Manager's Bylaw 2003-70* and the *Regina Administration Bylaw 2003-69*. The legal department, the governance and strategy department and the Regina Revitalization Initiative Business Unit also fall under the City Manager's responsibilities.

Legal Department

- Provides legal services and protects the legal interests of the Corporation while advancing business and strategic objectives.
- Prosecutes all bylaw offences and administers the Regina Municipal Division of Provincial Court.
- Oversees risk management, insurance and claims services for the City of Regina, Regina Police Service, Buffalo Pound Water Treatment Plant and Evraz Place.

Governance and Strategy Department

- Provides legislative support to Council and the community through the provision of public notice, the execution of corporate documents, attending and recording the results of all Council meetings, maintaining all City bylaws and records related to the business of City Council and Committees.
- Provides legislative advice and support to the corporation concerning the public's right to access corporate information, the protection of individuals' privacy and the management and historical preservation of corporate records and information.
- Leads the development of strategic communications and marketing/branding programs and activities to inform the public about the City's programs and services and how to access them.
- Provides a central point of contact for ongoing relationships with stakeholders, including the provincial and federal governments, surrounding municipalities, other local governing bodies, aboriginal organizations, the Saskatchewan Urban Municipality Association, the Federation of Canadian Municipalities and "twinning" or partner municipalities.
- Coordinates and facilitates the development, deployment and performance reporting of corporate strategy; provides expertise in strategy, policy, critical thinking, and change management. as well as research and thought leadership.

2014 Accomplishments

- The finalizing of design and start of the construction of the new Mosaic Stadium, the first element of the Regina Revitalization Initiative (RRI), which also includes the redevelopment of the Taylor Field neighbourhood and the Canadian Pacific (CP) Container Yards on Dewdney Avenue.
- The finalizing of a multi-year public-private partnership agreement and the start of the construction of the new Wastewater Treatment Plant. The agreement came in under budget by more than \$40 million.
- The finalizing and launch of a new four-year corporate strategic plan. Entitled, “Building the Foundation,” it will guide the City of Regina from 2014 through to 2017.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

The City Manager’s Office is focused on overseeing the City of Regina. This being the case, the strategic issues of the City as a whole are the concern of the City Manager’s Office.

Of primary concern is the long-term sustainability of the services the City delivers to residents. This has a number of different aspects:

- Identifying ways to retain and improve Regina’s quality of life in a financially, socially and environmentally sustainable way.
- Moving to whole-life costing of assets and the development and implementation of long-term asset management plans.
- Reviewing programs and services to ensure they are effective and meeting citizens’ needs and delivered efficiently.
- Examining alternative revenue sources to reduce the burden on taxpayers.
- Improving the City’s overall management and leadership to ensure that it’s able to attract and retain the employees necessary to provide sustainable service delivery.
- Ensuring that employees have the right equipment and a productive work environment.
- Ensuring that citizens are able to understand the connection between the services and service levels that they receive and their cost (taxation and user fees).
- Ensuring that the City understands citizens’ priorities so that we are focusing on their needs.

2015 Priorities

The key strategic issues of the City Manager’s Office feed the broader strategic plan for the corporation. Each business area within the City will have some responsibility for addressing these broad issues. The City Manager’s Office has taken on the following priorities for 2015:

Pension Plan

- The resolution of issues in the Civic Employees’ Pension Plan to ensure fairness for employees and affordability for residents. The proposal that is currently before the pension regulator, if approved, will require an additional annual investment of \$1.8 million by the City of Regina. This increased investment, coupled with a small change in retirement benefits, will pay off 70% of the pension deficit over an amortization period of 40 years. The other 30% of the deficit will be covered through employee contributions.

Strategic Planning and Governance

- Continued oversight of City governance, including ongoing monitoring and review of the corporate strategic plan. Through ongoing engagement with City Council, the public, and the City's operating divisions, the City Manager's Office is able to identify trends, issues, and opportunities at an early stage. That information provides input to the ongoing review and monitoring of the strategic plan so adjustments can be made throughout. This work is already provided for as part of the base operations of the City Manager's Office so there are no budgetary implications.

Program Review

- To improve the ongoing efficiency and effectiveness of City operations, the City Manager's Office will be instituting a program review function in 2015. Details regarding its structure and approach will come early in 2015 but it will be established using available resources.

Public Communications and Engagement

- The development of a corporate communications strategy to encourage public and stakeholder participation in the municipal process and enhance communications about City programs and services to the community. This strategy will assist the City in achieving its goals and objectives.

Office of the City Manager Budget Summary

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Office of the City Manager	2,090.6	2,089.1	6,606.9	4,516.3	216.0
Legal	3,290.9	3,539.5	3,363.0	72.1	2.2
Governance & Strategy	5,947.4	5,919.2	6,096.9	149.5	2.5
Total Operating Expenses	11,328.9	11,547.8	16,066.8	4,737.9	41.8
Transfers to a Reserve	104.8	104.8	104.8	-	-
Total Operating Expenditures	<u>11,433.7</u>	<u>11,652.6</u>	<u>16,171.6</u>	<u>4,737.9</u>	<u>41.4</u>

Note:

1. The Transfer to the Reserve represents a transfer of one quarter of the cost of the municipal election and reassessment to the Operational Commitments Reserve.

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	68.0	68.0
Casual	-	-
Total	<u>68.0</u>	<u>68.0</u>

Office of the City Manager Budget Details

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Administration	882.3	882.3	949.1	66.8	7.6
Regina Revitalization Initiative	740.5	739.0	5,059.4	4,318.9	583.2
Innovation	467.8	467.8	598.4	130.6	27.9
Total Operating Expenditures	<u>2,090.6</u>	<u>2,089.1</u>	<u>6,606.9</u>	<u>4,516.3</u>	<u>216.0</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	9.0	9.0
Casual	-	-
Total	<u>9.0</u>	<u>9.0</u>

Legal Budget Details

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
City Solicitor's Office	1,839.4	2,144.2	1,877.2	37.8	2.1
Bylaw Prosecution	153.8	156.4	158.2	4.4	2.9
Risk Management	260.5	258.9	267.6	7.1	2.7
Insurance	1,037.2	980.0	1,060.0	22.8	2.2
Total Operating Expenditures	<u>3,290.9</u>	<u>3,539.5</u>	<u>3,363.0</u>	<u>72.1</u>	<u>2.2</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	18.0	18.0
Casual	-	-
Total	<u>18.0</u>	<u>18.0</u>

Governance and Strategy Budget Details

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Communications	2,784.1	2,784.1	2,868.8	84.7	3.0
City Clerk's Office	1,928.2	2,078.4	1,972.6	44.4	2.3
Facility Costs	73.0	79.8	73.3	0.3	0.4
Strategy and Performance	1,025.6	840.4	1,042.8	17.2	1.7
Government Relations	136.5	136.5	139.4	2.9	2.1
Total Operating Expenditures	<u>5,947.4</u>	<u>5,919.2</u>	<u>6,096.9</u>	<u>149.5</u>	<u>2.5</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	41.0	41.0
Casual	-	-
Total	<u>41.0</u>	<u>41.0</u>

Corporate Services Group

Corporate Services provides essential support services and sets out standards that incorporate leading business practices, tools and technology to enable the organization to meet citizens' needs. This group includes Facilities Management Services, Finance, Fleet Services, Information Technology Services, and Human Resources.

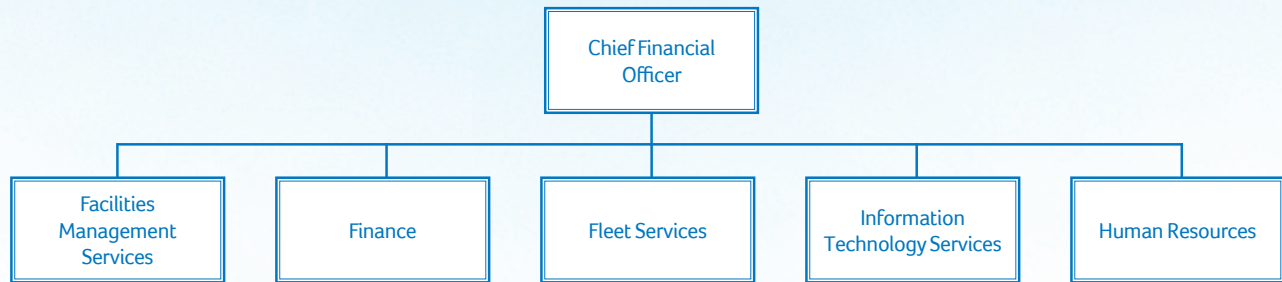


FIGURE 20: ORGANIZATIONAL STRUCTURE OF THE CORPORATE SERVICES GROUP

Key strategic issues

Enhancing the provision of timely management information to the organization for informed decision-making. This includes using data that lays out the linkages between service level expectations and the cost of providing them, along with appropriate lifecycle cost estimates for assets throughout their entire lifespan.

Improving work planning and resource assignment activities across the organization.

Building policies, plans and tools to manage the corporation's financial condition now and for the long term.

Producing succession plans and leadership development frameworks to reduce the impact that retirements will have on the corporation's ability to maintain service levels.

Corporate Services Budget Summary

To achieve the City's vision, the Corporate Services Group has estimated its operating budget in the 110 fund as follows:

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Chief Financial Officer - Administration	764.4	555.8	689.8	(74.6)	(9.8)
Facilities Management Services	5,116.2	5,187.2	5,420.5	304.3	5.9
Finance	6,511.2	9,702.7	7,021.6	510.4	7.8
Human Resources	5,876.5	5,893.9	6,474.0	597.5	10.2
Information Technology Services	8,750.1	8,453.9	9,885.6	1,135.5	13.0
Fleet Services	1,165.7	1,112.2	1,219.3	53.6	4.6
Pensions & LTD	113.8	113.8	115.6	1.8	1.6
Total Operating Expenditures	28,297.9	31,019.5	30,826.4	2,528.5	8.9
Transfers to a Reserve	576.3	1,654.2	1,156.3	580.0	100.6
Total Expenditures	<u>28,874.2</u>	<u>32,673.7</u>	<u>31,982.7</u>	<u>3,108.5</u>	<u>10.8</u>

Note:

1. The Transfer to the Reserve represents transfers to the Asset Revitalization Reserve of \$0.5 M, Employer Provided Parking Reserve \$0.4 M, Facilities Reserve \$0.2 M and \$0.08 M to the Technology Reserve.

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	292.6	293.6
Casual	22.6	23.4
Total	<u>315.2</u>	<u>317.0</u>

Chief Financial Officer Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Chief Financial Officer Office	764.4	555.8	689.8	(74.6)	(9.8)

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	5.0	4.0
Casual	-	-
Total	<u>5.0</u>	<u>4.0</u>

Note: An employee from the Administration was transferred to the Finance Department.

Facilities Management Services

The Facilities Management Services establishes corporate standards for all civic properties and also manages their operation and maintenance. This includes the responsibility for about 660 structures and buildings, which have a replacement value of about \$325 million.

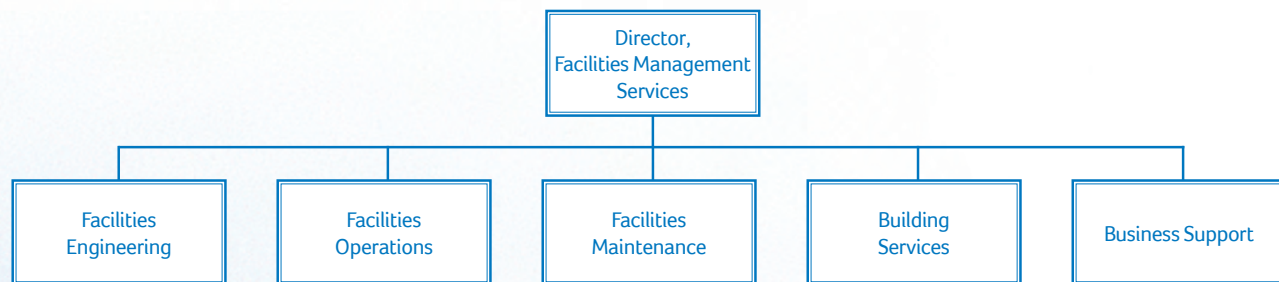


FIGURE 21: ORGANIZATIONAL STRUCTURE OF FACILITIES MANAGEMENT SERVICES

Overview

The department's services include capital facilities portfolio management, construction project management, physical plant maintenance, preventative maintenance and the day-to-day operation of City-owned facilities. The department also provides facilities security, life safety, corporate furniture, space planning, property management and the employer provided parking program.

Facilities Engineering

- Is responsible for the planning and work scheduling for all facility renewal, repair and rehabilitation work that minimizes total lifecycle costs. The employees in this branch are also responsible for all major building renovations and new construction.

Facilities Operations

- Provides the janitorial, custodial and daily building operations support, ensuring that those who work in and visit the buildings are both safe and comfortable.

Facilities Maintenance

- Provides routine daily maintenance services in all civic buildings.

Building Services

- Provides support for corporate programs including parking for employees, life safety programs, security, service contract management, property management, the corporate furniture inventory management system, and office space programming.

Business Support

- Provides project management administration, policy, procedure and guideline development and administration, work force development and training, as well as leading various department, division and corporate initiatives.

2014 Accomplishments

- Successfully designed and implemented security improvements at City Hall, including addressing aging infrastructure and building code deficiencies.
- Designed and managed the installation of new, specialized equipment to manage ventilation and water quality at the Lawson Aquatic Centre.
- Developed a set of preventative maintenance program standards for corporate facility assets, including software to track actual preventative maintenance activity and assess portfolio performance.

STRATEGIC ISSUES AND 2015 PRIORITIES**Key Strategic Issues**

The Facilities Management Services (FMS) Department needs to continue its work on creating a comprehensive management plan for the assets under its control. Like many municipal departments, FMS operates in an environment where unplanned or emergency work can impact its ability to complete its planned work. As corporate facilities reach the end of their useful lives, they incur a higher rate of repair, which increases both costs and the risk of downtime that will restrict access and reduce their availability for programs and services. Minimizing facilities costs requires a comprehensive asset management plan that includes timely and sufficient preventative maintenance activities.

2015 PRIORITIES**Corporate Facilities Master Plan**

- The department is developing a Corporate Facilities Master Plan (CFMP) that will provide a comprehensive strategy for the management of corporate facility assets. It is intended to provide a 25 to 30-year perspective on the work required to provide facilities that address the corporation's service needs, with a particular focus on work required within the next decade.

Interim Implementation Plan

- Because the CFMP is expected to take 12 to 18 months to complete, an interim plan is required to ensure things run smoothly in the interim. This plan will cover capital budget requests over the next five years.

Corporate Facilities Repair/Rehabilitation/Renovations

- Inconsistencies in the current state of facilities across the corporation can contribute to challenges for employees.
- Inconsistencies in the quality and functionality of corporate facilities will continue to be addressed through rehabilitation, restoration and/or renovation programs to improve building efficiency and support enterprise-wide employee engagement efforts.

Facilities Management Services Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Director, Facilities	631.2	585.1	638.9	7.7	1.2
Facilities Building Services	637.8	656.1	727.1	89.3	14.0
Facilities Operations	1,907.0	1,800.1	1,955.3	48.3	2.5
Facilities Utilities	566.3	610.8	587.4	21.1	3.7
Facilities Maintenance	896.4	1,061.7	1,035.3	138.9	15.5
Facilities Engineering	477.5	473.4	476.5	(1.0)	(0.2)
Total Operating Expenditures	5,116.2	5,187.2	5,420.5	304.3	5.9

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	89.8	90.8
Casual	19.6	20.4
Total	109.4	111.2

Finance

The Finance Department provides financial services to City Council, City departments and the public.

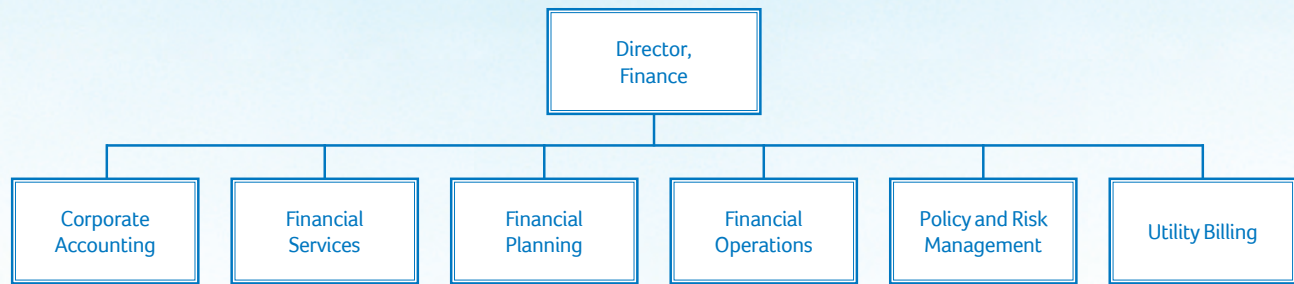


FIGURE 22: ORGANIZATIONAL STRUCTURE OF THE FINANCE DEPARTMENT

Overview

The Finance Department provides financial reporting, accounting, budgeting, accounts payable and receivable, purchasing, cash management and investment and debt management services as well as general financial analysis to the corporation. It also manages customer service, billing and collections for the City's water, wastewater and drainage utility.

Corporate Accounting

- Develops and maintains the City's corporate financial systems, accounting policies and internal control systems.
- Prepares consolidated financial statements and complies with internal and statutory financial reporting requirements.

Financial Services

- Leads the internal management reporting processes and provides decision-making support for all divisions through financial modelling and business case development.

Financial Planning

- Leads the development of annual operating and capital budgets for the City of Regina.

Financial Operations

- Provides advice to City departments for the procurement of all goods, services, equipment, and professional and consulting services.
- Provides payment and billing services for the corporation.

Policy and Risk Management

- Reviews, establishes and develops internal controls and governance practices, policies and procedures for the City.
- Manages business development initiatives and process improvement, including financial policy development.

Utility Billing

- Supports all aspects of the utility billing services, including meter reading, billing processing, collections and field services.

2014 Accomplishments

The Finance Department supported business transformation throughout the organization by building a strong foundation in key operational processes. This included:

- Successful transition to a new bank.
- Establishment of a City-wide money handling and payment processing policy and procedures, including the implementation of a new payment system.

Provided financial support for large corporate projects such as the Regina Revitalization Initiative (RRI) Mosaic Stadium project, Wastewater Treatment Plant and the interim phasing and financing plan that ensures project costs are do not negatively impact the City's sustainability.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

The Finance Department will focus on ensuring the City's finances and financial policies are strong and in line with the long-range plan. Key elements will include the establishment, measurement and reporting of results against established targets so decisions can be made in an effective and efficient manner.

2015 Priorities

- Review all financial policies to ensure they support strategic and operational priorities.
- Provide guidance to the annual planning and budgeting process.
- Provide transparent financial reporting for Council and the public.
- Strengthen the City's financial situation.
- Modernize financial information technology systems used with the City's budgets, produce financial statements, record costs and produce reports.
- Support the development of an asset management tool to support infrastructure renewal now and in the future.
- Implement an electronic billing system for utility billing.

Finance Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Director Finance	220.2	228.5	203.2	(17.0)	(7.7)
Corporate Accounting	1,267.6	1,476.5	1,367.4	99.8	7.9
Financial Operations	2,106.2	2,131.6	2,142.9	36.7	1.7
Financial Planning	365.3	319.1	456.5	91.2	25.0
Financial Services	1,169.4	861.4	1,205.6	36.2	3.1
Policy & Risk Management	534.6	447.2	552.1	17.5	3.3
Utility Billing	161.5	161.5	161.5	-	-
Corporate Transactions	686.4	4,076.9	932.4	246.0	35.8
Total Operating Expenditures	<u>6,511.2</u>	<u>9,702.7</u>	<u>7,021.6</u>	<u>510.4</u>	<u>7.8</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	60.9	61.9
Casual	3.0	3.0
Total	<u>63.9</u>	<u>64.9</u>

Note: An employee from the Administration was transferred to the Finance Department.

Fleet Services

This department helps deliver City programs and services by providing customers with appropriate fleet resources and operator training through Fleet Vehicle and Equipment Supply, Fleet Maintenance and Repair, Fleet Training and Safety, Supply Management, and Sales and Salvage.

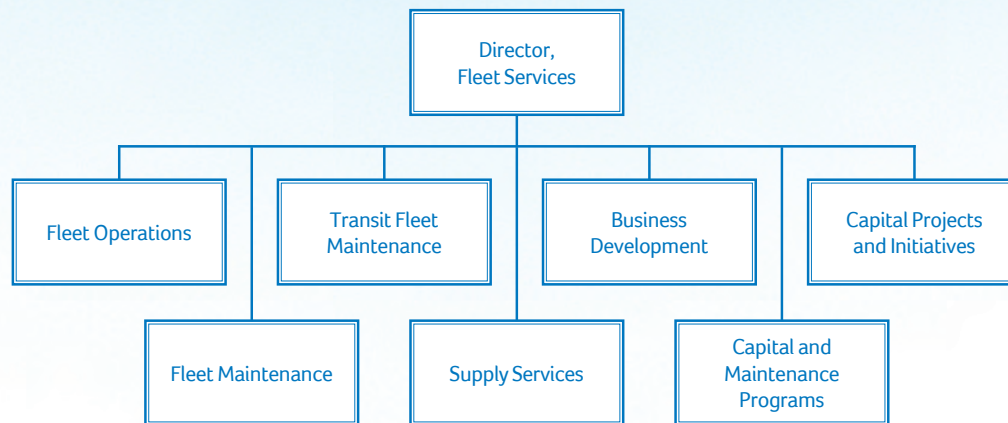


FIGURE 23: ORGANIZATIONAL STRUCTURE OF FLEET SERVICES

Overview

Fleet Operations

Is responsible for ensuring that civic fleet client departments are provided with the vehicles, equipment and operator training they need to deliver their programs and services. Their functions include lifecycle management of fleet assets, contracting for external vehicle and equipment rentals, motor pool operations, small equipment program, operator training and vehicle incident/collision management.

Fleet Maintenance

Is responsible for the repair, inspection, preventative maintenance and warranty management of the City's fleet of civic vehicles and equipment. Non-fleet welding and fabricating services are also provided.

Transit Fleet Maintenance

Is responsible for the repair, inspection, preventative maintenance and warranty management of the City's fleet of transit buses.

Supply Services

Manages central stores, fleet parts and fuel inventories; the supply of non-inventoried parts, goods and materials; and fuel inventories and the fuelling infrastructure. It also provides mobile fuelling services, management of the City's towing storage compound and the disposal of surplus corporate assets, impounded vehicles and other items for the Regina Police Service.

Business Development

Is responsible for managing and developing information technology systems and processes along with the Information Technology Services (ITS) department, developing employee development strategies, implementing a continuous improvement program and the development and documentation of service levels with client departments.

Capital and Maintenance Programs

This branch is responsible for the asset management of all Transit and Fire fleet vehicles and equipment as well as the delivery of fleet maintenance services to the Fire department. It is also responsible for harmonizing the management processes for the preventative maintenance and warranty programs for the civic, transit and fire fleets.

2014 Accomplishments

- Upgraded the Fleet Management system, which will help to streamline fleet operations for the future.
- Conducted and analysed customer survey to ensure that Fleet Services continues to meet customer needs.
- Mandated WHMIS training for all Fleet employees and is readily available online for all new employees.
- Implemented outsourcing of the Heating, Ventilation and Air Conditioning Preventative Maintenance program in 2014, resulting an estimated annual cost savings of \$12,000.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

Recruiting and retaining qualified mechanics and operators has been a challenge. The department must continue to identify and implement methods to keep the workforce fully staffed.

With a growing fleet, it is essential that the City's mechanics and operators are receiving the most up-to-date training to service and operate the City's vehicles and equipment.

Ensuring that the department continues to provide good service to customer groups around the city, despite annual cost increases.

Continue to streamline operations to provide City Operations with suitable equipment to provide services to the public.

2015 Priorities

Improve operator training

- As vehicles become more complex, operators need to be increasingly well versed in using them. This should result in fewer incidents of operator damage and a longer life for vehicles. Fleet Services has taken steps towards to this end including requirements in the tendering process that ensure vendors provide adequate training to staff.

Continue to add efficiencies through management software

- Although Fleet Services has now installed M5 as the Fleet Management software, there are still opportunities to improve the processes and substantially streamline operations.

Create incentive programs for staff

- Due to the booming Saskatchewan economy, it is becoming increasingly difficult to attract and retain qualified mechanics. Therefore, Fleet Services must find ways to keep employees engaged despite the lure of higher salaries offered by private sector employers.
- Performance and innovation programs will be investigated and potentially implemented. These initiatives will be in direct alignment with planned HR programs.

Fleet Services Budget Detail

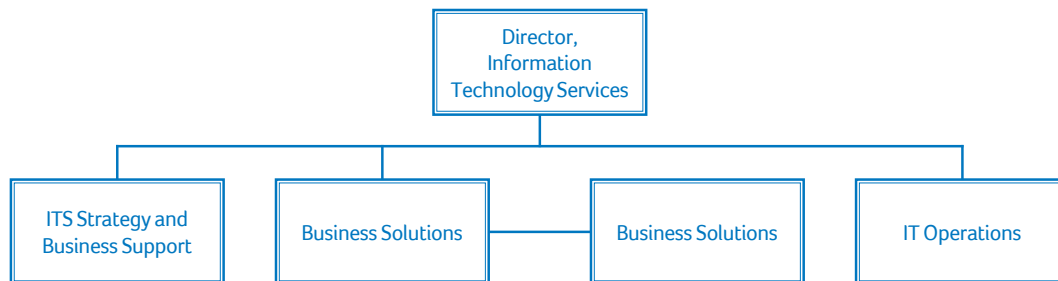
Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Fleet Training & Safety	676.3	624.6	702.2	25.9	3.8
Sales & Salvage	489.4	487.5	517.1	27.7	5.7
Total Expenditures	<u>1,165.7</u>	<u>1,112.1</u>	<u>1,219.3</u>	53.6	4.6

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	6.3	6.3
Casual	-	-
Total	<u>6.3</u>	<u>6.3</u>

Information Technology Services

This department provides leadership in business technology planning, coordinates the selection, development, implementation, operation and support of information technology and applications used by the City. Other core services include the sharing and security of data, corporate telecommunications, printing, and mail delivery. Information Technology Services (ITS) supports 1,700 City staff who use more than 70 different business applications through a digital network connecting more than 60 City facilities to a mobile workforce.

**FIGURE 24: ORGANIZATIONAL STRUCTURE OF INFORMATION TECHNOLOGY SERVICES****Overview**

The ITS organizational structure has four branches:

ITS Strategy and Business Support Branch

- Provides strategic direction, business planning, administrative coordination and process oversight for the entire department.
- Sets direction for and provides support to the other ITS branches. Major functional areas include Enterprise and Digital Information, Architecture, Project Services and Print and Mail services.

Business Solutions Branches

- Manage the relationship with ITS clients. In addition to day-to-day application support, maintenance and training, the branches also provide project management and data management.

IT Operations

- Is responsible for deploying, securing, operating and supporting technology equipment used by the City of Regina. Key functional areas include Infrastructure, the IT Service Desk, Data Administration, and IT Security.

2014 Accomplishments

- Completed the upgrade of all end user workstations to Windows 7. The new platform ensures City devices have appropriate security and run on a stable, supported platform.
- Implemented online collaboration tools that make for quicker decision-making, increase engagement regardless of employee location and reduce travel time.
- Upgraded the computer training for 1,700 staff from Microsoft Office 2003 to Office 2013.
- Implemented a new IT service management tool to streamline support processes and automate common tasks.
- Modernized the City's network infrastructure by replacing the legacy network with more current Windows-based technology.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

- Managing opportunities to take advantage of existing data sets to maximize staff productivity.
- Supporting management decisions with software and reports that address needs for timely, accurate data.
- Ensuring technology encourages employee engagement.
- Responding to demands for self-serve options.

2015 Priorities

ITS 2015 strategic priorities focus on further equipping the workforce with the devices and tools to help them work more effectively from any location.

Upgrade Office Productivity Suite

- ITS will upgrade office productivity tools to the latest versions to increase its ability to integrate and interact with external parties.

Enable Effective Collaboration

- ITS will further enable remote attendance to meetings at other City locations, including from the field. Employees will also begin to collaborate using more advanced document sharing and editing tools.

Secure and Enhance Mobile Device Experience

- The implementation of an Enterprise Mobility Management Solution (EMMS) will strengthen the security for the City's mobile devices, improve management of these devices and streamline the user experience. It will also offer more functionality and access to business applications for mobile users.

Transform the Business

- This includes streamlining processes, reducing the number of disparate systems and bringing additional efficiencies to our support organizations.

Extend Connectivity Reach

- Expansion of the WiFi network to more City locations will provide wireless access to both employees and users of City facilities.

Information Technology Services Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Director, ITS	228.2	224.2	214.1	(14.1)	(6.2)
IT Strategy & Business Support	794.2	767.4	816.3	22.1	2.8
Business Solutions (COCPD)	1,522.0	1,282.7	1,444.0	(78.0)	(5.1)
Business Solutions (CSOCM)	1,372.7	1,341.3	1,494.7	122.0	8.9
Administration	298.0	326.1	311.6	13.6	4.6
Systems Licensing, Mtce & Processing	2,170.6	2,265.7	2,340.3	169.7	7.8
IT Operations	2,364.4	2,246.5	3,264.6	900.2	38.1
Total Operating Expenditures	8,750.1	8,453.9	9,885.6	1,135.5	13.0

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	65.1	65.1
Casual	-	-
Total	65.1	65.1

Human Resources

Human Resources (HR) is responsible for supporting all City departments in managing their people. Its purpose is to help in attracting, optimizing and retaining the high-performing workforce needed to achieve organizational goals.



FIGURE 25: ORGANIZATIONAL STRUCTURE OF HUMAN RESOURCES

Overview

HR supports City departments by providing a first point of contact for directors, managers and employees requiring assistance. Its services include payroll, workplace safety, developing employment policies and procedures, assisting the recruitment and hiring of staff, labour relations, the design and development of training programs and administering the awards and recognition program. HR's work is distributed among five branches.

Client Services and Labour Relations

- Provides support to operating areas in recruitment, performance management, labour relations, corrective discipline, coaching and direction.
- Provides support and direction in the interpretation and application of collective bargaining agreements and all facets of the collective bargaining process.

Organizational Effectiveness

- Offers a broad range of services which aim to advance the organization's effectiveness with emphasis in the areas of leadership, development and workforce management, including strategic recruitment, engagement and recognition.

Payroll, Analytics and Employee Administration

- Processes and administers all payroll functions for the City of Regina, Regina Police Services and three external agencies.
- Administers all employee life events as they relate to pay, including changes to personal information and beneficiaries.

Transition, Compensation and Benefits

- Provides oversight and direction for the implementation of the Human Resources Management System (HRMS) initiative within the City's Business Transformation Program.
- Manages and administers group benefit plans, including vendor management and contracts.
- Provides leadership, direction and support to the organization on compensation and benefit policies and practices.

Workplace Health and Safety

- Provides leadership and direction to the organization in all matters of occupational health and safety.
- Provides leadership and guidance to the organization in the return-to-work process including occupational and non-occupational issues and maintaining strong relationships with external agencies.

2014 Accomplishments

- Developed a framework for the multi-year leadership initiative for the City of Regina.
- Implemented Phases I and II of the Onboarding Project. This includes the development of online tools for both supervisors and new employees to use through the orientation process as well as the development of an employee handbook for all new employees.
- Reduced lost time injury rate from 8.03 days in 2011 to 4.1 days in 2014.

STRATEGIC ISSUES AND 2015 PRIORITIES**Key Strategic Issues**

- The recruitment and retention of high-performing, skilled employees is essential. Pending retirements, high employment rates and issues with benefits, such as a pension deficit, affect the City's ability to attract, recruit and retain a sustainable workforce.
- The need for a focus on improved leadership skills for current employees and the development of sustainable leadership programs to support the organization into the future.
- The prevention of workplace injuries through the development of safe work initiatives and a corporate wellness program.
- The development of effective human resource planning and succession strategies.

2015 Priorities

- To renew job descriptions, job classification and union/association jurisdiction for all positions in the organization.
- To formalize management skills training and complete the development of a leadership development program.
- Complete Phase I of the Human Resource Management System project.
- Prepare and initiate the next round of collective bargaining with CUPE Local 7 and 21, ATU 588 and IAFF 181.

Human Resources Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Executive Director	354.9	354.9	696.1	341.2	96.1
Client Services & Labour Relations	1,301.2	1,350.5	1,397.6	96.4	7.4
Organizational Effectiveness	1,230.9	1,230.9	1,276.5	45.6	3.7
Payroll, Analytics & Employee Admin	1,224.3	1,213.4	1,283.8	59.5	4.9
Transition, Compensation & Benefits	396.9	386.9	421.8	24.9	6.3
Workplace Health & Safety	1,368.3	1,357.3	1,398.2	29.9	2.2
Total Operating Expenditures	5,876.5	5,893.9	6,474.0	597.5	10.2

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	54.0	54.0
Casual	-	-
Total	54.0	54.0

Pensions and Long Term Disability

This area reports to and provides administrative services to several pension and long-term disability plans which serve the City of Regina and other employers. It is funded through pension and long-term disability plans and maintains a working relationship between the plans' administrative boards and the Corporate Services Group.

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Pensions & LTD	113.8	113.8	115.6	1.8	1.6

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	11.5	11.5
Casual	-	-
Total	11.5	11.5

Corporate Services Costing Fund

The Corporate Services Group provides services to other divisions that are charged out to their operating budgets as allocated costs. On a stand-alone basis, these costs are as follows:

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Corporate Services:					
Fleet Services	31,485.7	27,707.0	34,218.0	2,732.3	8.7
Facilities Costs - Fleet Services	484.8	504.7	510.0	25.2	5.2
Total Fleet Services Costs	31,970.5	28,211.7	34,728.0	2,757.5	8.6
Information Systems	1,570.5	1,521.7	745.1	(825.4)	(52.6)
Facilities & Energy Management	4,498.1	4,498.1	4,654.3	156.2	3.5
Total Operating Expenditures	38,039.1	34,231.5	40,127.4	2,088.3	5.5

Staff Complement (Costing Fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	132.8	132.6
Casual	1.9	1.9
Total	134.7	134.5

Operations Group

This group is comprised of the City's operating areas providing direct services to the community. Its overarching goal is to improve the coordination of reliable service delivery to provide a better experience for residents.



FIGURE 26: ORGANIZATIONAL STRUCTURE OF THE OPERATIONS GROUP

Key strategic issues

In addition to delivering day-to-day services to the community, in 2015 the operations group will continue to focus on refining its organizational structure and processes. This includes:

- Reviewing programs and services and the corresponding performance data with the goal of either improving or discontinuing services that offer less value to the community.
- Improving organizational coordination to ensure long-term community plans and policies are implemented successfully.
- Developing proactive approaches to reduce the infrastructure deficit.
- Improving employee engagement activities to encourage broader participation in delivering services to the community.
- Ensuring community groups, the business community and citizens are engaged to provide input into emerging issues that impact them.

Operations Group Budget Summary

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Chief Operation Officer - Administration	1,046.5	1,010.0	743.6	(302.9)	(28.9)
City Services	71,948.5	73,686.4	75,462.8	3,514.3	4.9
City Planning & Development	16,703.9	17,539.8	19,590.6	2,886.7	17.3
Transportation & Utilities	54,665.2	53,262.9	57,521.9	2,856.7	5.2
Fire & Protective Services	45,103.1	45,210.8	47,109.4	2,006.3	4.4
Major Projects	-	207.5	262.1	262.1	-
Total Expenditures	189,467.2	190,917.4	200,690.4	11,223.2	5.9
Transfers to a Reserve	13,065.4	13,440.4	13,331.7	266.3	2.0
Total Operating Expenditures	<u>202,532.6</u>	<u>204,357.8</u>	<u>214,022.1</u>	<u>11,489.5</u>	<u>5.7</u>

Note:

1. The Transfer to the Reserve represents transfers to the Solid Waste Reserve of \$12.1 M, Planning and Sustainability Reserve \$0.8 M, Golf Course Reserve \$0.2 M \$0.1 M to the Asset Revitalization Reserve to repay funding from Lawson Upgrades and \$0.01 M to the Cemeteries Reserve. Other small transfers to the Fleet Replacement Reserve and the Operation Commitments Reserve.

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	1,115.9	1,135.8
Casual	278.0	264.1
Total	<u>1,393.9</u>	<u>1,399.9</u>

Chief Operating Officer Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Chief Operation Officer - Administration	522.4	522.4	419.8	(102.6)	(19.6)
Strategy & Operations	0	104.8	323.8	323.8	-
Divisional Strategic Services	524.1	382.8	0	(524.1)	(100.0)
Total Operating Expenditures	<u>1,046.5</u>	<u>1,010.0</u>	<u>743.6</u>	<u>(302.9)</u>	<u>(28.9)</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	10.0	5.0
Casual	-	-
Total	<u>10.0</u>	<u>5.0</u>

Major Projects

The Major Projects Department was created in June 2014 and is responsible for managing three major municipal projects – the Regina Revitalization Initiative land development, Regina Revitalization Initiative stadium projects, and the Wastewater Treatment Plant Upgrade. The department will also support the development of a robust project management culture within the City, ensuring the consistent delivery of successful project outcomes for the community.

The Major Projects Department includes:

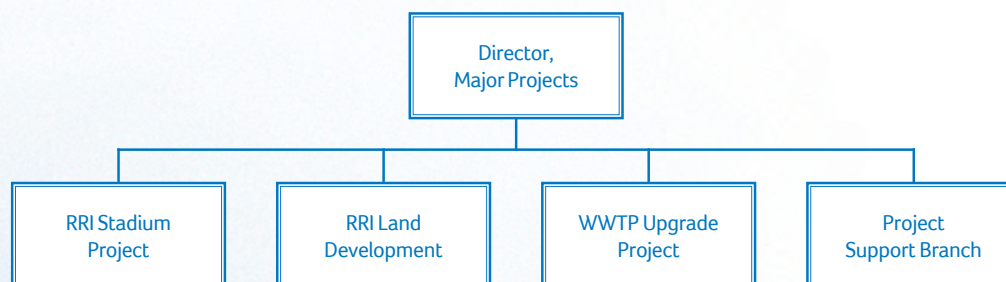


FIGURE 27: ORGANIZATIONAL STRUCTURE OF THE MAJOR PROJECTS DEPARTMENT

Overview

The Major Projects Department includes four working areas responsible for the delivery of major projects as well as leading the development of improved project management practices throughout the Operations Group.

- **Regina Revitalization Initiative (RRI) Stadium Project Business Unit:** It is responsible for the management of the new 33,000-seat stadium project from design through to construction. The new home to the Saskatchewan Roughriders will be at the heart of a larger urban revitalization initiative in the City's core.
- **Regina Revitalization Initiative Land Development Business Unit:** It leads the planning and redevelopment of the former Canadian Pacific Railway yards and the current Mosaic Stadium site.
- **Wastewater Treatment Plant (WWTP) Upgrade Project Business Unit:** It manages the delivery of a new WWTP, including the transition of plant operation from the City to the P3 partner.
- **Project Support Office:** It develops and defines project management practices for City projects and provides tools and training to improve the practice of project management.

2014 Accomplishments

- Awarded the contract to design, build and finance the stadium project after an extensive nine-month procurement process.
- EPCOR Water Prairies Inc. was selected to design, build, finance, operate and maintain the new plant at a total cost of \$247.5 million.
- The City successfully negotiated the purchase of the former Canadian Pacific Railway intermodal facility and took possession of the site in July.
- The establishment of the new Major Projects Department and the Project Support Office.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

- The wastewater treatment plant and Regina Revitalization Initiative land development and stadium projects are each among the largest projects ever undertaken by the City of Regina. New strategies are required to ensure high levels of planning, risk management and project oversight.
- Regina's strong economy and busy construction sector have contributed to a low number of request for proposals in some cases or higher-than-anticipated project bids. The City needs to identify opportunities and mechanisms to improve the attractiveness of Requests for Proposal (RFPs) to ensure strong competitive bids and limited risk to taxpayers.
- The city's current growth environment has resulted in an increase in the amount of project work that requires oversight and management. The City needs to ensure that the selection process and project managers are supported by effective systems, tools and expectations.

2015 Priorities**RRI Stadium Project**

- The design and construction on the new stadium will continue through substantial completion by August 2016.

RRI Land Development

- An RFP for planning services will be issued in early 2015 for the RRI lands.

Wastewater Treatment Plant Project

- Construction on the wastewater treatment plant is expected to be substantially complete by the end of 2016.

Project Support Office

- Complete a business plan for the Project Support Office

Major Projects Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Director, Major Projects	-	58.6	45.0	45.0	-
Manager, Project Support	-	148.9	217.1	217.1	-
Total Operating Expenditures	-	207.5	262.1	262.1	-

Staff Complement

Full Time Equivalents (FTEs)	2014	2015
Permanent	-	5.0
Casual	-	-
Total	-	5.0

City Planning and Development Division

The City Planning and Development Division coordinates long-term community plans and policies. It is made up of three departments – Planning, Development Services and Assessment, and Tax and Real Estate. The division will also include a new support branch to help with policy development across the Operations Group.

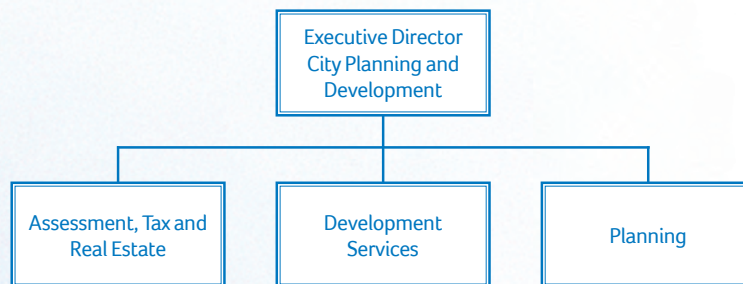


FIGURE 28: ORGANIZATIONAL STRUCTURE, CITY PLANNING AND DEVELOPMENT DIVISION

Key Strategic Issues

- To continue to work with surrounding municipalities, agencies, other levels of government and other stakeholders to foster mutually beneficial relationships.
- To identify and develop plans and policies to deliver infrastructure and services based on future community needs.
- *Design Regina: The Official Community Plan (OCP)* was approved by Council in 2014. The City's Planning and Development Division heads the implementation of the OCP and related policy initiatives to manage growth and development into the future.

City Planning and Development Budget Summary

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Executive Director Planning & Development	1,061.1	627.4	457.7	(603.4)	(56.9)
Planning	4,968.8	5,642.2	6,732.4	1,763.6	35.5
Assessment & Taxation	4,540.5	4,456.3	4,761.2	220.7	4.9
Development Services	6,133.5	6,813.9	7,639.3	1,505.8	24.6
Total Operating Expenditures	<u>16,703.9</u>	<u>17,539.8</u>	<u>19,590.6</u>	<u>2,886.7</u>	<u>17.3</u>

Staff Complement (110 fund)

Full Time Equivalents (FTE's)	2014	2015
Permanent	179.7	181.7
Casual	4.1	4.1
Total	<u>183.8</u>	<u>185.8</u>

Executive Director – City Planning and Development Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Executive Director	<u>1061.1</u>	<u>627.4</u>	<u>457.7</u>	<u>(603.4)</u>	<u>(56.9)</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	5.0	3.0
Casual	-	-
Total	<u>5.0</u>	<u>3.0</u>

Assessment, Tax and Real Estate

Overview

The department provides property assessment, taxation administration and real estate services for the corporation.



FIGURE 29: ORGANIZATIONAL STRUCTURE ASSESSMENT, TAXATION AND REAL ESTATE

Assessment Branch

- Comprises three areas: Assessment Research, Residential Assessment and Commercial Assessment. It is responsible for the valuation of all properties within Regina's boundaries and assesses all properties in accordance with *The Cities Act*, the assessment manual and board orders adopted by the Saskatchewan Assessment Management Agency.

Property Tax and Administration Branch.

- Is comprised of five areas: Property Tax Collection, Property Tax Accounting, Business System Administration, Assessment and Property Taxation Administration and Customer Service Administration. It is responsible for collecting, maintaining, analyzing and distributing property account information.

Real Estate

- Provides leadership and centralized service delivery in acquiring, holding, disposing of and leasing real property for the City of Regina. Real Estate handles the lion's share of acquiring, disposing and leasing of real property.

2014 Accomplishments

- The department completed all the appeals from the 2013 reassessment, which required that every property in the city be valued and the tax policy process be completed.
- The department has improved how it does business using technology. Staff members have been piloting tablets and moving to mobile data collection on them. Every assessor in the field now collects data this way.
- The Real Estate Branch has completed the sale of the remaining parcels of land in the Ross Industrial Park during the last phase of development. All 47 acres of land developed in 2013 have now been sold.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

The department is facing capacity challenges on a number of fronts, including:

- Increased construction activity in Regina has meant new buildings must be assessed and added to both the assessment and tax rolls as soon as construction is completed.
- A number of staff members in the department are eligible for retirement over the next five years.

The department is working to address these challenges through business process improvements, technology and succession planning. However, continued monitoring of capacity is also required.

- The City owns several large parcels of land where development is imminent. This will require strategies to maximize the investment and benefit to residents.
- The City provides property tax exemptions to some property owners, some of which are guided by legislation while some are ad hoc. Council has requested that the program be reviewed and streamlined.

2015 Priorities

Reassessment Planning

- The next reassessment will occur in 2017 but preparation work has already started and will continue in 2015.

Land Development

- The City has several large parcels of land where development is imminent. While the City has historically developed industrial lands, Council will determine whether to increase the City's role in broader land development activities.

Increased self-service options

- In coordination with Information Technology Services (ITS), the department will conduct further research to develop a self-serve website that will allow customers to access property information online on a fee-for-service basis. The creation of this website will improve customer service and reduce the amount of staff effort required to deliver it.

Assessment and Taxation Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
City Assessor	2,533.8	2,603.2	2,613.7	79.9	3.2
Property Taxation & Administration	2,006.7	1,853.1	2,147.5	140.8	7.0
Total Operating Expenditures	4,540.5	4,456.3	4,761.2	220.7	4.9

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	47.0	47.0
Casual	-	-
Total	47.0	47.0

Development Services

Development Services is responsible for designing and coordinating the construction of the new city infrastructure. Staff in the department work closely with the development community to ensure that new construction meets the City's development standards and complies with applicable bylaws.

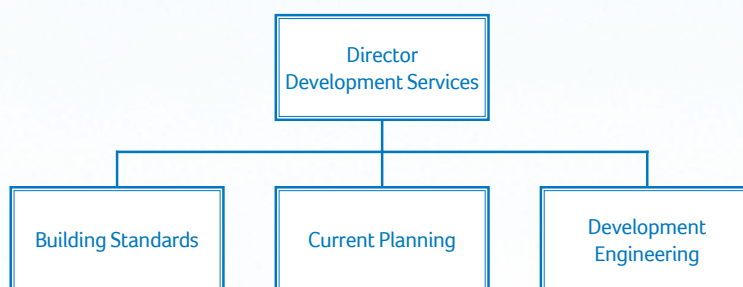


FIGURE 30: ORGANIZATIONAL STRUCTURE OF DEVELOPMENT SERVICES

Overview

The Development Services Department is comprised of three branches:

Building Standards

- Reviews and issues building permits and conducts follow-up inspections of projects in progress. The work is conducted in accordance to *The Provincial Uniform Building and Accessibility Standards Act* to regulate buildings to the standards of the National Building Code of Canada.

Current Planning

- Handles applications and inquiries related to development activity and application proposals.
- Responsible for processing development applications as well as development permit processes.
- Ensures developments are reviewed for compliance with *Regina Zoning Bylaw No. 9250* and the policies contained in *Design Regina – The Official Community Plan Bylaw No. 2013-48*.
- Administers the heritage incentives policy.

Development Engineering

- Provides technical review and inspection of all related development infrastructure.
- Ensures developers and contractors construct city infrastructure to the engineered specifications set out by the City.
- Coordinates the design and construction of growth-related municipal infrastructure capital projects.

2014 Accomplishments

- Both Current Planning and Building Standards have completed a detailed process manual which helps to ensure consistency across employees and is also a valuable tool for training new employees.
- The Heritage Incentives policy was amended to provide higher financial incentives for those who choose to rehabilitate heritage properties.
- A comprehensive review of the City's public notice policy was initiated. The objective was to improve communication with customers to better engage them in the City's business processes.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

- The adoption of the Official Community Plan requires a thorough review and modernizing of the City's zoning bylaw so that it's consistent with Council-approved policy.
- The costs of delivering services for new developments have increased so department needs to review its fees, servicing agreement policy and costing models to ensure they accurately reflect service delivery costs.

2015 Priorities

Completion of the *Public Notice Bylaw*

- Changes to the *Public Notice Bylaw* will provide clear direction how the City engages the public in the review processes and the corporate strategic plan.

Review of the Municipal Access Agreement

- The Municipal Access Agreement policy review will ensure the fee structure is reasonable and the terms and conditions protect the City's infrastructure and minimize liability while balancing the business needs of the telecommunications companies.

Building and Planning Software

- The department will work with IT to implement a software module that will automate existing manual processes and increase both efficiency and capacity in responding to internal and external customers requests.

Development Services Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Director, Development Services	416.8	476.1	336.2	(80.6)	(19.3)
Building Standards	2,563.0	3,223.6	3,917.9	1,354.9	52.9
Current Planning	1,191.0	1,123.2	1,325.6	134.6	11.3
Development Engineering	1,962.7	1,991.0	2,059.6	96.9	4.9
Total Operating Expenditures	<u>6,133.5</u>	<u>6,813.9</u>	<u>7,639.3</u>	<u>1,505.8</u>	<u>49.8</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	81.0	83.0
Casual	<u>4.1</u>	<u>4.1</u>
Total	<u>85.1</u>	<u>87.1</u>

Planning

This department is responsible for land development policy in accordance with the City's Official Community Plan and approves applications for subdivisions, discretionary use and zoning bylaw amendments. It coordinates land use to ensure long-term planning objectives are achieved and it's responsible for social development and housing policy.

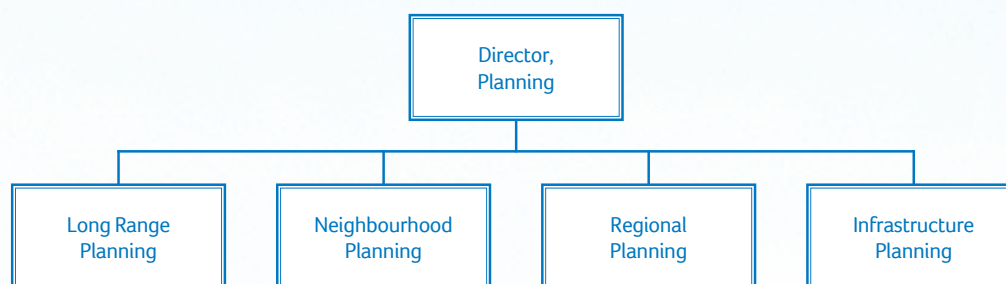


FIGURE 31: ORGANIZATIONAL STRUCTURE OF PLANNING

Overview

The Planning Department consists of four Branches – Long Range, Regional, Neighbourhood and Infrastructure Planning. It is responsible for preparing and maintaining the Official Community Plan and other documents such as neighbourhood plans and design standards to manage growth in Regina. The department is also responsible for the social, housing and regional policy and programs which enhance the quality of life for citizens of Regina and the region. The planning processes are collaborative and responsive to both community and regional needs. The department works closely with the development community, neighbourhood associations, the public and regional partners in achieving its mandate.

Infrastructure Planning

- Reviews and approves infrastructure plans for new developments in the city, establishes infrastructure development standards and policies, and develops long-term infrastructure plans to guide the city's growth.

Long Range Planning

- Reviews and approves concepts and secondary plans for new, long-term development within Regina, studies demographic trends and profiles of the population within specific neighbourhoods and zones and researches and develops new planning policy.

Neighbourhood Planning

- Develops comprehensive neighbourhood plans throughout the city, guides the development and implementation of the Comprehensive Housing Strategy and coordinates the development of social policy to address emerging community issues.

Regional Planning

- Establishes and maintains strong relationships with neighbouring municipalities, establishes servicing agreements with First Nations and provides assistance and advice on their development activities, and collaborates with the Rural Municipality of Sherwood in the development of policies to guide complementary growth.

2014 Accomplishments

- Completed the Intensification Strategy Work Plan in line with the population density objectives in *Design Regina*.
- Implemented the Comprehensive Housing Strategy and hosted the second Mayor's Housing Summit.
- Established and staffed a regional planning branch, hosted a second Regional Planning Summit and completed the Regina and Region Water and Wastewater Study.
- Implemented an interim Phasing and Financing Plan in accordance with *Design Regina* policies.
- Completed the Downtown Serviceability Study and Transportation Master Plan.
- Produced a new Official Community Plan.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

- The costs associated with new neighbourhood developments are not fully funded so they are being subsidized by existing taxpayers.
- The City is unable to pay for growth-related capital projects in accordance with the Servicing Agreement Fee (SAF) Policy without phasing growth over the full 25-year period of the Official Community Plan. Interim changes to the SAF Policy have been made to address this issue but a broader review is required before the full plan is finalized. This work is scheduled for 2015.
- Many people who live in communities surrounding Regina work in the city, use municipal services and are putting additional strain on infrastructure. The future infrastructure needs of both Regina and the region are not being coordinated effectively.

2015 Priorities

2015 Priorities Include:

Servicing Agreement Policy

- The cost of new growth has the potential to significantly impact the City's financial situation. The department will conduct a review of the City's Servicing Agreement Fee policy and prepare a final phasing and financing plan for the 300,000 population growth area. The project will quantify the expected costs of future growth and also recommend policies to Council to phase in development and reduce the financial burden of new development to taxpayers.

Intensification Strategy Work Plan

- This plan will govern the City's efforts to achieve intensification and infill development from 2014 to 2017. In order to succeed, City departments will address the generally ad-hoc methods of infill development and infrastructure planning investment. The work plan identifies critical projects that will impact the viability of intensification.

Regional Waste Water Study for East Regina and Region

- The study will provide an in-depth analysis of a potential regional partnership to advance an east side waste water solution, which could be needed to accommodate development in the future.

Planning Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Director, Planning	1,361.1	707.6	614.9	(746.2)	(54.8)
Infrastructure Planning	1,311.5	1,349.0	1,541.1	229.6	17.5
Longe Range Planning	1,213.2	1,046.2	1,130.9	(82.3)	(6.8)
Neighbourhood Planning	1,083.0	2,313.8	2,924.3	1,841.3	170.0
Regional Planning	-	225.6	521.2	521.2	0.0
Total Operating Expenditures	4,968.8	5,642.2	6,732.4	1,763.6	35.5

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	46.7	48.7
Casual	-	-
Total	46.7	48.7

City Services Division

The City Services Division is a new civic branch and is comprised of the following departments: Community Services, Parks and Open Space, Transit, and the Service Regina branch.

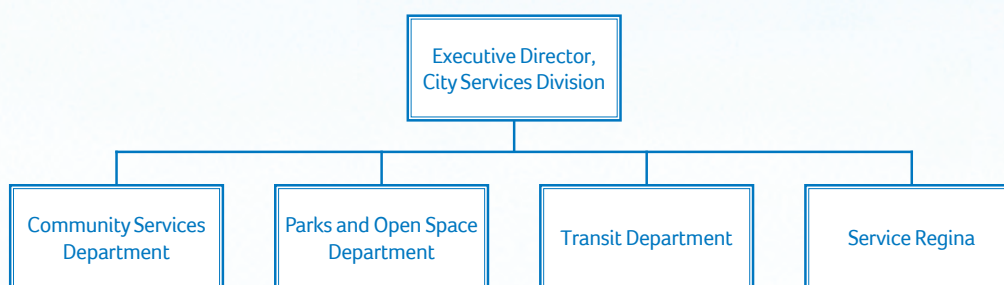


FIGURE 32: ORGANIZATIONAL STRUCTURE OF CITY SERVICES DIVISION

Key Strategic Issues

- To develop and implement a new mandate for Service Regina with an emphasis on delivering coordinated responses that meet the customers' needs on a timely basis.
- To develop funding and delivery plans for each program and service while identifying appropriate actions to address their viability.
- To lead a customer service strategy throughout the Operations Group that is customer-focused and meets a diverse set of needs in a coordinated manner.

City Services Budget Summary

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Executive Director	-	111.2	298.9	298.9	-
Transit	31,322.2	33,488.4	33,126.3	1,804.1	5.8
Community Services	20,772.8	20,682.5	21,451.0	678.2	3.3
Parks & Open Space	18,345.2	18,073.8	19,048.8	703.6	3.8
Service Regina	1,508.3	1,330.5	1,537.8	29.5	2.0
Total Operating Expenditures	<u>71,948.5</u>	<u>73,686.4</u>	<u>75,462.8</u>	<u>3,514.3</u>	<u>4.9</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	386.5	390.4
Casual	191.0	189.9
Total	<u>577.5</u>	<u>580.3</u>

Executive Director of City Services Budget Detail

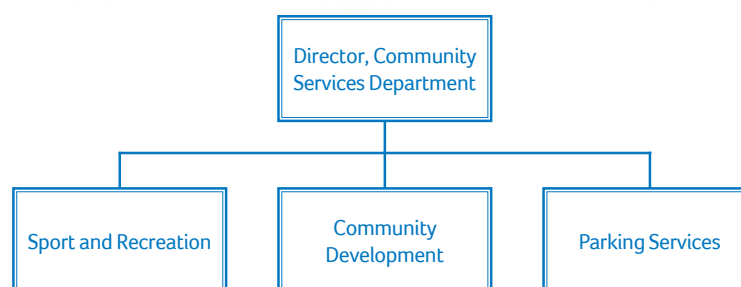
Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Executive Director, City Services	-	111.2	298.9	298.9	-

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	-	2.0
Casual	-	-
Total	-	2.0

Community Services

The Community Services Department provides parking services to support public safety, traffic flow and community standards. At the same time, it also provides opportunities for people to experience parks, recreation, sports and culture.

**FIGURE 33: ORGANIZATIONAL STRUCTURE OF COMMUNITY SERVICES DEPARTMENT****Overview**

The Department consists of three branches:

Sport and Recreation Branch

- Provides direct programming through sport, fitness and aquatics.
- Manages the operation of indoor and outdoor sport facilities including arenas, outdoor rinks, athletic fields, ball diamonds, the Canada Games Athletic Complex and tennis courts through partnerships with community organizations.
- Coordinates support for sport events, such as national and international championships and community sport festivals, and providing grants and consulting services to sport and recreation organizations.

Community Development Branch

- Develops and implements policy and plans recreation facilities, social inclusion and cultural development.
- Leads indoor and outdoor facility development projects in partnership with community organizations.
- Programs community and cultural facilities.
- Coordinates support for cultural events.
- Builds community capacity through consulting services to cultural, social development and neighbourhood-based organizations.
- Manages the City's Community Investment Grants Program.

Parking Services Branch

- Administers and enforces the *Traffic Bylaw* with a focus on public safety, traffic flow and community standards.
- Manages the parking meter program including installation, maintenance, collection, policy and rate setting.

2014 Accomplishments

- Continued development of the North Central Shared Facility, an integrated facility that will include a community centre, high school, public library, community police centre and space for community organizations.
- Helped host the North American Indigenous Games, a week-long event that attracted more than 4,000 athletes and was put on by 1,500 volunteers.
- Served 65,000 visitors at the Neil Balkwill Civic Arts Centre and 900,000 visitors at the Sportplex (Lawson Aquatic Centre and Fieldhouse), Northwest Leisure Centre and Sandra Schmirler Leisure Centre.
- Finalized the City's first Cultural Plan, a 10-year guide for the development of the arts, cultural heritage and cultural industries which will enable effective policy and investment decision making.

STRATEGIC ISSUES AND 2015 PRIORITIES**Key Strategic Issues**

- The increasing diversity of the growing population puts pressure on the City to offer a broader range of sport, culture, recreation and social inclusion programs.
- Aging City infrastructure, including indoor and outdoor sport, culture and recreation facilities, results in challenges to maintaining existing service levels at a time when citizens' expectations for additional and more contemporary facilities is also rising.

2015 Priorities**Review and Renewal of the Recreation Facilities Plan**

- The department will begin planning for an updated Recreation Facility Plan in collaboration with the Facilities Management Services department.

North Central Shared Facility

- Residents will ensure that the programs and services offered through the North Central Shared Facility meet the needs of the community.

New and Vulnerable Populations

- Additional work with other levels of government, education, health and the not-for-profit sectors will create a welcoming environment for the increasing number of new Canadians, First Nations, Métis and Inuit persons as well as those with disabilities.

Service and Fee Review

- Program reviews will be undertaken to define service levels that are both financially sustainable and meet customer expectations.

Community Services Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Director, Community Services	1,063.4	837.2	790.6	(272.8)	(25.7)
Community Development	2,876.1	2,755.2	2,982.2	106.1	3.7
Facility Costs	632.1	612.2	656.1	24.0	3.8
Parking Services	2,292.0	2,358.1	2,471.3	179.3	7.8
Sports & Recreation	6,249.5	6,537.8	6,502.1	252.6	4.0
Facility Costs	7,659.7	7,582.0	8,048.7	389.0	5.1
Total Operating Expenditures	<u>20,772.8</u>	<u>20,682.5</u>	<u>21,451.0</u>	678.2	3.3

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	68.4	69.4
Casual	72.3	72.3
Total	<u>140.7</u>	<u>141.7</u>

Parks and Open Space

The Parks and Open Space Department enriches the lives Regina residents by providing world-class parks. The department manages approximately 1,600 hectares of parks and 148,000 City-owned trees.

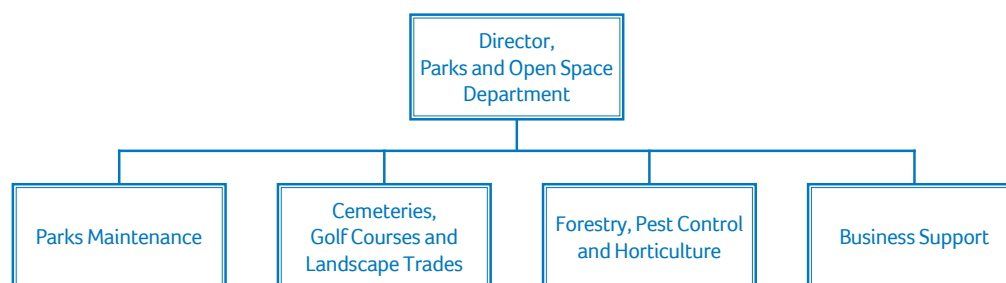


FIGURE 34: ORGANIZATIONAL STRUCTURE OF PARKS AND OPEN SPACE DEPARTMENT

Overview

The Parks and Open Space Department includes four branches:

Parks Maintenance Branch

- Maintains parks and open spaces through mowing, watering, removing litter, clearing snow from pathways and maintaining tree and shrub beds.
- Provides seasonal start-up and winterizing, backflow testing and general maintenance repairs to irrigated sites.
- Maintains outdoor ice locations as well as the speed skating oval at Mount Pleasant Park.

Cemeteries, Golf Courses and Landscape Trades Branch

- Provides business operations and grounds maintenance for City of Regina cemeteries.
- Provides landscape restoration and construction services for other City of Regina departments.
- Provides day-to-day maintenance and contract management of City of Regina golf courses.

Forestry, Pest Control and Horticulture Branch

- Maintains and protects the urban forest through pruning, planting and tree removals.
- Plants and maintains flowerbeds, pots and barrels throughout the city.
- Monitors and executes pest control programs, including mosquitoes, cankerworms, rodents, Dutch Elm Disease and weed control.

Business Support Branch

- Provides general administrative services including payroll entry, records management, typing, filing and mail services.
- Provides asset management support through work order management and maintaining asset records.
- Provides financial support for the department including variance reporting, budget preparation and performing financial transactions.

2014 Accomplishments

- Less than 1% of the urban forest was lost to disease or insect infestations.
- Horticulture staff planted and successfully maintained 40,000 bedding plants.
- A total of 655 hectares of park area were surveyed as part of the weed threshold survey.
- More than 2,000 sites were treated for mosquitoes, significantly reducing breeding conditions in the city.
- *The Cemetery Bylaw* was reviewed and updated.
- Lighting renovations were completed at the Tor Hill Golf Course pro shop and Murray Golf Course clubhouse.
- An employee handbook was developed to provide departmental information to staff.

STRATEGIC ISSUES AND 2015 PRIORITIES**Key Strategic Issues**

- New subdivision development has created additional open spaces to maintain which may impact the level of service that the department can provide.
- With a competitive job market and a sizeable number of employees eligible for retirement in the next five years, the department is at risk of losing skilled, knowledgeable employees, which could impact future service levels.
- Aging City infrastructure, including parks furniture, pathways, facilities and equipment makes it more difficult to maintain existing assets to customer expectations.

2015 Priorities**Regina Urban Forestry Management Strategy**

- Review and revise The Regina Urban Forestry Management Strategy (RUFMS) to ensure it addresses changing community needs.

Asset Renewal

- Asset Renewal work focusing on open space restoration, tree replacement, recreational pathways and Tor Hill and Murray Golf Courses renovations.

Service Fee Review

- Review service fees to ensure they are competitive with similar municipalities. One focus will be creating a multi-year fee schedule for the golf courses and cemeteries to sustain and improve current infrastructure.

Leadership and Staff Development

- Continue to engage our work force by providing leadership and technical training to improve core competencies and safety management practices as part of our department succession plan.

Service and Efficiency Improvements

- Implement GIS software to assist in managing assets and creating work schedule efficiencies. Pilot projects are scheduled for the mosquito larvae control and tree pruning programs.
- Develop new operator agreements for the in-town golf courses and crematorium to increase revenues from non taxable sources.

Parks and Open Space Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Director, Parks & Open Space	184.7	175.7	249.6	64.9	35.1
Business Support	763.7	691.8	715.3	(48.4)	(6.3)
Cemeteries, Golf Courses & Landscape Trades	4,230.8	4,047.1	4,385.3	154.5	3.7
Forestry, Horticulture & Pest Control	3,914.3	4,066.0	4,052.5	138.2	3.5
Parks Maintenance	8,243.0	8,119.6	8,550.4	307.4	3.7
Facility Costs	1,008.7	973.6	1,095.7	87.0	8.6
Total Operating Expenditures	<u>18,345.2</u>	<u>18,073.8</u>	<u>19,048.8</u>	<u>703.6</u>	<u>3.8</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	74.1	74.9
Casual	114.5	113.4
Total	<u>188.6</u>	<u>188.3</u>

Transit Services

Regina Transit is responsible for operating an accessible and affordable urban transit service. This includes the management of a fleet of 115 low-floor accessible buses providing approximately seven million rides annually.

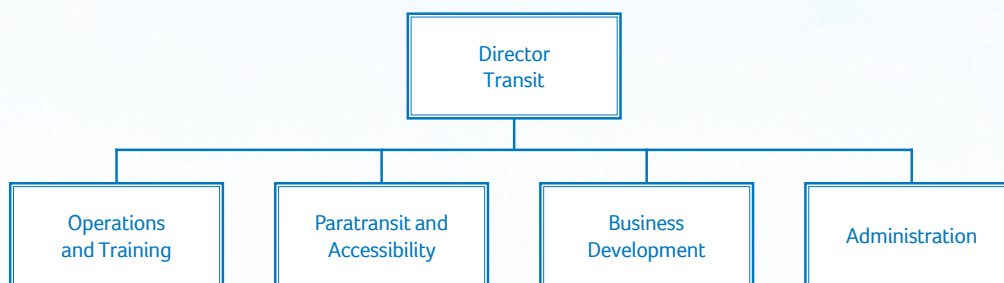


FIGURE 35: ORGANIZATIONAL STRUCTURE OF TRANSIT

Overview

The Transit Services includes four branches:

Operations and Training Branch

- Provides transportation through a regularly scheduled fixed route public transit system. It also provides charter service within a 25-km radius of the city for events such as conventions, football express, 'Ding in the New Year' and emergency situations.

Paratransit and Accessibility Branch

- Provides specialized door-to-door transportation for people with disabilities and the elderly who are unable to use regular transit.

Business Development Branch

- Responsible for marketing and communications to ensure residents are informed about programs and services so they can make optimal use of transit. It ensures that routes and schedules are planned efficiently and serve as many residents as possible.

Administration Branch

- Supports information management and technology, variance and financial reporting as well as budget preparation and submission. It also handles structured record keeping and data integrity as well as support for business and strategic planning and executive administrative.

2014 Accomplishments

- The Transit fleet size was increased to 115 buses, all of which are low-floor accessible. This model provides easy access for anyone with a mobility device, giving them the same transit option as able-bodied passengers.
- Security was improved in the downtown area. There is also daily cleaning of the high-traffic bus shelters on 11th Avenue. Four of these shelters were replaced with more modern ones featuring radiant heat and lights.
- Google Transit has replaced "Trip Planner" to provide a more intuitive, user-friendly way for the customers to plan their trip.
- Ridership is projected to increase 6 - 9% marking the third consecutive year with a jump in bus usage.
- City Council approved fare increases for 2015-2017. This will result in higher expected revenue of between \$1.2 million and \$1.6 million annually.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

- The city's population growth continues to put pressure on Transit to maintain existing services levels.
- The demand for Paratransit service continues to outpace capacity and will continue to grow as Baby Boomers age and the city's physical footprint expands.
- Addressing the recommendations made in the Saskatchewan Human Rights Commission report "Regina Accessible Transportation Stakeholder Advisors Committee Recommendations May 2014".
- Attracting and retaining transit operators remains a challenge. The system operates about 20 hours per day with reduced hours on Sunday, which does not fit into the personal lifestyles of would-be drivers.

2015 Priorities

Paratransit Refusal Rate Reduction

- The department will begin using an interactive voice response system to reduce the number of unaccommodated trips. This will enable paratransit customers to have their planned trips confirmed by computer-generated phone calls.
- Paratransit will also begin to use taxi service to supplement its fleet on an as-needed basis.
- Two additional buses will be added to the paratransit fleet (assuming provincial government support).
- The department will undertake a Paratransit Accessibility Review.

Bus Stop Accessibility Improvements

- A bus stop will be outfitted with different signage, route information, sidewalk enhancements, and different tactile surfaces so that customers with disabilities can identify bus stops more easily.

Operations Overtime Reduction

- Conduct a review of the Operations branch related to staffing levels, attendance management and overtime.

Transit Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Conventional Transit	25,709.2	27,869.9	26,951.6	1,242.4	4.8
Paratransit	4,810.6	4,736.8	5,338.9	528.3	11.0
Facility Costs	802.4	881.7	835.8	33.4	4.2
Total Operating Expenditures	31,322.2	33,488.4	33,126.3	1,804.1	5.8

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	212.0	212.0
Casual	3.7	3.7
Total	215.7	215.7

Service Regina

Service Regina, which is comprised of the Call Centre, In-Person Service and Operational Services, champions the implementation of the City's customer service strategy and works to achieve the City's goal of providing excellent customer service to the community.

Service Regina responds to customer inquiries, requests for service and concerns relating to all City of Regina services. All areas of the branch provide support to various divisions to assist them in meeting their operational requirements.

Service Regina Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Service Regina	<u>1,508.3</u>	<u>1,330.5</u>	<u>1,537.8</u>	<u>29.5</u>	<u>2.0</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	32.0	32.0
Casual	<u>0.5</u>	<u>0.5</u>
Total	<u>32.5</u>	<u>32.5</u>

Transportation and Utilities Division

Transportation and Utilities Division is a new division comprised of three departments: Waterworks, Roadways and Transportation, and Solid Waste. Its responsibilities include ensuring that infrastructure for transportation as well as water works and waste services meets the community's expectations.

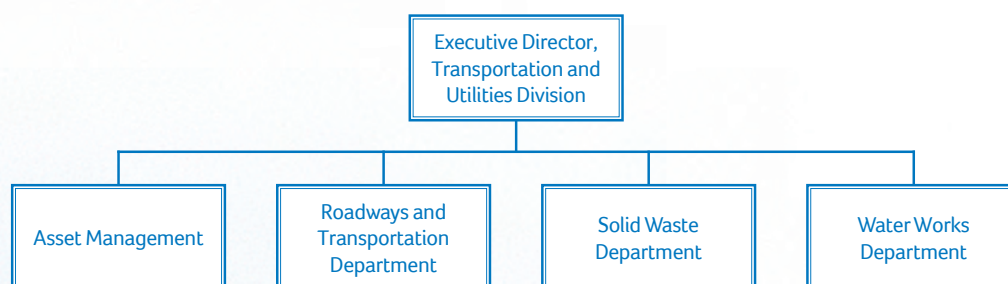


FIGURE 36: ORGANIZATIONAL STRUCTURE OF THE TRANSPORTATION AND UTILITIES DIVISION

Key Strategic Issues

- Aligning infrastructure investments with future community needs.
- Providing and promoting conservation, stewardship and environmental responsibility to the City's plans and operations.

Transportation and Utilities Budget Summary

(This excludes the Water and Sewer Utility as it is in a separate fund and reported in the Utility Budget Book.)

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
ED Transportation & Utilities	-	31.9	287.3	287.3	-
Solid Waste	19,888.5	18,884.6	19,864.6	(23.9)	(0.1)
Roadways & Transportation	34,946.0	34,610.7	37,608.6	2,662.6	7.6
Total Operating Expenditures	<u>54,834.5</u>	<u>53,527.2</u>	<u>57,760.5</u>	<u>2,926.0</u>	<u>5.3</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	203.2	217.2
Casual	<u>82.9</u>	<u>70.1</u>
Total	<u>286.1</u>	<u>287.3</u>

Executive Director, Transportation and Utilities Budget Detail

Expenditures (000's)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Executive Director	-	-	-	-	-
Transportation & Utilities	<u>-</u>	<u>31.9</u>	<u>287.3</u>	<u>287.3</u>	

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	-	3.0
Casual	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>3.0</u>

Roadways and Transportation

Roadways and Transportation is charged with building and maintaining roadways, sidewalks, alleys, easements and bridges to ensure a safe and reliable transportation system in the community.

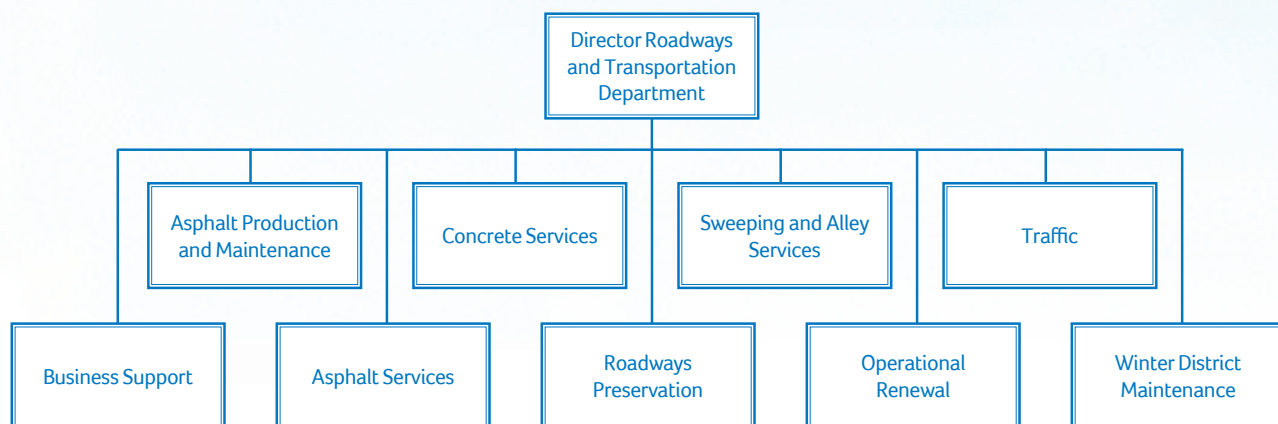


FIGURE 37: ORGANIZATIONAL STRUCTURE OF ROADWAYS AND TRANSPORTATION DEPARTMENT

Overview

The Roadways and Transportation Department has nine branches. They include:

Asphalt Services

- Maintains and rehabilitates the paved roadway surfaces of Regina's streets and alleys.

Asphalt Production and Materials Engineering

- Provides quality asphalt mixes, granular and landscape materials and technical services to support:
 - Road infrastructure construction, renewal and maintenance
 - Water and sewer network upgrades and repairs
 - Open space and parks maintenance programs
- Manages the production and sale of recycled materials.

Business Support

- This branch delivers business and administrative services to internal and external customers, including:
 - Administration and business consulting
 - Information and data management systems and reporting
 - Innovative technology solutions
 - Project management, research and other business services

Concrete Services

- Maintains and rehabilitates concrete sidewalks and asphalt capped sidewalks and repairs or replaces them for Water and Sewer Services.

Roadways Preservation

- Provides engineering, design, contract administration and construction services for transportation infrastructure renewal.
- Develops and executes asset management plans to support the transportation network and provides scheduling and coordination for City construction activities.

Sweeping and Alley Services

- This branch maintains and rehabilitates the city's paved and gravel alleys, including gravel surface rural roads.
- It also provides sweeping services to the streets, medians, alleys and sidewalks.

Traffic

- This branch provides engineering design, construction services and traffic management services to the city's traffic controls and street lighting systems. This includes:
 - Traffic signals, signs and roadway markings
 - Pedestrian protection devices
 - Street lighting
 - Traffic accommodation services for construction projects
 - On-street parking design and administration
 - Street use, special event and over-dimensional move coordination

Winter District Maintenance

- This branch clears snow from roadways, sidewalks and alleys, applies sand and salt when necessary and manages the snow dump.

Operational Renewal

- Leads the Roadways and Transportation Business Transformation Process.
- Assists in any organizational changes using sound project management.
- Ensures communication systems keep people informed and information is accessible.
- Provides a respectful work environment that embraces change, innovation, corporate values and initiative.

2014 Accomplishments

- Created a new strategy for the renewal of residential roads, focusing on preventative and rehabilitation planning to extend the life of Regina's residential streets in the most cost effective way.
- Rehabilitated 38 km of road including:
 - One expressway (Ring Road, 16 km)
 - 15 arterials (8.8 km)
 - 10 collectors (4.6 km)
 - 40 local roads (11.6 km); including 1.6 km for Local Improvement Program
- Rehabilitated the Ross Avenue Bridge over Ring Road, repaired two bridges that had been damaged and performed preventative maintenance on six other bridges.
- Installed new signals at six intersections.
- Upgraded signals at 12 intersections and 12 pedestrian corridors.
- Upgraded 29 paved alleys, refreshed approximately 13 km of gravel alleys and maintained more than 130 km of gravel alleys.
- Maintained approximately 66 km of high-grade gravel roads.
- Maintained guardrails at 29 bridges and five pedestrian underpasses.
- Maintained 182 expressway lights.
- New expressway lights were installed on 9th Avenue North (Between McCarthy Boulevard and Courtney Street.)

- Continued the Concrete Trip Hazard Removal Program, which will have removed about 3,200 trip hazards by the end of the year.
- Renewed the pavement crack sealing program.
- Obtained provincial funding for the reconstruction of the Victoria Avenue East bridges.
- Provided services to the Ministry of Highways and Infrastructure for the installation of the Lewvan Drive concrete median.
- Obtained approval to sell recycled asphalt and concrete, an initiative expected to generate between \$50,000 and \$100,000 of net revenue annually.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

- The City's core infrastructure is aging and current investments are not able to keep pace with the decline of asset conditions. As infrastructure reaches the end of its useful life, it becomes more expensive to maintain and repair. The department must continue to develop a comprehensive asset management plan to maintain the City's core assets.
- The facilities that currently house staff and the equipment they use to deliver services are no longer meeting current needs. Many of them need significant repairs and upgrades. The space needed to store equipment and deliver services is insufficient, as is the configuration of the current work space.
- The condition of roadways, particularly residential streets, continues to be an important issue for Regina residents. The department is continuing to seek innovative ways to deliver acceptable levels of service in an affordable manner.

2015 Priorities

Infrastructure and Asset Management

- To continue to build on the successes of 2014 with a specific focus on improving the quality of safety programs, coordinating the roads infrastructure renewal program and handling service requests including:
 - Projects to optimize resources and increase efficiency
 - The Local Roadways Renewal Program (1% of the mill rate is dedicated to the renewal of residential roads)
 - The sale of recycled materials to the general public
 - Reviewing funding and plans for future bridge infrastructure investment

Winter Road Maintenance Policy

- Updating procedures for winter maintenance activities

Succession Planning

- Strengthening succession planning and training programs to address the shortage of skilled labourers in the market.

Facility Renewal

- Working with Facilities Management to repair and renovate the aging facilities currently used by Roadways and Transportation to house staff and deliver its services.

Roadways and Transportation Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Director , R&TS	2,287.6	2,688.5	513.8	(1,773.8)	(77.5)
Asphalt Services	4,575.7	4,285.9	5,222.0	646.3	14.1
Concrete Services	2,523.2	2,523.2	3,643.7	1,120.5	44.4
Sweeping and Alley Services	6,638.4	5,040.2	7,249.5	611.1	9.2
Winter Road Maintenance	6,797.1	7,817.8	8,944.3	2,147.2	31.6
Traffic	8,720.7	8,743.9	8,738.4	17.7	0.2
Business Support- R&TS	829.1	835.2	692.2	(136.9)	(16.5)
Roadways Preservation	1,963.9	1,963.9	1,927.4	(36.5)	(1.9)
Asphalt Production & Field Services	322.4	324.9	320.2	(2.2)	(0.7)
Facility Costs	287.9	387.2	357.1	69.2	24.0
Total Operating Expenditures	34,946.0	34,610.7	37,608.6	2,662.6	7.6

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	142.2	152.2
Casual	60.2	46.7
Total	202.4	198.9

Solid Waste

The Solid Waste department is responsible for providing waste reduction, collection and disposal services for Regina citizens and surrounding communities to ensure public health, safety and the protection of the natural environment.

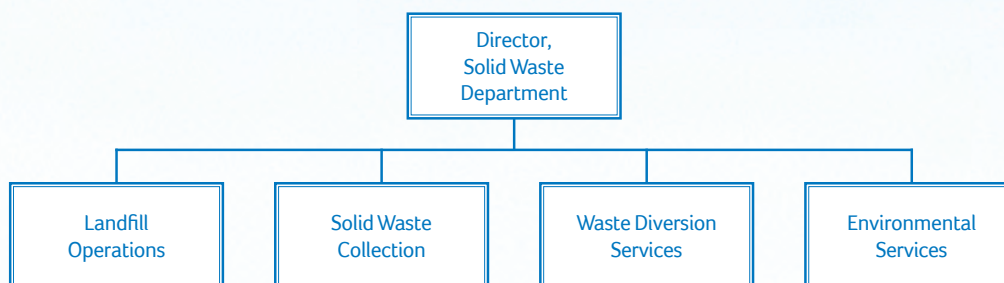


FIGURE 38: ORGANIZATIONAL STRUCTURE OF THE SOLID WASTE DEPARTMENT

Overview

The Solid Waste Department includes four branches:

Solid Waste Collection Branch

- Provides waste collection services to single-family residential properties.
- Oversees weekly curbside garbage collection, complying with all regulatory requirements for the disposal of waste and other hazardous materials.

Landfill Operations Branch

- Manages waste disposal activities and diverts recoverable and recyclable materials.
- Works to transform waste by-products and surpluses into useable resources.

Waste Diversion Services Branch

- This branch manages the residential curbside recycling program.
- Develops and implements new waste diversion services such as Leaf and Yard and bulky waste curbside programs.
- Delivers educational events and community outreach programs and manages city-wide waste diversion events such as Household Hazardous Waste Day and Christmas tree depots.

Environmental Services Branch

- Ensures regulatory compliance including the monitoring, testing and reporting of environmental codes and legislation.
- Coordinates environmental spill responses and provide environmental engineering support to projects.

2014 Accomplishments

- A new entrance to the landfill was opened on March 10, 2014. It features a new single entry/exit point with four bi-directional scales.
- The landfill began a \$10-million expansion which will extend its useful life by an additional 25 years.
- The landfill expanded acceptable methods of payment to include both debit and credit cards.
- Bi-annual seasonal leaf and yard depots were established providing residents with an alternative for their yard waste. The depots have increased diversion rates.
- Council approved an expansion to the recycling program, effective January 1, 2015, to include multi-family residences.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

- The city and surrounding area have experienced unprecedented growth in terms of both population and the economy, resulting in more waste. Regina's households generate an average of about 872 kilograms of solid waste annually, a decrease from 1,000 kilograms per household in 2008. Residents are recycling about 193 kilograms per household annually through the Blue Cart Recycling program.
- More than 85% of Regina residents feel strongly that it's important to reduce the amount of garbage going to the landfill. Continuing curbside recycling and introducing other waste diversion services is an important priority for the community.
- The landfill's capacity was expanded to provide space for another seven years of waste collection in 2010. Due to the growth in population and the economy, as well as closures of smaller neighbouring landfills, this capacity will be used up in 2015.

2015 Priorities

Implementation of Waste Plan Regina

- Multi-family recycling will be implemented on January 1, 2015.
- Implement the remaining services within Waste Plan Regina – Leaf and Yard curbside program and bulk waste collection.

Landfill Gas Project

- Complete the construction of the Landfill Gas to Energy initiative that will generate electricity and be sold to SaskPower.

Review of waste collection routes

- Route scheduling will be reviewed to develop optimal routing for solid waste collection services.

Solid Waste Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Director, Solid Waste	-	64.7	112.6	112.6	-
Environmental Services	245.4	56.4	390.0	144.6	58.9
Landfill Operations	4,435.1	4,909.2	4,386.5	(48.6)	(1.1)
Solid Waste Collection	8,904.4	7,946.1	8,655.0	(249.4)	(2.8)
Waste Diversion	6,185.1	5,784.3	6,202.1	17.0	0.3
Facility Costs	118.5	123.9	118.5	-	-
Total Operating Expenditures	19,888.5	18,884.6	19,864.7	(23.8)	(0.1)

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	61.0	62.0
Casual	22.7	23.4
Total	83.7	85.4

Regina Fire and Protective Services

The Regina Fire and Protective Services Department is responsible for delivering proactive public safety programs and dynamic response times that preserve and enhance life, property and the environment in the communities it serves.



FIGURE 39: ORGANIZATIONAL STRUCTURE OF FIRE AND PROTECTIVE SERVICES DEPARTMENT

Overview

Regina Fire and Protective Services (RFPS) provides fire suppression, technical rescue, emergency medical services, hazardous materials response, fire prevention, fire investigation, emergency preparedness, business continuity, public education, fire fighter training and bylaw enforcement services.

Operations

- Delivers emergency response services including fire suppression, technical rescue, emergency medical services and hazardous materials response.
- Participates in non-emergency response service areas, such as public education activities, in-service commercial inspections, pre-incident planning and risk assessment.

Training Academy, Safety and Logistics

- Provides ongoing professional training, education and resources to meet legislated requirements and industry standards.
- Introduces new techniques, equipment and safe working practices and provides support to succession planning initiatives at all levels of RFPS.
- Oversees the management of equipment as well as sourcing and distributing supplies in the department.

Public Safety, Planning and Prevention

- Delivers public education activities to support a safe community.
- Provides fire inspection services to identify and mitigate risks.
- Delivers fire investigation services after incidents occur.
- Oversees and maintains the city emergency management and business continuity programs.

Administration and Communications

- Provides administration and business support services to enhance the delivery of fire and protective services.
- Oversees administrative and communication services including planning, research and development as well as emergency communications services to internal and external customers.
- Functions include maintaining the records management systems, information technology and equipment, emergency communications/dispatch, geographic information systems, mapping, data analysis, data processing, filing system management, internal communications, policy development, quality assurance, strategic and business planning, process mapping, budgeting, financial systems and payroll. It also maintain relationships with IT Services and other corporate service providers.

Bylaw and Licensing

- Educates citizens and enforces bylaws in a consistent manner to encourage a safe and healthy community.
- Oversees the taxi licensing program.
- Manages the animal licensing program.

2014 Accomplishments

- Responded to more than 7,000 emergency and non-emergency incidents.
- Maintained International Fire Accreditation.
- Continued revisions to the department's standard operating procedures and data collection processes.
- Increased accessible taxi licences to 10, an increase of 250%, through a lottery process that enabled all taxi brokers to have a minimum of one accessible taxicab.
- Responded to 8,150 services requests and started targeted inspections to enforce bylaw infractions.

STRATEGIC ISSUES AND 2015 PRIORITIES

Key Strategic Issues

- Reviewing department programs and services to ensure they are effective, delivered efficiently and are meeting citizens' needs.
- Examining alternative revenue sources, such as regional service models, to reduce the burden on taxpayers.
- Ensuring employees have the right equipment and work environment.
- Ensuring that citizens are able to understand the link between the levels of community risk, emergency response service levels and their cost.
- Ensuring that the department understands the changing risks and citizens' priorities as the city grows to reduce the frequency of emergency incidents.

2015 Priorities

Fire Accreditation

- Continue the implementation of recommended improvements outlined by the annual international fire accreditation appraisal process.

Technology and Service Improvements

- Implement technology enhancements, such as Automatic Vehicle Location/AVL and data collection improvements. System upgrades are paramount to maintain vendor support and continue improvement. Development is managed with existing resources and partnerships with the ITS Department. Telephone upgrades required to support the 911 system will require an annual budget increase of \$6,000.

Regional Cooperation and Services

- The RFPS provides services to individuals and communities outside of Regina. It will continue to work with the regional planning branch to ensure that the services being delivered are sustainable.

Emergency Management

- Continue to develop the City of Regina Emergency Management Agency to enhance the City's ability to deal with major emergencies and to recover from business interruptions that may affect its ability to serve the community.

Regina Fire and Protective Services Budget Summary

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Fire & Protective Services	40,162.7	40,237.8	41,218.0	1,055.3	2.6
Bylaw & Licensing	4,940.4	4,973.0	5,891.4	951.0	19.2
Total Operating Expenditures	<u>45,103.1</u>	<u>45,210.8</u>	<u>47,109.4</u>	<u>2,006.3</u>	<u>4.4</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	336.5	336.5
Casual	-	-
Total	<u>336.5</u>	<u>336.5</u>

Fire and Protective Services Department Budget Detail

Expenditures (\$000s)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Operations	32,053.5	32,002.6	32,970.9	917.4	2.9
Training Academy, Safety & Logistics	3,663.9	3,908.5	3,619.5	(44.4)	(1.2)
Public Safety Planning & Prevention	1,615.4	1,680.6	1,666.6	51.2	3.2
Administration & Communications	2,398.7	2,176.2	2,507.8	109.1	4.5
Facility Costs	431.2	469.9	453.2	22.0	5.1
Total Operating Expenditures	<u>40,162.7</u>	<u>40,237.8</u>	<u>41,218.0</u>	<u>1,055.3</u>	<u>2.6</u>

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	307.0	307.0
Casual	-	-
Total	<u>307.0</u>	<u>307.0</u>

Bylaw and Licensing Budget Detail

Expenditures (000's)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Bylaw & Licensing	<u>4,940.4</u>	<u>4,973.0</u>	<u>5,891.4</u>	951.0	19.2

Staff Complement (110 fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	29.5	29.5
Casual	-	-
Total	<u>29.5</u>	<u>29.5</u>

Operations Group Costing Fund

The City Services Division provides services to other divisions that are charged out to their operating budgets. On a stand-alone basis, these costs are reflected as follows:

Expenditures (000's)	2014 Budget	2014 August Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Parks & Open Space	1,456.7	1,456.7	1,455.9	(0.8)	(0.1)
Roadways & Transportation	5,846.9	11,135.0	9,111.2	3,264.3	55.8
Facility Costs	42.5	53.8	48.0	5.5	12.9
Real Estate	3,398.8	3,337.2	4,610.6	1,211.8	35.7
Facility Costs	1,276.5	1,338.1	1,364.7	88.2	6.9
Total City Operations Costing Fund	<u>12,021.4</u>	<u>17,320.8</u>	<u>16,590.4</u>	4,569.0	38.0

Staff Complement (Costing Fund)

Full Time Equivalents (FTEs)	2014	2015
Permanent	14.9	14.9
Casual	12.6	12.6
Total	<u>27.5</u>	<u>27.5</u>

Service Partners

The City of Regina works with several key service partners including Wascana Centre Authority, the Regina Regional Opportunities Commission, the Regina Exhibition Association Limited (Evraz Place), and the Regina Police Service. The recommended budget includes funding requests from all of them.

Wascana Centre Authority

Wascana Centre Authority (WCA) encompasses 2,300 acres within the boundaries of the City of Regina. It has a very diverse group of tenants and landowners. Legislation that created WCA established a board of directors to represent the three main partners – the Government of Saskatchewan, the City of Regina and the University of Regina. These three partners also provide the majority of funding for WCA operations through grants. These grants are provided in accordance with a formula in The Wascana Centre Act. WCA accepts donations, does contract work and fundraises to supplement revenue and fund enhancements.

The City of Regina provides annual grant funding to WCA for grounds maintenance, horticultural and forestry, infrastructure, community relations, and administration. In addition, the City may also provide grants for specific improvements on City land, other special initiatives or it may do improvements in the Centre directly, such as recent roadway work on Wascana Parkway.

The WCA operations are structured in four areas:

- Maintenance: Grounds keeping, building maintenance, skating and cross-country surfaces, etc.
- Horticulture, Pest Control and Forestry: The WCA grows, plans, plants, and maintains floral beds throughout the park and in its greenhouses.
- Infrastructure: Construction, repair and maintenance of picnic areas, trails, bridges, overlooks, islands, and oversight of engineering and architectural advisory committees.
- Communications and Events: Oversees event coordination, all communications, bylaw enforcement, security, fund raising, conservation, education, environmental management, and youth programming.

The funding requested by the WCA for 2015 totals \$2.8 million, an increase of \$219,000 from 2014. These resources are reflective of the contribution formula in *The Wascana Centre Act* and would provide:

- \$2,307,900 for ongoing operating costs; and
- \$489,000 in one-time capital improvement costs.

Regina Regional Opportunities Commission

The Regina Regional Opportunities Commission (RROC) is the agency responsible for advancing economic development and tourism in the city's region. It was established by *The Regina Regional Opportunities Commission Bylaw 2009-20* with the following mandate:

- Create and implement an economic development strategy to grow and sustain prosperity in the Regina region.
- Encourage the retention, development, attraction, and growth of business and tourism products and services for those who live, work, visit, and invest in the Regina region.
- Market and promote the Regina region for business and tourism.

RROC has recently renewed its business plan and focus, determining that it will advance a bold, collaborative vision and build a foundation to ensure economic prosperity for the Regina region. Under the guidance of an engaged and committed board and the City of Regina, RROC has conducted significant research and analysis with outreach to community and business leaders, all levels of government, and other stakeholders. This has formed the basis of the organization's strategic shift and new business plan and supports the *Design Regina: The Official Community Plan*.

RROC, as an entity of the City of Regina, is primarily resourced through a contribution from the City. However, it also receives grants, investments and fees for service from a wide range of other sources to support ongoing operations. At the direction of the City of Regina, in recent years, RROC utilized its retained earnings to offset some of its expenditures. By the end of 2014, their retained earnings will have been fully depleted, requiring an increased investment from the City to maintain the organization's capacity and level of service. The funding requested by RROC for 2015 totals \$1.7 million, an increase of \$796,600 from 2014.

	2013 Actual	2014 Forecast	2015 Budget	% Change
Revenue				
City of Regina Contribution	922,900	1,122,900	1,719,473	53.1%
Other Revenue	856,712	689,638	623,712	(9.6%)
Total Revenue	1,779,612	1,812,538	2,343,185	29.3%
Expenses				
Administration	1,583,444	503,454	573,887	14.0%
Enterprise	118,515	540,514	869,517	60.9%
Tourism	308,934	592,500	638,445	7.8%
Corporate Development	104,450	390,081	261,337	(33.0%)
Other	47,443	-	-	n/a
Total Operating Expenditures	2,162,785	2,026,550	2,343,186	15.6%
Net Income (Loss)	383,173	214,012	0	

Regina Exhibition Association Limited (Evraz Place)

On behalf of the City of Regina, Regina Exhibition Association Limited (REAL) manages, maintains and markets Evraz Place, a 102-acre site with several multi-purpose buildings worth more than \$70 million. When the New Mosaic Stadium becomes operational, REAL will also take on responsibility for this new, state of the art facility. REAL employs 1,200 people and has an operating budget of \$34 million (2013 audited financial statements).

The funding requested by REAL for 2015 totals \$400,000, the same amount as received in 2014. The resources will be used to contribute to the maintenance, upgrading and renewal of the building infrastructure and grounds.

Regina Police Service

The information in this summary is based on the 2015 Operating Budget submitted to the Board of Police Commissioners.

Revenue Source (\$000s)	2014 Budget	2014 Forecast	2015 Budget	Budget Change	
				Dollar Change	Per Cent Change
Revenue					
Provincial Programs	6,293.2	6,522.5	6,766.8	473.6	7.5
Federal Programs	459.0	459.0	283.3	(175.7)	(38.3)
Other Police Revenue	1,514.0	1,594.0	1,823.5	309.5	20.4
Total Revenues	<u>8,266.2</u>	<u>8,575.5</u>	<u>8,873.6</u>	<u>607.4</u>	<u>7.3</u>
Expenses					
Salaries and Benefits	65,614.6	65,614.6	68,533.6	2,919.0	4.4
Corps of Commissionaires	399.2	399.2	409.2	10.0	2.5
Operational Expenses	-	-	-		
Headquarters	753.0	812.3	770.2	17.2	2.3
Criminal Investigation	692.5	942.5	829.9	137.4	19.8
Community Services	1,233.2	1,233.2	1,359.5	126.3	10.2
Administration	4,354.4	4,354.4	5,017.8	663.4	15.2
Total Operating Expenditures	<u>73,046.9</u>	<u>73,356.2</u>	<u>76,920.2</u>	<u>3,873.3</u>	<u>5.3</u>
Transfer to Reserve	-	-	-	-	-
Total Expenses	<u>73,046.9</u>	<u>73,356.2</u>	<u>76,920.2</u>	<u>3,873.3</u>	<u>5.3</u>



Regina.ca

September 11, 2014

To: Members,
Public Works and Infrastructure Committee

Re: Residential Road Network Improvement Plan

RECOMMENDATION

1. That a long term goal be established to achieve a service level of 'fair' or better conditions for 85% of the residential road network;
2. That the 1% dedicated mill rate, approved in the 2014 budget, be applied to residential roads within the 'good' and 'fair' condition category (i.e. using a strategy of "Proactive Repair"), in order to stabilize the network from further degradation; and
3. That, during the 2015 budget process, City Council considers establishing a program of Residential Road Network Improvement funding with an incremental 1% dedicated mill rate increase over each of the next five years, in addition to the dedicated 1% property tax allocated in the 2014 budget. This Residential Road Network Improvement funding is intended to secure the necessary financial resources to systematically address the condition of residential roads within the 'poor' category and deliver a program of on-going preventative maintenance and rehabilitation to roads in 'good' and 'fair' condition.

CONCLUSION

The Administration recognizes that there is an urgent need to increase the investment in 'poor' roads and implement a strategy to prevent further deterioration of the residential road network. The condition of Regina's residential road network has steadily deteriorated over the past 50 years as a result of underfunding this infrastructure and while there are no quick fixes to improve the condition of the network there are approaches that can first start to slow the declining condition and over time improve the level of service that can be expected for this road network.

The arterial/collector/industrial roads program demonstrates that with proper funding and an appropriate strategy, the condition of the road network can be sustained. The Administration proposes the adoption of a similar strategy that proved successful for high traffic roads in order to address the growing problem of the residential road network's deterioration.

The 2014 budget included a 1% dedicated mill rate (\$1.7M) to begin to address the condition of the City of Regina's (City) residential road network. While this investment can be targeted at roads in the greatest needs it can be demonstrated that at this rate of investment will not impact the declining condition of the residential network. At the current rate of investment it would be expected that after 25 years the percentage of residential roads in 'poor' condition would increase from 18% to 68%

The restoration and maintenance of the residential road network, requires ongoing investment as the roads continue to deteriorate throughout their natural lifecycle. The Administration is recommending that Council provide a 1% dedicated mill rate increase similar to that approved in the 2014 budget over each of the next five years in order to bring funding to a level that would

support a sustained residential roads program. The proposal would see the 2014 mill rate allocation preserved as base funding for residential road improvement and any subsequent mill rate allocation added incrementally to that base funding. A reserve would be established to manage this funding and provide ongoing reporting on the status of this program.

In order to stop the current downward condition trend, stabilize and begin improving the residential road network, an estimated annual budget of approximately \$14 million (2014 dollars) would be required currently, with inflation requiring additional future funding. Of this budget, \$10.2 million could be funded by dedicating an incremental 1% of property taxes to residential roads over each of the next five years. This would result in incremental 1% added each year up to and including 2019. The remaining \$3.8 million could be allocated from the current Street Infrastructure Renewal Program. With this ongoing funding it is estimated that the overall residential road network condition can be improved to 85% in 'fair' condition within approximately 15 years, assuming the proposed strategy is implemented.

Best practice in asset management tells us that a program of preventive maintenance and rehabilitation is the most affordable and effective means of managing infrastructure. A program of preventive maintenance and rehabilitation can extend the life of an asset and is less expensive in the long run. If preventive maintenance and rehabilitation is not performed, infrastructure will deteriorate to a level that requires full reconstruction (replacement of road structure). Rebuilding roads that have deteriorated to a condition of 'poor' is significantly more costly than if preventive maintenance and rehabilitation practices are being followed.

The Administration's proposed approach is focused on stabilizing the residential road network by directing resources to roads in 'good' or 'fair' condition followed by a gradual improvement in level of service over the longer term, depending on available financial resources. This strategy will reduce or slow down the deterioration of roads and sidewalks to a 'poor' condition, and thus minimize the expensive reconstruction (rebuild) of roads in 'poor' condition. The Administration will continue to address roads in 'poor' condition at current funding levels (which is approximately 25% or \$3.8 million of the annual Street Infrastructure Renewal program budget) and gradually increase those investments as funding accrues to the Residential Road Network Program over the next five years through incremental mill rate allocations.

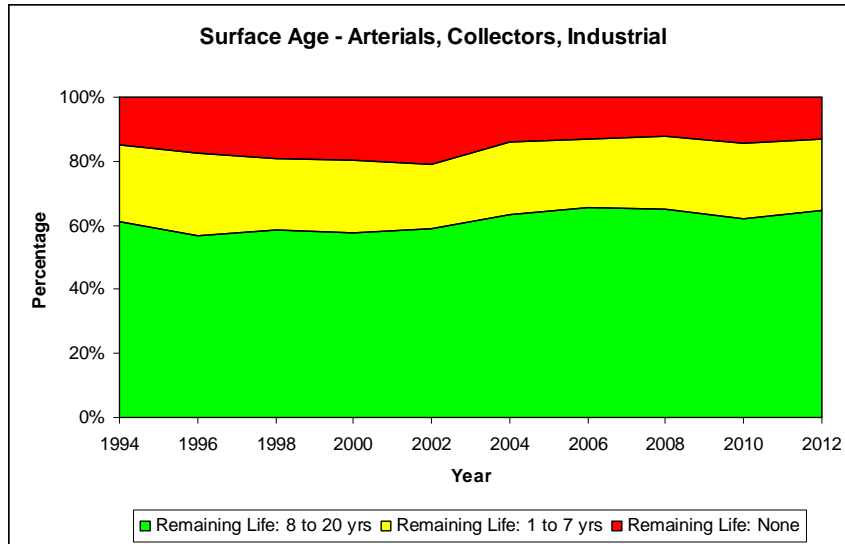
The Local Improvement Program (LIP) funds a portion of the cost to replace concrete works including walks, curbs and gutters. This Program is used in conjunction with the Street Infrastructure Renewal when it has been determined that the street, of any classification, requires the replacement of full blocks of walk, curbs and gutters in conjunction with the planned road and underground works. The concrete works are cost shared between residential property owners and general tax payers, while street renewal is funded from general tax payers. In a report titled "Residential Road Network Improvement Plan" being forward to Public Works & Infrastructure Committee a recommendation is being made to discontinue the use of the current LIP and propose a new program. That recommendation is based dependant on the decision coming out of this report.

BACKGROUND

In 2013, the Administration presented the 'State of the Roadways Infrastructure 2013' informational report to Council. This report demonstrated the following:

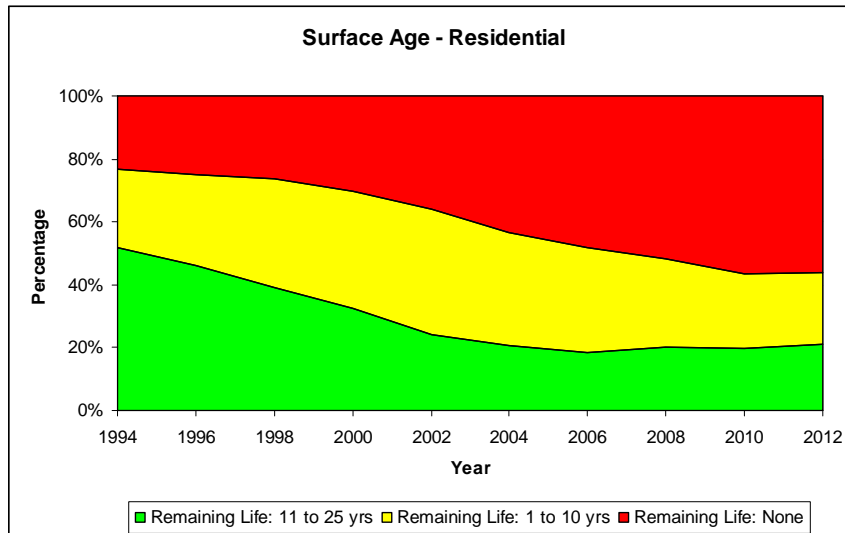
The arterial and collector road network is, to a large extent, in a 'fair' or 'good' condition, and has been stable during the last 20 years. Since 1994, the age and relative condition of City's arterial, collector and industrial sub-network has remained constant. The trend is indicative of a sustained level of investment in this category of roadways and it shown in Chart 1.

Chart 1: Remaining Life - Arterial, Collector and Industrial Roads



The residential road network is in less favourable condition, and its condition has deteriorated significantly during the last 20 years. Approximately 45% of the asphalt surface of the residential network is in 'fair' or 'good' condition, and 55% of the asphalt surface is beyond an assumed useful life of 25 years as shown in Chart 2.

Chart 2: Remaining Life Asphalt Surface – Residential Roads



As part of the discussion leading to this report, Council raised the question of how the residential road network could be improved, and subsequently approved resolution MN13-5 - Neighbourhood Infrastructure Improvement Program which requires:

1. *That the Administration report on the possibilities for developing and implementing a long-term, city-wide program for the improvement and rebuilding of neighbourhood*

streets, such program to be implemented in a systematic manner giving priority to areas of greatest need; and

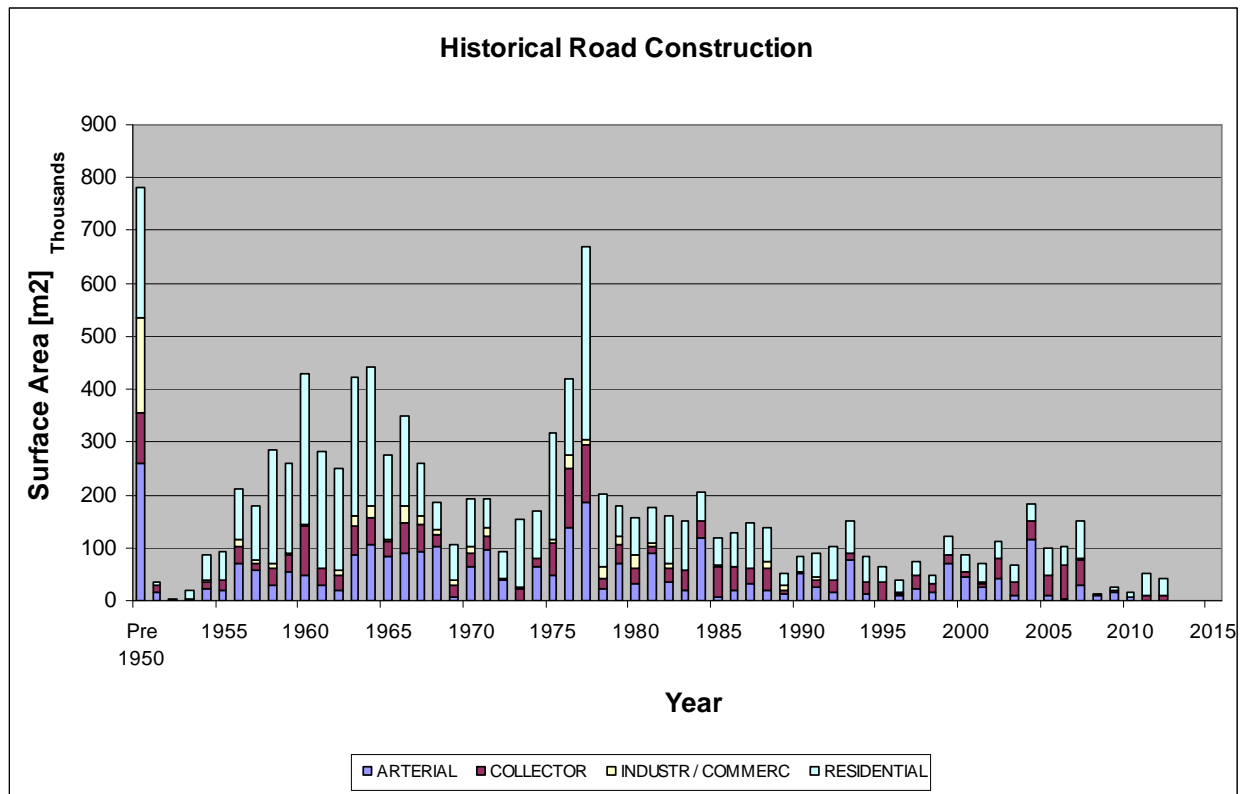
2. *That the said report considers how such a program might be resourced and implemented over a reasonable time period beginning in the first quarter of 2014.*

Subsequently, as part of the approval of the General Operating Budget (CR14-10), Council approved a 1% mill rate increase dedicated to the rehabilitation of residential roads. This report is in response to Council resolutions MN13-5 and CR14-10, and is intended to provide options and a strategy towards improvement of the residential road network.

History of road network construction

The City's road network, as shown in Chart 3 was constructed between 1945 and 1985, with peaks between 1960 to 1965, and 1977. The road network development was in conjunction with development of residential neighbourhoods.

Chart 3: History of New Roadways Construction in Regina



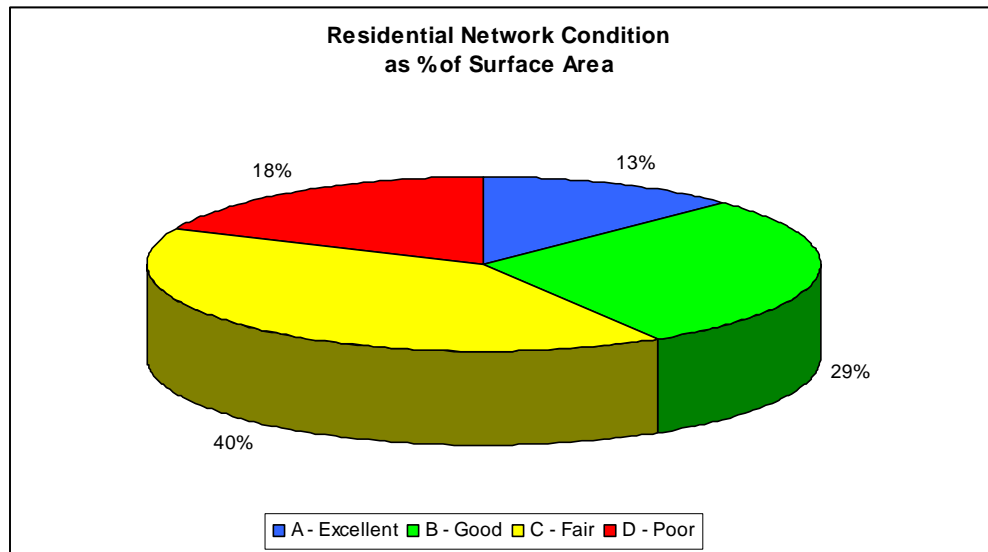
Current state of residential road network

The Administration conducts a residential road network condition assessment program, based on visual inspection of road and sidewalk condition. Using the data from this assessment program, a condition rating per road section (i.e. street block between intersections) was established, a generic condition index was calculated, and the network was divided into four condition groups, A – Excellent; B – Good; C – Fair; and D – Poor. Appendix A provides a description and a map which shows the results of the condition rating. The 2013 condition of the residential road network is summarized in Table 1.

Table 1: Condition and Inventory of Assessed Residential Network, excluding New Neighbourhoods

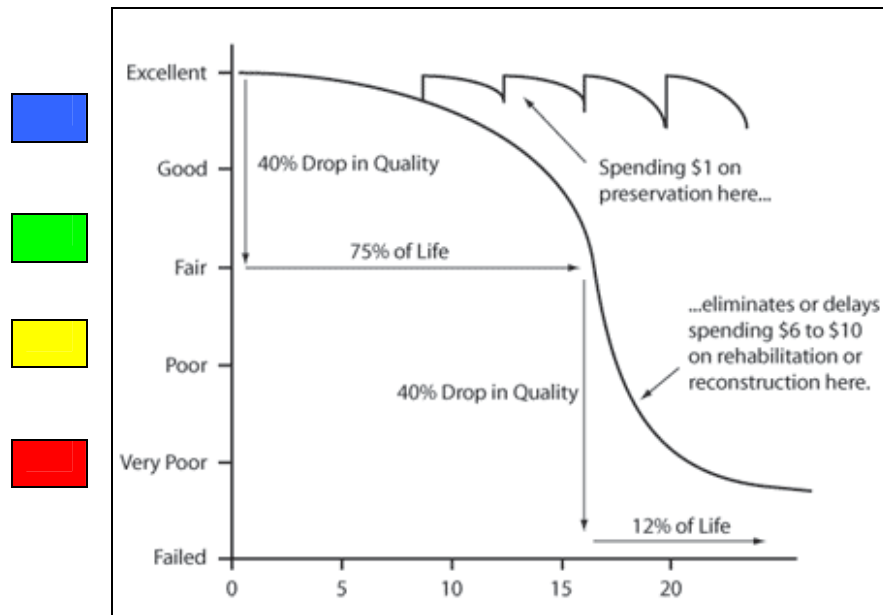
Condition Category	Number of Road Sections	% of total Road Sections	Road Surface Area [m ²]	% of total Surface Area	Road Length [km]	% of total Road Length
A - Excellent	483	12.8	722,344	12.6	67.8	12.2
B - Good	1,201	31.7	1,661,620	28.9	158.9	28.5
C - Fair	1,478	39.0	2,311,935	40.1	225.0	40.4
D - Poor	625	16.5	1,060,891	18.4	105.5	18.9
Total	3,787		5,756,790		557.2	

Chart 4: Residential Network Condition as % of Surface Area



Based on the condition assessment and as shown in Chart 4, +/- 40 % of the residential network is in an 'excellent' or 'good' condition and +/- 60 % is in a 'fair' or 'poor' condition. While the majority of residential roadways are in 'excellent' to 'fair' condition, there is a significant risk that those roads that are currently rated as 'fair' will become classified as 'poor' within the next five to 10 years. Moreover, there is a significant threat that the entire network of residential roads will deteriorate to the extent that complete reconstruction is required based on the life cycle of road design criteria. The typical life cycle of road is 45 to 60 years and the required maintenance involves a combination of resurfacing activities until reconstruction is required as a typical deterioration curve for a road structure is shown in Figure 1.

Figure 1: Typical Deterioration Curve for Road Structure



Early in its lifespan, the road structure deteriorates relatively slowly, and may not require any treatment for almost a third of its expected lifespan. Then, as its service level declines, light treatments may be appropriate. Later, as the condition declines further, more expensive treatments such as overlays may be required. At some point, the road structure deteriorates beyond a point which is "acceptable". After this point, the road structure must be maintained at a minimum safety service standard until a full rehabilitation or reconstruction is undertaken.

Note: The colors in Figure 1 refer to the colors of the different condition categories on the map in Appendix A.

DISCUSSION

Defining Levels of Service

The financial investment required to maintain a residential road program is based on establishing acceptable levels of service that take into consideration capacity, affordability and willingness to pay. The higher the level of service, the more costly it will be to implement and maintain a program in the short run. In the long run, higher levels of service may prove to be more affordable since it would require a program of routine maintenance that greatly reduces the need for costly rebuilds, resulting from deferred maintenance.

The Administration currently classifies levels of service in three categories. This classification system gives a better understanding of the condition of the residential roads network, as per the predefined measures laid out in *The Cities Act*, and provides options for rehabilitation and reconstruction within those guidelines.

Level 1 - Basic: Maintain all residential roads in a reasonable state of repair as required by *The Cities Act* so that they are safe for users and limit potential liabilities. This service level represents a minimum standard that would assume all roads in 'poor' condition.

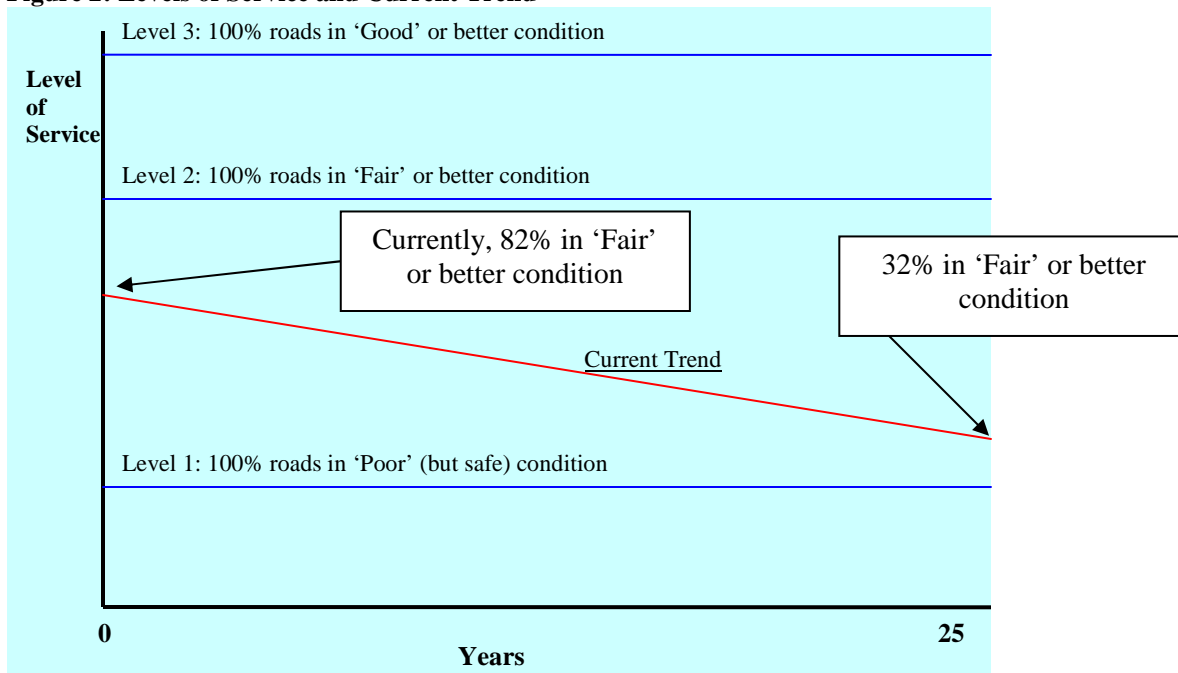
Level 2 - Enhanced: Restore and maintain all residential roads so that they meet a minimum condition of 'fair.' Under this level of service, all roads/sidewalks would be maintained in 'excellent,' 'good,' or 'fair' condition and no roads would be in 'poor' condition.

Level 3 - Superior: Restore and maintain all residential roads so that they meet a minimum condition of 'good.' Under this level of service, all roads/sidewalks would be maintained in 'excellent' or 'good' condition and no roads would be in 'poor' or 'fair' condition.

The existing level of service for residential roads is between basic and enhanced, as approximately 82% of the residential roads (based on surface area) are in 'fair' or better condition. Based on the current level of investment in residential roads, (which is approximately 25% or \$3.8 million of the annual Street Infrastructure Renewal program budget) in the next twenty five years only 32% of residential roads will meet a minimum 'fair' condition and the percentage of roads rated 'poor' will increase from 18% to 68%.

Figure 2 illustrates the different levels of service and current trend.

Figure 2: Levels of Service and Current Trend



In general, a higher level of service for roads is often described in terms such as: smooth roads, accessible at all times, well-draining storm and melt water, aesthetically appealing roads and sidewalks (neighbourhoods). Defining the appropriate level of service is still subject to further public discourse as opinion may vary considerably, based on perceptions of need and willingness to pay.

Treatment cost based on condition categories

Table 2 illustrates the amount of road improvement that could be achieved with a budget of \$1.7 million (the equivalent of 1% dedicated property tax in 2014) if it were used entirely for each of the categories B, C or D. As the table notes, treating roads in 'poor' condition is three times more expensive than treating roads in 'fair' condition and at least 13 times more expensive than treating roads in 'good' condition. With the \$1.7 million in current funding more kilometres of

roadways could be rehabilitated by focusing on roads in less deteriorated states, thereby making a larger impact on the overall infrastructure deficit.

Table 2: Recommended Treatment for Residential Roads, and Amount of Possible Road Improvement with a Budget of \$ 1.7 Million

Condition Category	Recommended Treatment Option	Result of Treatment	Estimated Cost [\$ /m ²]	Amount of Road Improvement with Budget of \$1.7 million		
				Road Surface [m ²]	Road Length [km]	Network Area [%]
A - Excellent	Maintenance Surface Seal	Road stays longer in Condition A - Excellent	5	340,000	34	6.0
B - Good	Thin Lift	Road stays longer in Condition B - Good	15	113,333	11.3	1.97
C - Fair	Mill & Pave (Recap)	Road returns back to Condition B - Good	60	28,333	2.8	0.49
D - Poor	Reconstruction	Road returns back to Condition A - Excellent	200	8,500	0.9	0.15

Note: The cost per square metre road surface for the recommended treatments in Table 2 includes the cost for required concrete (sidewalk, curb and gutter) work.

Operational strategy to stabilize and improve residential road network conditions

The Administration reviewed several implementation scenarios to stabilize and improve the condition of the residential road network, based on the three levels of service outlined in this report. The highest level of service (Level 3 - Superior) was not considered, based on the Administration's assessment of the cost and feasibility of achieving this level of service. A more feasible long term goal would be to aim for achieving a level of service of 85% of roads in 'fair' or better condition. To achieve this goal not only is the declining condition of the residential road network stopped but the level of service is improved from what is experienced today.

Scenario A is the "Status Quo" scenario, in which the level of investment in residential roads is kept at the current level.

Scenario B is the "Worst First" scenario, in which additional investments are used primarily to rehabilitate roads in 'poor' condition.

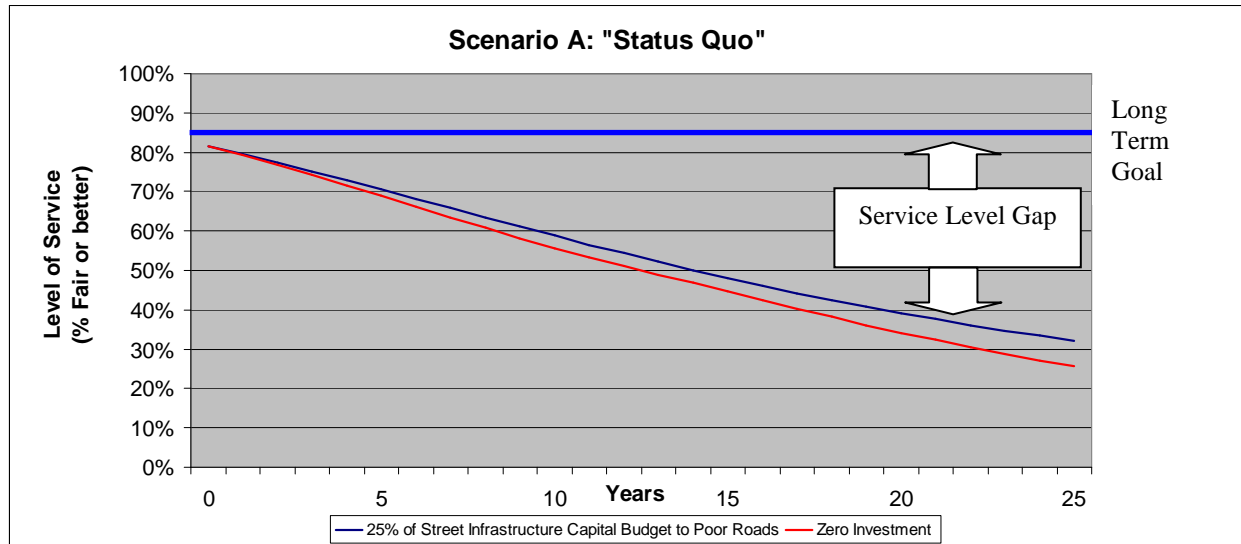
Scenario C is the "Proactive Repair" scenario, in which additional investments are mainly used to maintain and improve roads in 'good' and 'fair' condition. In addition, a portion of the investment is used to rehabilitate roads in 'poor' condition.

Each of the three scenarios is reviewed in greater detail below. In order to understand the effects of the different scenarios a financial model was developed using an assumed deterioration of residential roads from 'excellent' to 'poor' condition in 45 years, a construction cost inflation factor of 3.09%, and a Municipal Price Index (MPI) of 3.41%.

Scenario A: “Status Quo”; Keep level of investment at the current level

If the City were to continue as it does today, we will experience a steep continuous decline in the condition of our residential roadways. Based on the current level of investment in residential roads (which is approximately 25% or \$3.8 million of the annual Street Infrastructure Renewal program budget), after 25 years only 32% of residential roads will meet a minimum ‘fair’ condition and the percentage of roads rated ‘poor’ will increase from 18% to 68%. The “Zero Investment” line shows the natural deterioration of the residential network if no money would be invested. The long term effect of Scenario A is illustrated in Figure 3.

Figure 3: Effect of Scenario A “Status Quo” on Level of Service



Scenario B: “Worst First”; Apply all available budget to treat (rebuild) only roads in ‘poor’ condition

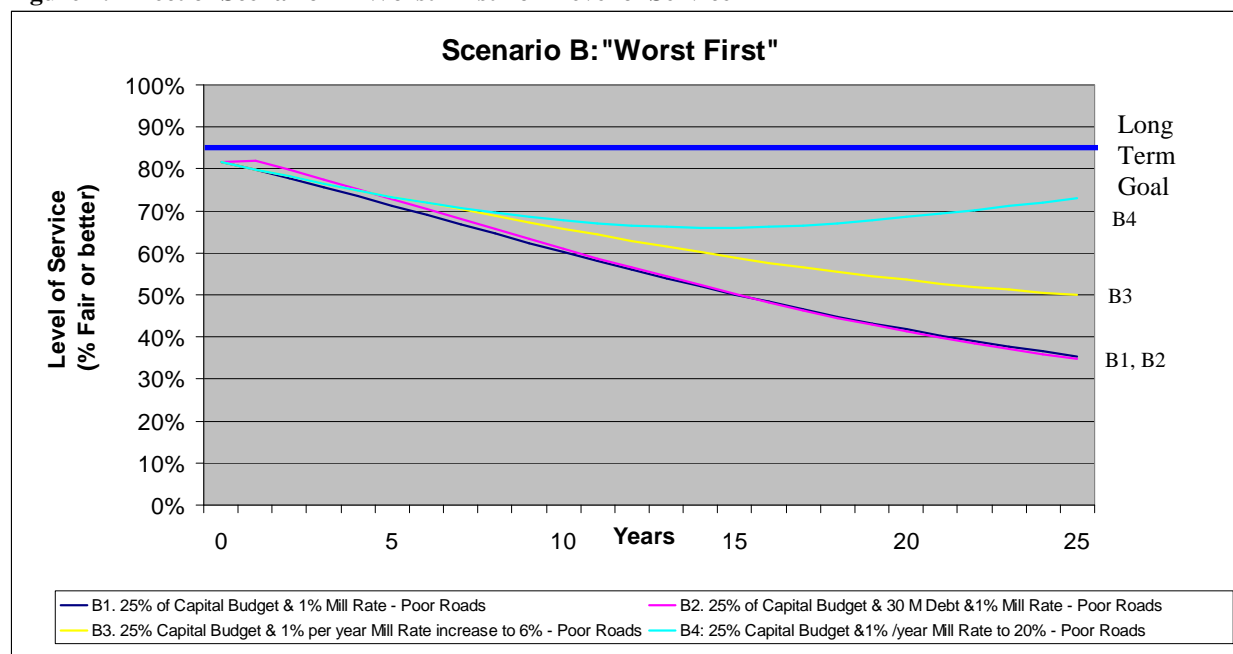
Scenario B can be described as the “Worst First” scenario that would prioritize those roads that are in the greatest need of repair. Over a 25 year period, investment will be directed to roads that are in ‘poor’ condition and minimal to no investment would be made on roads that are either ‘excellent,’ ‘good’ or ‘fair.’ The net result is that roads that are currently in ‘good’ or ‘fair’ condition would deteriorate to ‘poor.’ The renewal costs for ‘poor’ roads (shown in Table 2) are considerably higher than the cost of treating roads in the other condition categories. Within Scenario B, four budget options were further reviewed, namely:

- **B1:** 25% of Street Infrastructure Capital budget, plus a 1% dedicated mill rate, no further increases;
- **B2:** 25% of Street Infrastructure Capital budget, plus 1% dedicated mill rate, plus \$30 million initial loan;
- **B3:** 25% of Street Infrastructure Capital budget, plus six 1% dedicated mill rate increases; and
- **B4:** 25% of Street Infrastructure Capital budget, plus twenty 1% dedicated mill rate increases.

As illustrated in Figure 4 only budget option B4, with an extremely high mill rate increase, will reverse the current downwards trend, however after 25 years the level of service would still be lower than it currently is, i.e. 73% 'fair' roads compared to 82% 'fair' in 2013. The estimated total cost for budget option B4 is \$928 million over 25 years. This includes the cost for required sidewalk work, but not the cost for any required underground work. Budget options B1 to B3 do not reverse the current downward trend. Budget option 2 shows that an initial \$30 million loan, which would be used to kick-start an improvement program for roads in 'poor' condition, does not have any positive effect on long term level of service. This is due to the repayment of the loan as well as interest payments which will reduce the available budget for direct road renewal in later years.

An additional challenge with this scenario is the internal and external capacity to deliver on the work due to the large number of 'poor' roads that will need to be rehabilitated (rebuilt). The City's internal resources are currently at or near capacity and market demands from a growing economy mean that many external contractors are also at capacity and rates for work are on the rise. New capacity levels can only be established through new long term commitments of funding and adequate time to work with the industry to add resources. It should be noted that the scope of work is not only road and sidewalk improvement or reconstruction, but also improvements to underground utilities, such as those related to water and sewer, as this work is ideally done in conjunction with road work.

Figure 4: Effect of Scenario B "Worst First" on Level of Service



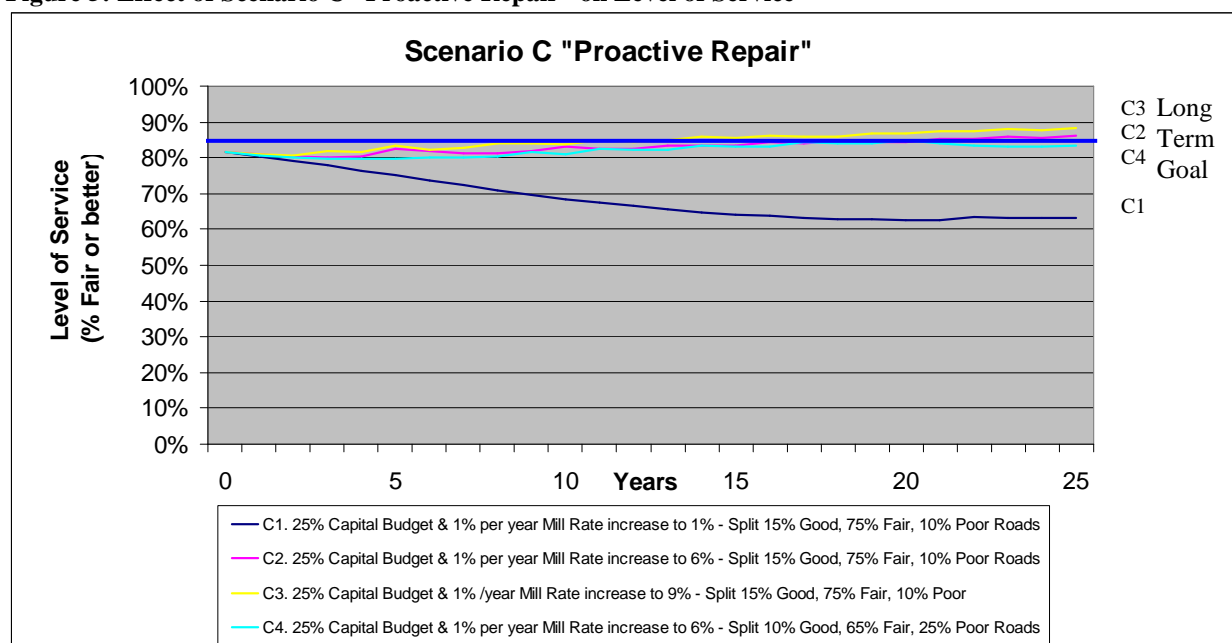
Scenario C: "Proactive Repair"; Ensure that roads in 'fair' condition do not deteriorate to 'poor' condition, followed by treatment (rebuild) of roads in 'poor' condition

Scenario C can be described as the "Proactive Repair" option. It takes the approach of prioritizing work to address roads that are currently in 'fair' condition so that they do not deteriorate to 'poor' and require higher levels of investment to repair in the future. This scenario is consistent with best practice in asset management that makes gradual investments to limit the need for costly replacement as a result of deferred maintenance. This strategy would reduce, or slow down, the deterioration of roads and sidewalks from 'good' to 'fair' and from 'fair' to 'poor,' thus minimizing the expensive reconstruction (rebuild) of roads in 'poor' condition.

Within Scenario C four budget options were further reviewed, namely:

- **C1:** 25% of Street Infrastructure Capital budget, plus 1% dedicated mill rate, not further increased (budget allocated: 15% for ‘good’ roads, 75% for ‘fair’ roads, 10% for ‘poor’ roads);
- **C2:** 25% of Street Infrastructure Capital budget, plus six 1% dedicated mill rate increases (budget allocated: 15% for ‘good’ roads, 75% for ‘fair’ roads, 10% for ‘poor’ roads);
- **C3:** 25% of Street Infrastructure Capital budget, plus nine 1% dedicated mill rate increases (budget allocated: 15% for ‘good’ roads, 75% for ‘fair’ roads, 10% for ‘poor’ roads); and
- **C4:** 25% of Street Infrastructure Capital budget, plus six 1% dedicated mill rate increases (budget allocated: 10% for ‘good’ roads, 65% for ‘fair’ roads, 25% for ‘poor’ roads).

Figure 5: Effect of Scenario C “Proactive Repair” on Level of Service



As illustrated in Figure 5, all budget options result in an immediate slow down of current network deterioration followed by stabilization of the network, and for budget option C2, C3, C4 in a slow but gradual improvement of level of service over 25 years.

- Budget option C1 results in stabilization of the network on a level significant below current level, namely 63% of roads in ‘fair’ or better condition.
- In budget option C2, the level of service after 25 years is 86% of roads in ‘fair’ or better condition, i.e. 14% ‘poor’. This is an improvement over the current 18% ‘poor’ and a dramatic improvement compared to no additional investments.
- For budget option C3, with the highest budget of the four reviewed options, the level of service after 25 years is 88% of roads in ‘fair’ or better condition, i.e. 12% ‘poor’. This is slightly better than the result of option C2.
- Budget option C4 where, compared to budget option C2, a higher percentage of the available budget is allocated to the rehabilitation of ‘poor’ roads results in a level of service of 84% after 25 years. This is slightly lower than the result of option C2.

In order to stop the current downward trend, stabilizing and begin improving the residential road network near current level of service, an estimated minimum annual budget of approximately \$14 million (based on 2014 dollars) would be required (budget option C2 or C4). Of this budget, \$10.2 million could be funded by dedicating 6% of property taxes to residential roads over the next five years. This level of 6% dedicated property tax can be achieved by annual incremental 1% tax increases from 2014 until 2019. Further incremental tax increases beyond the 6% could lead to an increased improvement in level of service, such as illustrated by budget option C3. The remainder of the required budget of \$14 million annually (i.e. \$3.8 million) is funded by a portion of the current annual Street Infrastructure Renewal funding. The investment in the arterial and collector network will remain on current level, i.e. approximately 75% of Street Infrastructure Renewal budget.

Scenario C would also have a lower impact on the internal and external operational capacity requirements to deliver the program compared to Scenario B.

Recommended strategy and implementation

When comparing Scenarios A, B, and C the following can be noted:

- Scenario A “Status Quo” leads to a strong decline in level of service and does not meet the requirement of improving the residential network. Scenario B “Worst First” leads only to an improvement of the residential network with extreme high investment levels (i.e. required tax levels). Scenario C “Proactive Repair” leads quickly to a stabilization of the network and a small but gradual improvement of the network over longer time frame.
- The strategy of “Proactive Repair,” as applied in Scenario C is far more economical than the strategy of “Worst First” as applied in Scenario B.
- The implementation of Scenario C requires a lower operational construction capacity than Scenario B.

Table 3 compares Scenario A - status quo (25% of street infrastructure renewal funding or \$3.8 million dedicated to poor roads) with Scenarios B and C, utilizing the same level of funding allocated to residential roads (to show the long term effect of the proactive approach as compared to the fixing the worst first approach).

Table 3: Comparison of Scenarios and Resulting Percentage of ‘Poor’ Residential Roads

Options	% of ‘poor’ residential roads today	% of ‘poor’ residential roads in 25 years
A – “Status quo” (\$3.8 million dedicated to ‘poor’ roads)	18%	68%
B3 – “Worst first” (\$3.8 million plus 1% of budget increases for 6 years - \$14 million in total per year)	18%	50%
C4 – “Proactive approach” (\$3.8 million plus 1% of budget increases for 6 years - \$14 million in total per year)	18%	16%

Based on above comparison the Administration recommends Scenario C as the preferred strategy to improve the residential network. With the recommended continued funding to this program, it would be estimated that 85% of residential road network would be in ‘fair’ or better condition within approximately 15 years. As part of a Proactive Repair strategy, Administration would plan to allocate funding to road condition categories that have the most effective impact on road condition, based on annual requirements and the achievement of the long term goal. The amount

of roads treated each year will vary, based on the amount of investment allocated to roads in 'fair' and 'poor' conditions.

In order to implement this improvement strategy for residential roads a multi-year planning process for roads as well as underground utilities would have to be implemented. As part of this planning process, Administration would identify project locations for the treatment of residential roads in 'fair' or 'poor' condition based on:

- Condition (Worst first within category);
- Age, this for roads with similar condition;
- Required underground utilities work; and
- Other considerations, such as locations of schools, churches, and other public buildings.

Additionally, with a commitment to long term funding, the Administration would review increasing internal capacity and/or increasing (mobilizing) external capacity. This would involve areas such as design, project management, and direct construction capacity.

A large portion of roads currently in 'poor' condition have a number of structural issues, and the only way to fix them would be by totally rebuilding the road and sidewalk, at an estimated cost of (\$200/sq metre) and as such the number of these road that could be treated each year is limited. There is a portion of 'poor' roads however that could be revived by fixing potholes and applying a new layer of asphalt on top of them to prevent the potholes from reappearing. This technique, called maintenance paving, would not bring the road to a 'like new' condition, and while it is not expected to last as long as the more expensive treatment would improve the current condition of these roads for a short period of time (5-10 years) at the cost of only \$15 to \$20 per square metre (or approximately 10% of the cost for total rebuild). While this option will be used where the location would most benefit from the maintenance pave, such as locations requiring frequent pothole repair, it must be noted that this won't an solution to all residential roads in 'poor' condition and much of the network is in a condition such that it requires significant rehabilitation.

This combination of road rebuilding, maintenance paving, and preventive maintenance techniques would result in visible improvements to the condition of the residential road network.

RECOMMENDATION IMPLICATIONS

Financial Implications

The recommended strategy would require funding dedicated to residential roads, in addition to the existing Street Infrastructure Renewal fund, which would be achieved by implementing an incremental 1% property tax increase over the next five years, in addition to the dedicated 1% property tax in 2014. To ensure that entire additional funding is dedicated to residential roads, the proper accounting tool would be used to track the funding allocated to, and utilized by, the activities related to rehabilitation of residential streets. A Residential Road Network Reserve could be created, though other options will be considered as well in order to provide full transparency.

Financial and other considerations related to the ongoing use of a Local Improvement Program (LIP) to fund residential infrastructure are included for consideration in a separate report titled

“Local Improvement Program Review for Walk, Curb and Gutter Replacement” at the September 11 Public Works and Infrastructure Committee meeting.

Environmental Implications

There is a positive environmental impact caused by the replacement of deteriorated infrastructure. Well-maintained roads help to reduce fuel consumption and wear of vehicles. Fuel consumption directly impacts the emission of green house gasses.

Policy and/or Strategic Implications

The recommended strategy, including a dedicated mill rate allocation, is consistent with the Community Priority of *Long Term Financial Viability*, as outlined in the Official Community Plan and consistent with the corporate strategic plan as it relates to asset management. The Residential Road Network Improvement Plan supports the City’s strategic focus to improve the development and maintenance of liveable neighbourhoods and will improve the residential road infrastructure condition to a level and quality that is sustainable.

Other Implications

None with respect to this report.

Accessibility Implications

On all locations where the sidewalk, curb and gutter will be replaced, pedestrian ramps will be installed at all corners.

COMMUNICATIONS

The communication for the Residential Road Network Improvement Plan will be incorporated into the annual Road Construction Communications Strategy.

DELEGATED AUTHORITY

The Committee’s decision on this matter requires City Council’s approval.

Respectfully submitted,



Les Malawski, A/Director
Roadways & Transportation

Respectfully submitted,



Karen Gasmo, Executive Director
Transportation & Utilities

Report prepared by:
Nigora Yulyakshieva, P.Eng.
Johan Krijnen, Senior Engineer, P.Eng., PMP

APPENDIX A

Residential Road Network Improvement Plan

The conditional data collected for the residential roadway network is based on a visual rating of the pavement (seven factors) and sidewalk (three factors) conditions in 2012 and 2013.

Based on the condition data, a condition rating per road section (i.e. street block between intersections) was established, a generic condition index was calculated and the network was divided into four condition groups:

- A** – Excellent
- B** – Good
- C** – Fair
- D** – Poor


Recently built neighbourhoods, such as Harbour Landing, have not yet been included in these condition rating results and inventories. The condition of the roadways in these new neighbourhoods is assumed to be 'Excellent.'

Descriptions of each condition group are shown in the table below.


Condition Group	Pavement Condition	Sidewalk Condition
A – Excellent	From 'as new' to rare 'initial cracking' or 'initial dips.' Very high level of ride comfort.	From 'as new' to rare 'small areas of water in gutter' or 'minor cracking.'
B – Good	From rare 'initial cracking' or 'initial dips' to 'occasional cracking,' 'a few dips or a pothole/cut,' 'occasional areas of standing water.' High level of ride comfort.	From rare 'small areas of water in gutter' or 'minor cracking' to 'occasional cracking' or 'occasional curb issues.'
C – Fair	From 'occasional cracking,' 'a few dips or a pothole/cut,' 'occasional areas of standing water' to 'noticeable deterioration of surface,' 'larger areas of standing water,' 'moderate cracking and/or patches.' Moderate level of ride comfort.	From 'occasional cracking,' 'occasional curb issues' to 'several areas of water collecting in gutter,' 'moderate curb height issues,' 'moderate cracking,' and possible 'asphalt capping.'
D – Poor	From 'noticeable deterioration of surface,' 'larger areas of standing water,' 'moderate cracking/patches' to 'bad deterioration of surface,' 'depressed areas holding water,' and 'large areas cracking, many patches.' Low level of ride comfort, slow speed required.	From 'several areas of water collecting in gutter,' 'moderate curb height issues,' 'moderate cracking' and possible 'asphalt capping' to 'severe water collecting in gutter,' 'several areas where asphalt is close to top of walk,' large areas of 'broken or cracked walk,' and 'large areas of asphalt capped walk.'

The photos below illustrate these four condition categories.




 Excellent



 Good

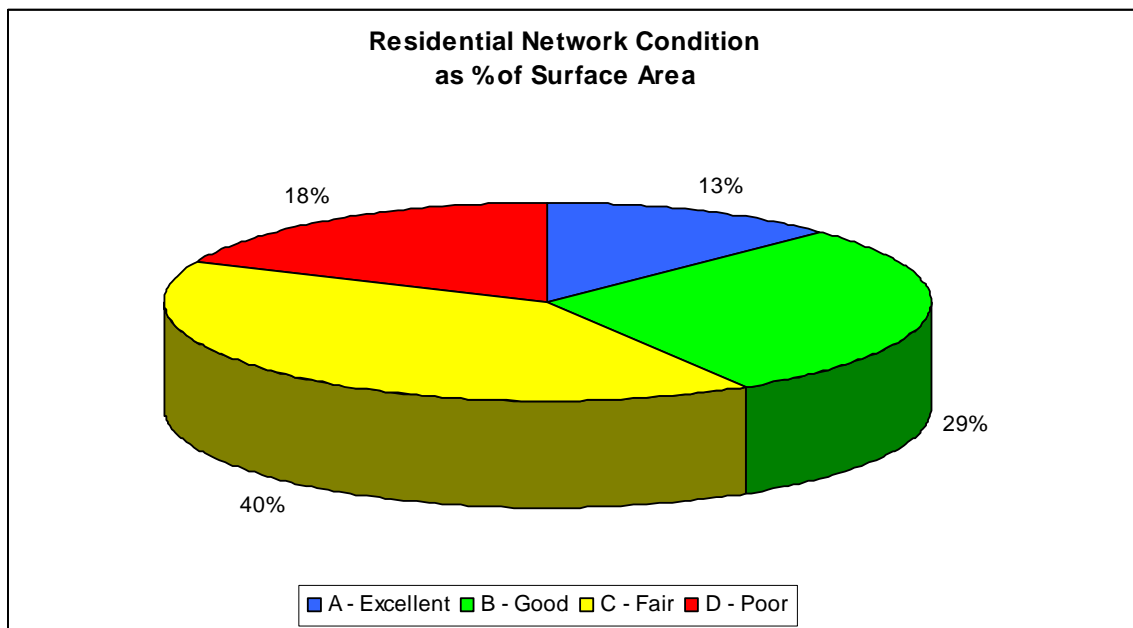
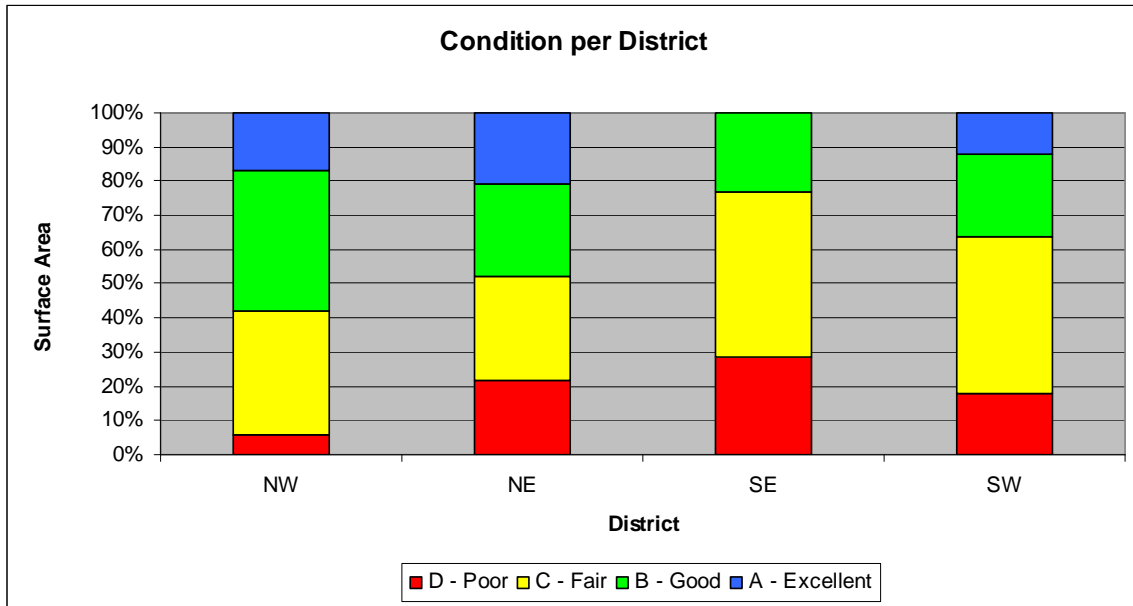


 Fair



 Poor

The flow chart and map below depict the distribution of streets within these four condition groups both city-wide and per district.

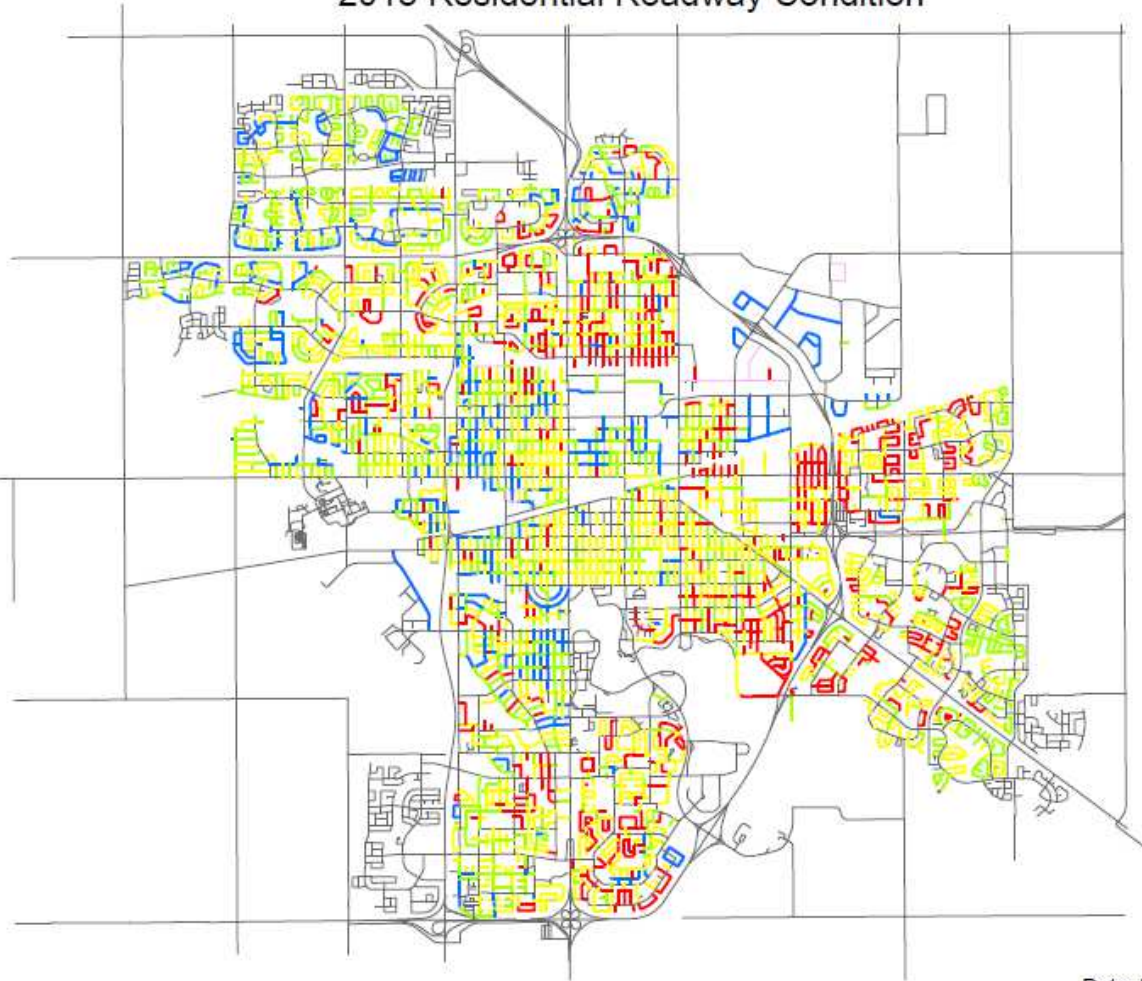


2013 Residential Roadway Condition

- A Excellent
- B Good
- C Fair
- D Poor



0 0.5 1 2 3 Kilometers



Date: March 6th, 2014

September 11, 2014

To: Members,
Public Works and Infrastructure Committee

Re: Local Improvement Program Review for Walk, Curb and Gutter Replacement

RECOMMENDATION

1. Subject to the 2015 budget decisions by City Council:
 - a. That the current Local Improvement Program (LIP) for walk, curb and gutter replacement be discontinued beginning with the 2015 budget year and construction season for all City planned projects;
 - b. That all works included under *The Local Improvements Bylaw, 2014, Bylaw No. 2014-34* (the “Bylaw”) be specially assessed as approved under the Bylaw;
 - c. That special assessment payments for LIP works constructed in 2014 or earlier continue for their full terms.
 - d. That a new LIP be developed for projects that are initiated by property owners either through requesting installation of a new infrastructure or requesting infrastructure renewal be carried out ahead of schedule of the work planned as part of the Residential Road Network Improvement Plan;
 - e. That the Administration bring a report to the November 2015 meeting of the Public Works & Infrastructure Committee detailing the new Local Improvement Program.
2. This report be forwarded to City Council as a part of the 2015 budget process.

CONCLUSION

The Local Improvement Program (LIP) is the City of Regina’s annual program of Local Improvement works (locations) for the rehabilitation of the City’s infrastructure executed in pursuant to an act passed by the Saskatchewan Legislature, *The Local Improvements Act, 1993* (the “Act”).

Currently, this program addresses locations where full block replacement of concrete walk, and/or curb and gutter is required and is applied to all classifications of roadways, which include arterials, collectors, bus routes, and residential locals. The benefitting property owners pay the cost for installation of walk, curb and gutter, and the City pays for the removal of the old walk, curb and gutter infrastructure as well as all road-related work. At present, there is no charge to the property owners for pavement rehabilitation or any other work related to roadway reconstruction, such as the renewal or replacement of underground utilities, done in conjunction with this program.

In the spring of 2014 City Council approved resolution CR14-39 to review options and alternatives for the LIP. Three options were reviewed by the Administration. The recommended option, *Option B - A discontinuation of the current Local Improvement Program for City planned work on the replacement of walk, curb and gutter, and the provision of a broader scoped LIP to be targeted at projects initiated by property owners* provides support for the *Local Improvements Act, 1993*, the OCP “benefits model”, as well as the infrastructure deficit.

This recommendation is based on the assumption that the dedicated funding to support the new Residential Road Network Improvement Plan is approved by Council. This plan targets to stop the declining condition of the residential road network and starts to improve the level of service. The report to be reviewed by City Council as part of the 2015 budget process compares various funding options, which would allow the Administration to reach this new goal.

The Residential Road Network Improvement Plan outlines a 25 year plan to reach the target for renewal of residential roads. As the projected timeline for the renewal of some streets may be up to 25 years, some property owners may not want to wait that long. The new LIP program would be available to accommodate those who are willing to pay to have their roads to be rebuilt ahead of the queue. Additionally the new LIP may open the options as to what type of works property owners could request and pay for.

The recommendation in this report is consistent with the financial “benefits model” in that it strikes a balance between broader community benefits resulting from the renewal of residential roadways and providing a program for identifying works in which a property owner may directly benefit.

Finally this recommendation is consistent with several municipalities across Canada. National research of other municipalities, like Edmonton, Calgary, London, Ottawa, Saskatoon, and Winnipeg, revealed that only Edmonton has a similar local improvement program to Regina’s current program for the renewal of city walks, curb and gutters. The recommended new LIP where local improvement is charged for installation of new infrastructure or works initiated by property owners is consistent to how these other municipalities are implementing local improvements.

BACKGROUND

In early 1979, the Administration proposed a fifteen year Catch-Up Program to improve the City’s road infrastructure. At this time, Council also directed that the priority for maintaining roadways infrastructure be targeted to arterials and collector roadways, as they carry 80% of vehicular traffic in the city. The Administration had reviewed several options to fund this Catch-Up Program and it was agreed that the most equitable method of funding this Catch-Up Program was through the Local Improvement process, and furthermore, that the work be completed over a fifteen year period.

In 1993, the Act was revised by the provincial government. At that time, the City revised its Local Improvement Program to follow the requirements as prescribed by the Act.

Each year, the Administration proposes a program of local improvement for rehabilitation. The Act requires that the projects selected for local improvement be approved by City Council and then submitted to the Saskatchewan Municipal Board for approval prior to the work being advertised.

Currently, the City uses the Local Improvement Program to repair infrastructure at locations where the full replacement of walk, curb and gutters is needed. The LIP applies to all classifications of roadways including arterials, collectors, bus routes and residential (local) streets. Another existing, yet infrequently used aspect of the LIP is the installation of lighting in alleys.

The Act prescribes the manner in which we must apply the Local Improvement Program including, but not limited to:

- The determination of costs of local improvement;
- The basis for determining special assessments against the benefiting lands;
- The process to initiate a local improvement; and
- The process to petition for/against the work.

The Act provides limited latitude regarding the way that cities can determine the costs for local improvement, or the basis for determining special assessments against the benefiting lands. Cities are given latitude, however, in determining the amount that benefiting property owners are expected to share in the cost of local improvement work.

The City of Regina's Local Improvement Program has been developed on the basis that property owners who benefit from the improvements being done share in the cost of the work. Currently, the LIP is designed such that property owners pay a portion of the cost for installation of the walk, curb and gutter, and the City pays for the removal of old infrastructure and all road-related work, as shown in Table 1. At present, there is no charge to the property owners for pavement rehabilitation or any other work related to roadway reconstruction, such as the renewal or replacement of the underground utilities done in conjunction with this program.

Table 1: Contribution Owners versus City for Walk, Curb and Gutter Replacement under LIP

Construction Year	Total cost of LIP (including street reconstruction) A	City Share of total cost B	Owners Share C=A-B
2013	\$ 1,007,000	\$ 636,000	\$ 371,000
2014	\$ 4,100,000	\$ 3,396,000	\$ 704,000

The contribution rate (i.e. uniform assessment rates) for property owners is reviewed annually and is based on actual construction in new neighbourhoods. The property owners' share of the cost is also contingent on the assessable frontage of their property abutting the work, and on the type of work being done.

Property owners benefiting from these proposed local improvements are notified by mail of their share of the cost for the proposed work. Property owners have the option to petition against the proposed improvements if they so choose.

In 2014, there were 15 proposed works (locations) under the LIP program. Of those, 8 were petitioned against by the benefiting property owners. As a result of the petitioning process, some high priority road rehabilitation projects for collector and arterial locations (Grant Drive and Campbell Street) were cancelled.

During discussion regarding the results of the 2014 LIP process, Council questioned how the Local Improvement Program could be improved, and subsequently approved resolution CR14-39 Proposed Local Improvement, which requires:

1. "A review of the current Local Improvement Program for the renewal and maintenance of local roads be conducted and brought back to Council in 2014, well before 2015 budget deliberations begin"

2. *"The review recognize that local road renewal benefits the homeowner by improving property and that it also benefits the city by making utility services, drainage, and road maintenance more productive reducing the need for service calls. Local road renewal in all areas of the city benefits all the residents."*
3. *"Options be outlined for a review of local road improvement including:*
 - Alternatives to using the LIP for local roadway renewal*
 - Program implementation processes including a communications strategy to inform the public and receive feedback before implementation.*
 - Use or non use of interest rates on resident loans and how rates if used are determined.*
 - Comparative versions and analysis of how LIP and local road renewal is done in other cities including Edmonton, Saskatoon, Calgary, Winnipeg, Ottawa, and Innovative ways to move forward on local road renewal."*

This report is in response to City Council resolution CR14-39 and provides options and recommendations regarding the Local Improvement Program.

DISCUSSION

As defined by the Act, "A work or service or any combination of works or services, by bylaw, may be undertaken by a municipality as a local improvement where any land specially assessed for the work or service is benefited by it...". When considering the infrastructure gap faced by municipalities, the provisions of this Act must be considered in relation to potential funding sources for infrastructure renewal.

The City's Official Community Plan (OCP) identifies a "benefits model" as Goal 1 of the Financial Policies section. The principle guideline of the "benefits model" denotes that the cost of a program or service is to be paid for by the beneficiaries. Where the benefits are city-wide and shared collectively among numerous beneficiaries, the associated costs will be paid for by the general revenue. As per Section 1.1.3 of Section B, "Where some of the benefits of a program or service are city-wide and some of the benefits are directly attributable to specific beneficiaries, the associated costs will be paid for by a combination of general revenue and user fees or similar charges." Both the Act and the OCP's "benefits model" are consistent in indicating that fees should be charged where there is direct benefit to completing the local improvement. The definition of a "benefit" needs to be a consideration in relation to the works performed by infrastructure renewal.

The LIP can both support and challenge the infrastructure gap and funding challenges, as well as the City's "benefits model". These two policy considerations, along with an evaluation of performance of the existing LIP, a review of how other municipalities across Canada employ Local Improvements and alternative funding sources were all considered in the review of options for the LIP.

Current Challenges with the LIP

The main challenges with the LIP are as follows:

1. The planning process
 - a) If property owners submit a valid petition against a proposed work, the Administration has few options other than to cancel the planned improvements. Although Council has the option to pass a bylaw for undertaking local improvement work that would either remove the right to petition, or bypass the

result of the petition, a decision such as this would require approval from the Saskatchewan Municipal Board, as required by *Sections 11 and 12* of the Act;

- b) Uncertainty regarding the outcome of the annual LIP petitioning process makes it difficult to plan an effective Street Infrastructure Renewal Program.
- c) The administrative effort to manage the LIP is extensive and results in lost efficiencies when work is petitioned against. Some of the activities involved in administering this process include the following:
 - Communication with residents, such as the drafting of letters, advertisements, and service requests (Engineering, Assessment, Communications);
 - Program planning (Engineering);
 - Establishment of annual special assessment rates (Engineering);
 - Reviewing the outcomes of the petitioning process (City Clerks, Engineering, Legal, Assessment);
 - Providing reports to Council and ensuring Bylaw approval (Engineering, Legal, Senior Management, Council); and
 - Collecting special assessment payments (Finance).

2. Optimized Infrastructure Management

- a) If property owners successfully petition against a proposed improvement, the work is typically cancelled and the City continues to provide only maintenance services to these locations. After 2 to 5 years, the rejected LIP location may be re-proposed and a new petition process is started. The cancellation of proposed work defers timely treatment that could result in higher cost when work is done later.

3. Significant increase in the number of petitions against LIP work occurred in 2014. The following are potential reasons that the number of petitions have increased in recent years:

- a) Residents perceive the current special assessment method (as well as the cost of the uniform rates) and unequal special assessment levy among property owners to be unfair;
- b) Walks are utilized by non property owners as well, especially on collector and arterial roads, but the cost to replace these walks under the LIP is carried by property owners only;
- c) Construction costs are increasing at a faster rate than are incomes and general consumer prices, presenting a challenge among property owners who are asked to contribute to LIP costs; and
- d) Some property owners are forced to contribute to LIP costs in the event that a minority of property owners petition against the work.

Review of Local Improvement Programs in other Canadian Municipalities

The Administration conducted research of Local Improvement Programs in other Canadian municipalities by conducting face-to-face interviews, telephone interviews, and document reviews. Appendix B summarizes the results of this research.

This research on Local Improvement Programs in other Canadian municipalities showed the following:

1. All researched municipalities, with the exception of Saskatoon, apply local improvements for the construction of new infrastructure (not part of development plans) as requested by residents or businesses.
2. Only Edmonton has a similar LIP to Regina concerning the renewal of walks.

3. Calgary discontinued its LIP for the renewal of walks at end of 2012. This discontinuation was initiated by the Calgary Council during budget discussions. The Calgary Council accepted the argument for discontinuation, as cited in a Mayor's Office report, which read, "Replacement of walk, curb and gutter can be more accurately described as 'regular lifecycle maintenance' rather than an 'improvement' to a community's infrastructure. As such, it should be funded by the overall tax base as is the case with all other types of transportation infrastructure and other lifecycle maintenance". Another important reason to discontinue this program was that the City of Calgary Administration had faced many challenges in managing the program, similar to the challenges our Administration is currently facing in managing local improvements. The Calgary Council approved the motion that property owners would not be required to contribute payment for projects completed in 2012. Payment would still be required, however, for projects that took place in the year 2011 and earlier.
4. The rates in Edmonton are based on a 50 - 50 cost share between the City and property owners.

The State of the Residential Road Network and the Consideration of other Funding Alternatives

Over the past 50 years, the funding allocated to maintain Regina's road network has not been sufficient to address all roads. As a result, choices have had to be made regarding which streets should receive the most attention.

The current strategy for maintaining Regina's road network is to focus on arterial, industrial and collector streets, as these support 80% of the city's traffic. As a result of this strategy, the high traffic streets have been maintained in a stable and relatively good condition, while the condition of residential streets has steadily declined. At the current funding level, 68% of residential roads will have degraded to poor conditions within 25 years. In order to stop, and eventually reverse, the current trend of deterioration among residential roads without negatively impacting the condition of heavy traffic roads, increased funding along with a new strategy is required.

The Administration is providing a separate report, titled "Residential Road Network Improvement Plan" that outlines an alternative strategy and recommends an affordable goal that stops the declining condition of the residential road network and starts to improve the level of service. The report also compares various funding options, which would allow the Administration to reach this new goal.

If this strategy and the associated request for dedicated funding is approved by Council as a part of 2015 budget process, the new program for residential road network improvement will become sustainable, and the current LIP for the City planned replacement of walk, curb and gutter could be discontinued. The recommendations contained in this report are based on the assumption that the dedicated funding to support the new strategy for addressing residential road renewal is approved by Council.

The two policy consideration evaluated for each option are as follows:

- How the option addresses the road infrastructure deficit; and
- How the option aligns with the *Local Improvement Act, 1993* and the Official Community Plan (OCP) financial goal referred to as the "benefits model".

Review of Options

The Administration reviewed three options for consideration by Council, namely:

- A. A continuation of the current Local Improvement Program policy without any changes.

- B. A discontinuation of the current Local Improvement Program for City planned work on the replacement of walk, curb and gutter, and the provision of a broader scoped LIP to be targeted at projects initiated by property owners requesting that their roads be rehabilitated.
- C. A discontinuation of the Local Improvement Program for the replacement of walk, curb and gutter entirely.

Option A – Continuation of the current Local Improvement Program policy without any changes

Contribution to funding Infrastructure deficit for the City of Regina:

- Costs for LIP works are partially recovered through the owner's contribution (generating revenue in the last two years of \$1,075,000).
- There is a substantial effort/cost associated with the administration of the LIP program, which reduces the time available for analyzing and implementing proactive measures that could lower the lifecycle cost of road infrastructure assets.
- If the work planned under the LIP is successfully petitioned against and the road rehabilitation is delayed for several years potentially resulting in higher cost work required.

Consistency with OCP benefits model and the Act:

- Not fully consistent with OCP benefits model or the Act. The argument could be made that as the service provided by a public walk benefits numerous, non specific users, the cost according to the benefits model should be paid for by general revenue. However, it could also be argued that the beneficiaries of a walk in a small residential street are few and more specific, as compared to the beneficiaries of a walk in a busy arterial street, which are numerous and more general.
- Currently property owners abutting a location where only curb and gutter is replaced, currently pay a lower rate than property owners in the same street abutting a location where walk is replaced in addition to curb and gutter. It could be argued that in accordance with the benefits model, all property owners in this scenario should pay the same rate as this improvement presents an equal benefit to all.
- Some property owners living on small residential streets may not see a direct benefit to having walks because of the low traffic on these streets. They may also feel that it puts additional obligations on them such as removing snow from the walks during winter months.

Option B – A discontinuation of the current Local Improvement Program for City planned work on the replacement of walk, curb and gutter, and the provision of a broader scoped LIP targeted at projects initiated by property owners requesting that their roads be rehabilitated

Contribution to funding Infrastructure deficit for the City:

- It is anticipated that this type of change to the LIP would result in substantially less revenue than has in the past few years under this program. At this time it is unknown how many requests the City would receive for property owner initiated LIP work. This option would allow for property owners willing to pay to have their street fixed sooner to advance the work on there streets ahead of what is planed through the Residential Road Network Improvement Plan.
- The work requested by property owners could also be expanded include requests for work such as noise attenuation, or alley lighting, in addition to concrete and pavement

rehabilitation in accordance with the eligible local improvement works as defined by the Act.

Consistency with OCP benefits model and the Act:

- This option would be fully consistent with the OCP benefits model and the LIP act, but the support from all property owners for the reconstruction of their street under the LIP would be required. If this were achieved, each property owner would see the benefit associated with the work. This may not be a practical approach, as it is very unlikely that all property owners would have the same position with respect to this issue.
- The long term schedule, as well as clear rules on how the prioritization of locations is established, would be needed in order to ensure fairness, and to maintain the interest of the property owners in having their location included in the LIP.

Within Option B, there are several ways of revising assessment methods, rates and/or payment conditions for the special assessment, such as:

- Imposing a base frontage rate on the cost of internal operations instead of on contractor rates for new walks in new neighbourhoods;
- Charging an equal amount for each benefited lot;
- Most recent assessed value of the lands benefited;
- Number of households which may be accommodated on the lands;
- Benefited or on the floor area ratio of the improvements constructed on the lands benefited;
- Increase the property owners' optional repayment periods from 10 to 15, 20 years or longer; and
- A combination of any two or more of the bases mentioned.

Option C – Discontinuation of the Local Improvement Program for walk, curb and gutter replacement entirely

If this option is selected, the Administration would not any longer apply the LIP process for the replacement of walk, curb and gutter in 2015.

Contribution to funding Infrastructure deficit for the City of Regina:

- Financial revenue of up to \$700,000 per year will be lost for the City.
- As a benefit, the Administration will be able to maximize the possible application of automated concrete slip forming for large sections of walk, which would replace inefficient hand forming.
- There is a cost avoidance associated with this option, as preventative measures would be implemented when needed and before the road structure reaches total failure.

Consistency with OCP benefits model and LIP act:

- Option C is consistent with OCP benefits model, when the accepted argument is that
 - in general, the service provided by a public walk, curb and gutter benefits numerous, non specific users, and as such, the cost should be paid for by general revenue or
 - replacement of walk, curb and gutter is 'regular lifecycle maintenance' rather than an 'improvement' to a community's infrastructure

Recommended Option

Based on this review, the Administration recommends *Option B – A discontinuation of the current Local Improvement Program for City planned work on the replacement of walk, curb and gutter, in 2015 and the provision of a broader scoped LIP targeted at projects initiated by property owners requesting that their roads be rehabilitated.* Option B is consistent with the OCP benefits model, and has the potential to create some revenue to address the infrastructure deficit gap. It is recommended that a report be brought to the November 2015 meeting of the Public Works & Infrastructure Committee detailing the new Local Improvement Program.

In order to take into account outstanding payments for already completed LIP work, as well as approved but not yet completed LIP work, the Administration recommends that:

- All work approved under the Bylaw be charged in full as per the special assessment under the Bylaw; and
- All outstanding special assessment payments for LIP work completed in previous years will be collected.

Implementation

The discontinuation of the current Local Improvement Program for the replacement of walk, curb and gutter, and the provision of a broader scoped LIP targeted at projects initiated by property owners requesting that their roads be rehabilitated could be implemented for the 2015 budget year and construction season. Additionally, the development and execution of a detailed communication plan in order to inform the public of these changes would be carried out as part of the implementation.

RECOMMENDATION IMPLICATIONS

Financial Implications

Financial implications are not fully known. The Administration may experience a potential loss of up to \$700,000 in revenue per year previously collected to offset Street Infrastructure Renewal projects cost. With the implementation of a new LIP some cost could be recovered if the works are requested by the property owners however this is anticipated to be lower than what had been previously collected.

Another positive financial benefit of the recommended changes to the LIP is that the Administration will be able to maximize the possible application of automated concrete slip forming for large sections of walk (which would replace inefficient hand forming). The replacement of full blocks of concrete would be less contingent on the results of the LIP process.

The proposed Residential Road Network Improvement Plan recommends an investment plan that will stop the declining condition of residential roads and ultimately improve the level of service over a 25 year period. This plan is seen to be a more sustainable way to address the declining condition of the residential road network. This plan is outlined in a separate report being presented to the Public Works and Infrastructure Committee.

Environmental Implications

Implementing residential road rehabilitation in a timely manner would extend the life of our road network, thus reducing negative environmental impacts associated with the road rebuilding process.

Policy and/or Strategic Implications

The recommended option is in line with the OCP benefits model if the argument is accepted that the general benefits of public walks outweigh the specific benefits of walk, curb and gutter replacement for the abutting property owners.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Based on the recommended option, a detailed public notification plan will be developed. The plan will include: informational letters to affected property owners regarding special assessment payments; an informational package for media; and information made available on the City of Regina's website. The public notification plan will be presented to Council for approval prior to any implementation.

DELEGATED AUTHORITY

The recommendations in this report require City Council's approval.

Respectfully submitted,



Les Malawski, A/Director
Roadways & Transportation

Respectfully submitted,



Karen Gasmu, Executive Director
Transportation & Utilities

Report prepared by:

Nigora Yulyakshieva, P.Eng., Manager, Roadways Preservation

Johan Krijnen, P.Eng., PMP, Senior Engineer, Roadways Preservation

Ted Duce, PMP, Coordinator of Construction Programming, Technologist, Roadways Preservation

NY/JK/TD/lm/bjd

APPENDIX A

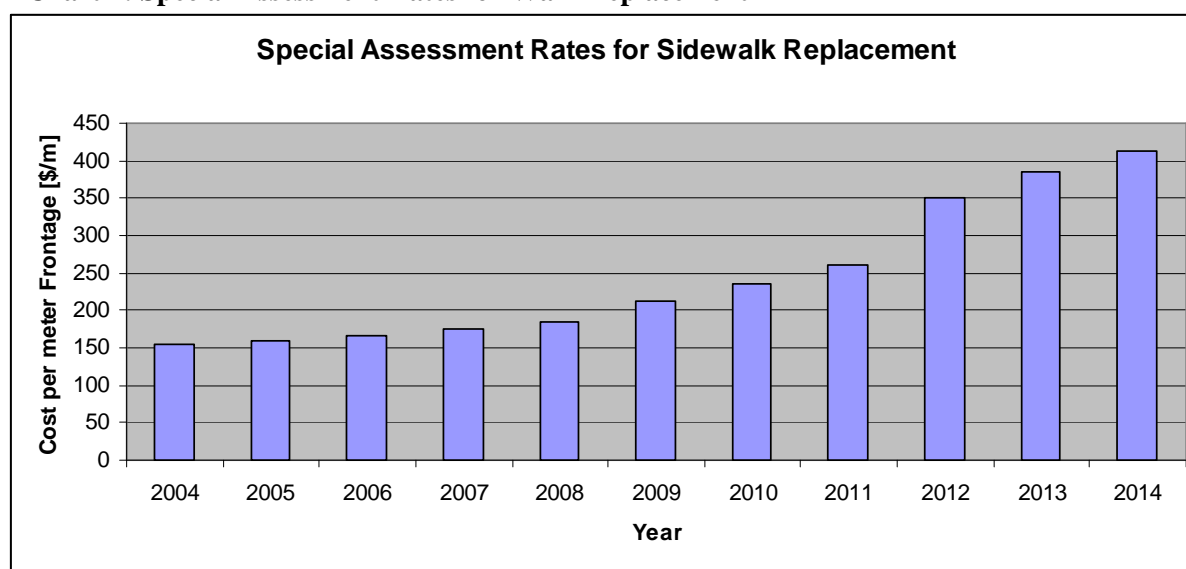
History of LIP Locations and Rates for Sidewalk Replacement

Table 1: History of LIP locations between 2004 and 2014

Year	# of LIP Locations (Works)		Breakdown by Street Classification (Constructed Locations)			Street Infrastructure Renewal Budget	Total LIP Concrete Project Cost	Owners Contribution LIP Project Cost	
	Advertised	Petitioned Against	Local	Collector	Arterial	Million [\$]	Million [\$]	Million [\$]	% of Budget
2004	5	1	3	1	0	10.1	0.57	0.33	3.3
2005	0	0				10.1	0	0	0
2006	9	3	4	2		10.7	1.27	0.83	7.8
2007	6	1	5			11.8	0.25	0.12	1.0
2008	7	2	5			14.2	0.20	0.11	0.9
2009	3	0	3			15.2	0.71	0.51	3.4
2010	6	1	2	1	2	14.9	0.79	0.60	4.0
2011	2	0	2			16.8	0.27	0.17	1.0
2012	2	0			2	17.0	0.13	0.08	0.5
2013	9	0	5	1	3	15.6	1.13	0.70	4.5
2014	15	8	6	0	1	19.7	0.89	0.70	3.6
Total	64	16	35	5	8	15.1 Average	6.21	4.15	2.7 Average

Table 1 provides a summary of all local improvement works completed since 2004. It is important to note that of the 16 projects that were cancelled due to successful petitions since 2004, half occurred this year. While we can't be certain as to the exact reason why this is the case, we can speculate that the increasing cost of infrastructure work is a competing factor. Material and labour costs have grown significantly and may simply be higher than residents' expectations. The increasing cost of infrastructure work is reflected in the special assessment rates, shown in Chart 1.

Chart 1: Special Assessment Rates for Walk Replacement



APPENDIX B

Comparison of Local Improvement Programs in Canadian Municipalities

Table 2: Local Improvement in Canadian Municipalities

	Regina	Calgary	Edmonton	London	Saskatoon	Ottawa	Winnipeg
Local Improvement Policy / Program in place?	Yes	Yes	Yes	Yes	No	Yes	Yes
Governing Law	Saskatchewan Local Improvement s Act, 1993	Alberta Municipal Government Act	Alberta Municipal Government Act	Ontario Regulation 586/01	Saskatchewan Local Improvement s Act, 1993	Ontario Regulation 586/01	Manitoba Municipal Act
Application of LIP							
Additional / Upgrading of infrastructure?	Yes (e.g. alley lighting, alley renewal, water and sewer)	Yes (e.g. alley paving and drive way crossings)	Yes (e.g. alley lighting, alley renewal and upgraded street lights)	Yes (Roads, walks, water and sewer and noise barricades)	No (Discontinued in the nineties)	Yes (Roads, walks, water and sewer, and noise barricades)	Yes (Roads, walks, water and sewer, and alley renewal)
Renewal of existing roads (City initiated)	No	No	No	No	No	No	No
Renewal of existing walks, curb, gutter (City initiated)	Yes	No*	Yes	No	No	No	No
Other renewals of existing infrastructure	No	Yes*	Alleys only	No	No	No	No
Basis of assessment	Frontage	Frontage	Frontage	Frontage	N/A	Frontage	Frontage
% total cost contribution property owner? (for renewal existing infrastructure)	100% installation cost walks	75% for Street lights: 50% for walks*	50% for walks	N/A	N/A	N/A	N/A
Owner cost based on?	Uniform rates	Uniform rates	Uniform rates	Actual Cost	N/A	Actual Cost	Uniform rates
Walk (walk/curb/gutter) renewal rates (Owner's share)	\$413.58 per m (2014)	\$224.03 per m (2012)	\$198.28 per m (2014)	N/A	N/A	N/A	N/A
Optional Repay period for property owners	10 years	15 years	20 years	10 years	N/A	10 years	5 years (walks)
Repay interest rates based on	Bank rates	Bank rates	Bank rates	Bank rates	Bank rates	Bank rates	Bank rates
Petitioning process in place	Yes	Yes	Yes	Yes	N/A	Yes	Yes
Local road renewal funding source	General taxes, 1% dedicated tax in 2014	General taxes, special fund for walks	General taxes, Neighbourhood renewal tax, Local improvement , provincial funding	General taxes	Dedicated Road Levy as part of general taxes	General taxes	General taxes, Local Street Renewal Reserve (dedicated property tax and loan), provincial funding

* Calgary discontinued their Local Improvement Program for the replacement of walks at the end of 2012. Street light replacement technically still falls under "Local Improvement", but is no longer pursued

October 2, 2014

To: Members,
Public Works and Infrastructure Committee

Re: Sidewalk Clearing

RECOMMENDATION

1. The Winter Maintenance Policy be amended to include a requirement for the City to clear sidewalks adjacent to City-owned parks that are next to a public school.
2. That The Winter Maintenance Policy be amended to treat all commercial properties consistently, requiring building owners to clear any frontage sidewalk adjacent to senior citizen complexes with more than twenty units in a single building.
3. That this report be referred to the 2015 budget process.

CONCLUSION

During recent years, increased attention has been paid to the accessibility of public sidewalks during the winter months. The Administration is currently exploring options for expanding the number of sidewalks that the City of Regina (the “City”) crews maintain based on public use, and for increasing the level of accountability placed on property owners in terms of clearing snow from adjoining public sidewalks.

The current service levels outlined in the Winter Maintenance Policy regarding the clearing of snow from sidewalks have been found to be inadequate due to the number of sidewalks that surround City parks, and that are adjacent to no frontage locations (locations adjacent to noise attenuation walls constructed along various subdivisions). Sidewalks that fall under this category are currently not cleared during the winter months, as per the Winter Maintenance Policy. The expectation from the public that the City will clear these sidewalks is evident, based on the number of calls received by Service Regina regarding these areas over the course of the winter months (293 Service Requests in 2013/2014 and 409 in 2012/2013). An enhanced sidewalk clearing program would be greatly beneficial to the users of the sidewalk network during the winter months.

BACKGROUND

On July 17, 2007, a report was submitted to the Public Works Committee to amend *The Clean Property Bylaw, No. 9881* (the “Bylaw”) in order to clarify the intent of certain sections of the Bylaw, allowing the public to better understand it, and to ensure more consistent enforcement.

Although the majority of the recommendations stated in this report were carried forward, one item was not updated. Recommendation #5 stated that the Administration be requested to submit a report to the Public Works Committee on options with regard to the plowing of sidewalks adjacent to properties currently exempt from the Bylaw.

On October 3, 2013, report WU07-29 was submitted to the Public Works Committee outlining options with regard to the plowing of sidewalks adjacent to properties exempt from the Bylaw. In this report, the Administration outlined the following options:

- Option 1 – Status Quo;
- Option 2 – City to Plow all Sidewalks that do not have Private Frontage; and
- Option 3 – Amend the Clean Property Bylaw to include all Residential Properties.

The Administration recommended choosing *Option 2 – City to Plow all Sidewalks that do not have Private Frontage*, which was estimated to cost an extra \$418,203 annually to plow an additional 59 km of sidewalk. However, during the meeting, members of the committee expressed their concern that the recommendation did not provide enough information to allow them to make an informed decision, especially when compared and weighed against other budget requests throughout the corporation. There was also a discussion regarding the allocation of additional resources to sidewalk clearing, as opposed to using those funds to enhance other levels of service within the Winter Maintenance budget as stated in the recommendation.

Further to the discussion of this recommendation, the Administration sought to provide further information, in addition to exploring the possibility of breaking down the potential service level enhancement into various phases to maximize decision making when weighted against other budget requests throughout the corporation. This report is in response to the Public Works Committee's request for further information.

The current Bylaw states that commercial properties, apartment buildings, commercial parking lots and vacant lots are to be cleared by the property owners within 48 hours of snowfall. This Bylaw is applicable to 134 km of Regina's 1265 km sidewalk network.

In 2006, the City adopted a Winter Maintenance Policy to provide quality winter maintenance that supports the health, attractiveness and economic viability of the community. This Policy dictates that 44 km of Regina's 1265 km sidewalk network is to be cleared by the City. Additionally, the Bylaw represents an additional 134 km of sidewalk cleared by commercial property owners. In total, 178 km of sidewalks are currently cleared under either the Bylaw or the Policy. The City of Regina uses an encouragement model to ensure that the remainder of the sidewalk network is cleared of snow by either residential or commercial property owners.

The following table shows a breakdown of the City's sidewalk network into five categories.

Table 1 - City of Regina Sidewalk Network

	Location of Sidewalk	Total length (km)	% of total sidewalk network	Method used to motivate property owners to clear sidewalks
A	In front of residential properties	993	78.5%	Encouragement
B	In front of taxable commercial properties	134	10.6%	Bylaw enforcement
C	In front of tax exempt commercial properties	35	2.8%	Encouragement
D	In front of City owned parks	46	3.6%	Currently do not get cleared using either method
E	Properties with no frontage	13	1.0%	Currently do not get cleared using either method
F	In front of various locations specified in the Winter Maintenance Policy	44	3.5%	Winter Maintenance Policy

DISCUSSION

The Administration approach is to address each category of sidewalks separately in gradual process:

Category A:

- At present, there is no plan to alter the current method of encouragement used to motivate owners to clear snow off of sidewalks adjacent to their property.

Category B:

- Snow clearing activities on the sidewalks that fall under this category are currently regulated by the Bylaw and successfully delivered.

Category C:

- The encouragement will continue to be the method to be used to address sidewalks in this category. A special effort will be dedicated to communication with property owners who do not currently comply. We would need to find the reasons why these sidewalks are not cleared of snow and work with the property owners to find a solution.

Categories D and E:

- The clearing of the sidewalks in this category are the responsibility of the City. We need to address them first to lead by example. This report focus is on this category.

Category F:

- The clearing of snow off of sidewalks in the category is currently mandated by the Winter Maintenance Policy and successfully delivered by City crews.

The Administration would need to ensure that sidewalks adjacent City-owned properties are cleared prior to extending the bylaw to include properties that are currently exempt.

The discussion is focused on comparing the Status Quo approach (Option 1) to the proposed Phased approach (Option 2), allowing for the City to clear snow off of all sidewalks without private frontage.

Option One – Status Quo

Option One – Status Quo represents only a total of 178 km, or 14 per cent, of the approximate 1265 km sidewalk network in the community. The remaining sidewalks are to be cleared using the Encouragement Model by Residential and other Commercial property owners that are currently exempt from the Bylaw due to statutory exemptions in *The Cities Act*.

Option Two – City to Plow all Sidewalks without Private Frontage – Phased Approach

It may be difficult to immediately allocate the total required funding in order to plow all sidewalks without private frontage. As such, the Administration sought to break down and redefine the 59 km of sidewalks that were previously identified as sidewalks that do not have private frontage, and are currently not cleared during the winter months. The following table provides an additional breakdown of these sidewalks:

	Sidewalk Classification	Length (Km)	Estimated Cost
Phase 1	Sidewalks Adjacent to City-owned Parks beside a School	6	\$33,555
Phase 2	Sidewalks Adjacent to City-owned Parks on Cat 3&4 Roads	13	\$73,634
Phase 3	Sidewalks Adjacent to No Frontage Locations	13	\$73,634
Phase 4	Sidewalks Adjacent to City-owned Parks on Cat 5 Roads	27	\$179,132

1. *Sidewalks Adjacent to City-owned Parks beside a School*
These sidewalks were chosen as the highest priority in terms of maximum benefit for public use and necessary funding, and have been recommended as Phase 1. These sidewalks are directly adjacent to school parks and property, and are traversed by students accessing the school on a daily basis. The public has repeatedly called both City Councillors and Service Regina throughout the winter months with inquiries regarding when the City will clear these sidewalks and why they are not included in the Policy.
2. *Sidewalks Adjacent to City-owned Parks on Category three and four Roads*
These sidewalks were chosen for Phase 2 as they are located on Major Collector Roads and Transit Routes. They are accessed by pedestrians accessing nearby schools and parks as well as users of the public Transit system.
3. *Sidewalks Adjacent to No Frontage Locations*
These sidewalks were chosen for Phase 3 as they are located on Major Collector Roads and Transit Routes. They are accessed by both users of the public transit system as well as by pedestrians accessing walled subdivisions and apartment complexes.
4. *Sidewalks Adjacent to City-owned Parks on Category Five Roads*
These sidewalks are located on Local Roads and were chosen for Phase 4 as they are utilized by pedestrians accessing nearby City-owned parks.

Therefore, Phase 1 of this option would be to clear sidewalks that are adjacent to City-owned Parks and next to schools. This would represent approximately 6 km of the current sidewalk network that is not cleared during winter months. The annual expenditure associated with Phase 1 would be approximately \$33,555. This Phase is the most valuable as the sidewalks immediately adjacent to the schools are the primary mode of transport for numerous children during the winter months, and could be implemented as early as the 2015/2016 winter season without any impact on our labour and equipment availability.

The Winter Maintenance Policy states that City crews are responsible for clearing snow off of sidewalks adjacent to senior citizen complexes greater than 20 units in a single building. Since senior citizen complexes are commercial properties that are not exempt from the current Clean Property Bylaw, the Administration would expect to treat these properties the same as other commercial properties with regard to snow removal. This would require building owners to ensure sidewalks are cleared of snow. It is recommended that the Policy be amended to align with the Bylaw.

Should City Council choose to modify the Policy to cease the clearing of any frontage sidewalk adjacent to senior citizen complexes, this would result in a reduction in the Sidewalk Operating Budget by approximately \$18,641, as the current linear measurement of the sidewalks adjacent to senior citizen complexes is an estimated 3 km (16 locations). This would be an opportunity to allocate existing funding to implement Phase 1, and to strategically clear additional sidewalks in high profile public locations. The required additional funding would be approximately \$14,914 for Phase 1.

Phases 2 and 3 could be implemented as early as the 2016/2017 winter season, should the additional expenditures be approved in the 2016 budget.

Phase 4 is a scenario that could be implemented for the 2017/2018 winter season if funding were to become available. However, the additional sidewalks in Phase 4 could not be achieved without an amendment to the Winter Maintenance Policy timeline (96 hours as compared to the current policy of 72 hrs), or an addition to the Fleet Rental operating budget or a Fleet Capital Addition. The estimated financial expenditure outlined in Phase 4 includes an Operating Budget request of two (2) rental units to supplement this sidewalk addition.

Table 2, below, outlines the costs and benefits associated with options 1 and 2.

Table 2. Costs & Benefits

	<i>Option 1 – Status Quo</i>	<i>Option 2 – City to Plow all Sidewalks without Private Frontage – Phased Approach</i>
Benefit	<ul style="list-style-type: none">- No need for additional funding in future operating budgets	<ul style="list-style-type: none">- Sidewalks adjacent to City-owned parks and next to schools on all roads would be cleared, ensuring accessibility in the immediate vicinity of school property- Annual expenditure is minimal (\$33,555/6 km)- Removing frontage sidewalk adjacent to senior citizen complexes (more than 20 units in a single building) from Policy would reduce Sidewalk budget by \$18,641- Phase 1 could be implemented in 2015
Cost	<ul style="list-style-type: none">- Large amount of sidewalks adjacent to City-owned parks and no frontage locations are not cleared during the winter months- Requests will continue for sidewalk clearing around City-owned parks and no frontage locations for public access and safety reasons	<ul style="list-style-type: none">- Large amount of sidewalks adjacent to City-owned parks and no frontage locations will not be cleared until all four phases are implemented- Financial impact on senior complexes to fund private sidewalk clearing

RECOMMENDATION IMPLICATIONS

Financial Implications

Financial implications are based on five snow events, as well as Routine Maintenance activities during the winter season. Therefore, these amounts may fluctuate should we receive an above average total snowfall:

Impact on 2015 budget:

- Implementing *Option 2 – City to Plow all Sidewalks without Private Frontage – Phase 1*
 - \$14,914 (net balance) of operating budget increase
 - Phase 1 Implementation - \$33,555 (total expenditure required)
 - Remove Sidewalk Clearing at Senior Complexes from Policy - \$18,641 (financial reallocation to Phase 1)

Impact on future budgets (2016 and beyond) associated with phases 2-4 of option 2

- Implementing *Option 2 – City to Plow all Sidewalks without Private Frontage – Phase 2*
 - \$73,634 (net balance) of operating budget increase
- Implementing *Option 2 – City to Plow all Sidewalks without Private Frontage – Phase 3*
 - \$73,634 (net balance) of operating budget increase

- Implementing *Option 2 – City to Plow all Sidewalks without Private Frontage – Phase 4*
 - \$179,132 (net balance) of operating budget increase
 - Includes additional two (2) rental units at a cost of \$30,000 annually necessary to supplement this phase

Environmental Implications

There will be increase of emissions associated with additional hours the snow clearing equipment would be used to clear snow off of sidewalks not currently cleared.

Policy and/or Strategic Implications

The Winter Maintenance Policy would need to be amended to specify that the Winter Maintenance branch is responsible for the clearing of sidewalks adjacent to City-owned Parks and City-owned vacant lands that are adjacent to a school.

The Winter Maintenance Policy would need to be amended to remove the snow clearing of any frontage sidewalk adjacent to senior citizen complexes with more than 20 units in a single building.

The recommendations also respond to goals and actions outlined in the *Design Regina: The Official Community Plan* (OCP). In the Transportation section of the OCP, the first goal is to, “Offer a range of year-round sustainable transportation choices for all, including a complete streets framework.”

Among the actions outlined in this policy section, there is the following:

1. Establishing all-season design and maintenance priorities for roads, sidewalks and *pathways* to ensure the transportation network provides safe travel, *access* and mobility, including for the following:
 - Key transit facilities;
 - Key pedestrian and cycling routes; and
 - Public buildings and institutions.

The recommended changes to the Winter Road Maintenance Policy in this report target sidewalks in accordance with the prioritization set out in the OCP.

Other Implications

There may be an additional cost to senior citizen complexes, as they will be required to clear their own sidewalks similar to other Multi-Family Apartments as currently outlined in the Clean Property Bylaw.

Accessibility Implications

Winter accessibility will be improved on sidewalks adjacent to city-owned parks next to schools, which are high pedestrian traffic areas. It is expected that the proposed reduction in service levels to senior citizen complexes will be backfilled by the owners of the complex, minimizing any loss of accessibility for this population.

COMMUNICATIONS

Communications will include any Policy amendments in the overall winter communications strategy. Special attention will be paid to notifying senior citizen complexes of the change in policy to allow sufficient time for property owners to establish alternate plans to remove sidewalk snow accumulation.

DELEGATED AUTHORITY

City Council's approval is required to amend the Winter Maintenance Policy and/or the allocated budget.

Respectfully submitted,



Les Malawski, A/Director
Roadways & Transportation Services

Respectfully submitted,



Karen Gasmo, Executive Director
Transportation & Utilities

Report prepared by:
Chris Warren, Manager, Winter Maintenance

CW/nd/bjd/aeb

To: His Worship the Mayor
and Members of City Council

My name is Lesley Farley.

I understand that the city is again looking at closing outdoor inner City Pools after 2015 as a measure save money.

In 2008, PERC, Professional Environmental Recreation Consultants Ltd. created the city's "Recreation Facility Plan 2010-2020". It recommended reducing services in neighbourhoods and instead, focus on citizens travelling longer distances to zone and city wide destination points for recreation amenities. It is this idea that has shaped current pool policy and it is why the City is currently facing resistance from wide numbers of people.

Not withstanding research on p. 22 by PERC that, "...about 30 percent of households use an outdoor pool at least once a year," and, "... is considered a high proportion use relative to research conducted by the same organization in other Canadian municipalities.", the company still recommended that the city should take down Maple Leaf and Dewdney outdoor pools for 2020. Furthermore, a Leaderpost article from November 19 stated that in a city of just over 200,000 people, there are actually even more pool users. It said between 90,000 to 100,000 people use the our public outdoor pools each year.

In replicating the model of shopping malls and box stores for one stop recreation centres, we are not only creating barriers to human participation, we are increasing the amount of infrastructure needed to support usage of these recreation facilities. When we quantify road, parking and other traffic needs involved in supporting city wide recreation centres, we might see that construction and maintenance costs increase expenditures, rather than reduce them. When over \$124 million was spent in the last five years on city roads, increased summer traffic and traffics jams is a big consideration in Wascana Park, and on College, Albert, and Broad Street. Wouldn't the city have to spend more money on these roadways when more people have to drive to Wascana to swim?

Environmentally, neighbourhood hub single tank pools are a sound approach to take as municipal, provincial and federal governments are being called to reform communities' reliance on carbon heavy transit. When we focus on neighbourhood hub recreation, foot traffic is more often used. As a by-product, it lessens the need to invest in roads, parking and other traffic amenities. It also makes, "going for a dip in the neighbourhood pool" simple and not a major family event.

Another consideration is the disadvantaged youth in areas of Heritage, Al Richie and North Central. These are the kids who mostly use Maple Leaf and Dewdney Pools. Most of these kids and their parents don't have the same access to summer fun as other families. A lot of parents don't have vehicles to take the kids out of town so proximity and location is everything when it comes to recreation. I am also very concerned about seeing little kids travelling long distances on their own to City wide Aquatic centre if we close down their neighbourhood pools. The solution is giving these families ample neighbourhood hub based aquatic opportunities. Spray pads will never meet the needs of all ages within a family. Even PERC admits on p.22 of the city recreation plan that spraypads, "provide limited play opportunities."

According to the "Recreation Facility Plan 2010-2020 p. 17) made by PERC for the city,

a Neighbourhood Facility Hub meets official City of Regina criteria if it,

- May serve as the "community focal point" as defined in the Official Community Plan
- Include facilities that attract a high proportion of local residents in each neighbourhood, with few barriers to participation
- Focus on informal, unstructured active recreation uses
- More common in neighbourhoods with economic or geographic barriers
- May include similar amenities as community destinations
- May exist as a hub or a stand alone facility if there are conditions that prevent the clustering of facilities"

Interestingly, our inner city single tank pools successfully meet these 6 requirements of a good neighbourhood recreation hub. While these single tank pools are old, they are the most popular activity in Regina during the summer time. In this I ask, why change something that works? This is why PERC's recommendation to close these neighbourhood pools is poor policy. Instead, fix, retrofit and rebuild the pools. This is what your citizens expect and what the Leader Post Editorial team recommends. In their words from November 20th : "Keeping all pools open might be expensive, but a price that's worth paying."

Thank you.

Lesley Farley

December 8, 2014

To: Members,
City Council

Re: Outdoor Pools Facility Plan Update

RECOMMENDATION

That this report be forwarded to City Council as part of budget deliberations.

CONCLUSION

The Administration, with Stantec Inc. (Stantec), has completed condition assessments and costing research to assess the level of capital investment required to maintain the City's five outdoor pools. This research was conducted to prepare the Administration with adequate information from which to solicit public input on the future of the City's outdoor pool program. The purpose of this report is to update Council with the research results to date and to recommend next steps..

The Administration recognizes that Council has difficult choices to make with respect to the investment of limited funds in aging infrastructure. The report demonstrates that the outdoor pool program, which is only eleven weeks in length, is costly to operate and the pools are in need of significant capital investments, which may outweigh the benefits to the community at large for a program with such a short season.

Given the current financial pressures and state of aging infrastructure, the Administration is recommending option #6 in the report, that is, to postpone public consultation on the outdoor pool program until it can take place as part of a larger discussion in relation to citizen expectations regarding sport and recreation services and the choices and tradeoffs between the mix and level of sport and recreation services provided in relation to financial sustainability. This discussion would take place as part of the refresh of the City's Recreation Facility Plan (RFP), which is scheduled to occur in 2016/2017.

This process would involve a focussed public discussion on the outcomes achieved by indoor aquatics facilities and by outdoor aquatics facilities and will consider other opportunities to address these outcomes in a more cost effective manner relative to the benefits to the community at large. The Plan refresh will also allow for information to be shared about the broader context of the overall priorities of the City of Regina. However, there is a moderate degree of risk that an infrastructure failure or a Public Health or code requirement may result in a pool closure prior to a refresh of the RFP in 2016/2017. To help minimize this risk, the City would continue to undertake capital repairs until a plan is approved. The 2015 to 2019 outdoor pool capital budget includes \$300,000 in 2016 and 2017 for capital repairs. Should a failure result in repair costs exceeding this amount, a report would be brought to Council to decide whether to invest further in the repairs to keep the pool open.

BACKGROUND

a) Current State

Regina's outdoor pool service provides the opportunity for Regina residents to participate in outdoor swimming in five locations:

- Wascana Pool is centrally located and serves city-wide uses;
- Dewdney Pool is located in the Central Zone in the North Central Neighbourhood and primarily serves neighbourhood citizens;
- Maple Leaf Pool is located in the Central Zone in the Heritage Neighbourhood and also primarily services neighbourhood citizens;
- Massey Pool is located in the South Zone in the Whitmore Park Neighbourhood and serves residents from throughout the south area of the city; and
- Regent Pool is situated in the North Zone in the Coronation Park Neighbourhood (just north of North Central) and serves citizens in the north, west and central areas of the city.

The outdoor pools provide substantial direct and indirect benefit to citizens as they are used for fitness, skill development and play, and encourage participation among all ages. Regina's inner city pools offer free swimming which makes the outdoor pools program an accessible and inclusive opportunity. Beyond providing fitness and recreation opportunities outdoor pools also serve as a hub of activity for the neighbourhoods in which they are situated. While Dewdney Pool and Maple Leaf Pool provide free access to the public, the others operate on a single admission/leisure pass fee structure and provide free access from 7:00 p.m. to 8:00 p.m. daily. The outdoor pool season runs for a ten to twelve week period. During this period of time, in a typical year, attendance fluctuates between 90,000 and 100,000 participants (roughly 8,000 to 10,000 participants per week). Table 1 provides background information on each pool. A map is provided in Appendix 1.

TABLE 1: Summary of Existing Pools

	Year Built	Capacity (Bather Load)	Type / SM of surface water	Amenities	Depth	Neighbour- hood
Wascana	1947	915	Lap/recreation rectangular – 988.5 m ²	Small drop slide & 1m diving board	3'0" to 9'5"	Wascana Park – Central Zone
Dewdney	1946	250	Lap/recreation rectangular – 341.4 m ²	Small drop slide & 1m diving board	3'6" to 9'0"	North Central – Central Zone
Maple Leaf	1946	250	Lap/recreation rectangular – 341.4 m ²	Small drop slide & ¾ m diving board	3'6" to 9'0"	Heritage – Central Zone
Massey	1964	710	Lap/recreation rectangular – 836.1 m ²	Small drop slide & ¾ m diving board	1'0" to 8'6"	Whitmore Park – South Zone
Regent	1962	710	Lap/recreation rectangular – 836.1 m ²	Small drop slide & ¾ m diving board	1'0" to 8'6"	Coronation Park – North Zone, bordering Central Zone

The current operating budget for the outdoor pool program is approximately \$953,000 per annum including programming, utility, operations and maintenance costs. Annual revenues generated through single admission sales are roughly \$181,000; it is further estimated that annual revenues of approximately \$67,900 are generated through pass sales and bulk admissions, for total annual revenues of between \$181,000 and \$248,900 (\$181,000 + \$67,900). The net operating cost, therefore, excluding capital renewal, is between \$704,100 and \$772,000 per season. This is a costly program to run, with operating costs subsidized at between 74 per cent and 81 per cent or \$7.04 to \$7.72 per swim¹.

In addition, due to the aging infrastructure, annual maintenance costs to address urgent repairs required to open the pool each year are roughly \$155,000 to \$160,000. These costs are expected to increase to \$300,000 per annum starting in 2015. At the same time, there is little guaranteed return on these investments in terms of extended lifespan.

b) Future State Planning

The City's outdoor pool program supports two community priorities identified in the City's Official Community Plan, *Design Regina*: (i) embrace built heritage and invest in arts, culture, sport and recreation; and (ii) develop complete neighbourhoods. They serve the dual purpose of providing a recreation opportunity to residents throughout the city and also of providing a hub of activity within those neighbourhoods where Regina's pools are located. However, as is relayed through the *Recreation Facility Plan*, the City's outdoor pools are old and in need of significant lifecycle investments. In order to make decisions consistent with a third community priority identified through *Design Regina*, that is, to achieve long-term financial viability, a detailed assessment and plan is required to guide these investments ensuring that the full costs of operating are considered in relation to citizen expectations and community benefits.

In response to the aging infrastructure and in an attempt to provide more contemporary aquatics experiences consistent with other municipalities in Western Canada, in 2013, the Administration requested \$800,000 through the Capital Budget process and proposed to engage the public and development of a plan that would target investments to a city-wide destination pool at Wascana Park and to maintain service levels at only two or three of the remaining four pools. The proposal generated significant public pressure to abandon the plans to upgrade Wascana Pool and instead to focus on maintaining all five existing pools. As a result, at the February 19, 2013 City Council Meeting, direction was provided to revise the text under the outdoor pools program heading in the 2013-2017 General Capital Budget to include, "The focus of the 800,000 funding will be two-fold, firstly to engage in public consultation related to maintaining community pools whereby the Administration will provide a report to Council in Q2 of 2013 with the results of a community engagement process; and secondly, to provide design funding based on Council's decision(s) as a result of the community engagement process" CR13-18.

In follow up, the Community Services Department (CS), in collaboration with the Facilities Management Services Department (FMS), developed a project plan to address this motion. The Departments, however, determined that it was necessary to validate the condition and cost information, as well as to identify any leading practices, prior to consulting with the public to

¹ While the range of subsidization for the City's recreation facilities varies, with the majority of facilities subsidized at between 10 and 50 per cent. Only inner city neighbourhood centres (including the Cathedral, Core Ritchie, Albert Scott, and Glencairn Neighbourhood Centres) and sports fields are subsidized at a range of 75 per cent or more. On a per participant basis, outdoor pools are subsidized at the highest rate.

ensure that the public had the most accurate information from which to provide input. The timelines for the project have therefore been modified to ensure a full understanding of the lifecycle costs and impact on taxpayers throughout the consultation and planning processes.

Stantec, in partnership with Conroy Ross Partners and BTY Group, has been contracted to undertake the work in three phases:

Phase I: Research and Costing

Phase I, research and costing, was planned prior to community engagement so that the Administration has more accurate and up-to-date data and information to share with the public. Key steps in Phase I include:

- Best practise research, to identify expected program elements and/or innovations in outdoor pool program delivery;
- Update of existing condition assessment information to gain an understanding of the investments required to maintain the five pools;
- Identification of requirements to meet current code and industry standards;
- Development of life-cycle cost estimates to preserve all five pools at current level of service with code and industry standard upgrades (operating, maintenance, capital, utilities, program expenses and revenue);
- Development of cost estimates for any *anticipated* minor enhancements to meet community needs identified as priorities given the expected lifespan of the investments (for example, addition of zero depth entry and/or repositioning of pool depth); and
- Development of expected timelines for required investments.

Phase II: Community Engagement/ Assessment of Participation Levels

Phase II will involve consultation with citizens-at-large, pool users, and residents of neighbourhoods in which pools are situated and will involve a variety of public consultation methodologies. The goal will be to provide accurate information to the public, to solicit their input on program needs/required changes to service delivery, and to discuss trade-offs, where required.

Phase III: Development of the Plan

Phase III will involve development of a long term program/facility plan for consideration by Council. The Plan will include a discussion of proposed budgets and subsidization models based on the results of Phase I and II and will be designed to meet anticipated long term service requirements. It will include both operating and capital requirements and costs and proposed funding sources.

Phase I of the research is now complete. The purpose of this report is to provide an update on Phase I research to date and recommend next steps.

DISCUSSION

In the following section, the Administration presents an overview of the directions other municipalities are taking in the prairie provinces, the research results from the condition and costing phase of Stantec's work, options, and an analysis of each option.

a) Current State in the Prairie Provinces

With five pools and a population of 211,000, the City of Regina currently provides one pool per 42,200 residents; however, two of the five pools are less than half the size of a typical outdoor pool and are deemed to be neighbourhood pools that serve residents located in close proximity. If these two pools are excluded from the analysis, Regina currently provides one pool per 70,000 residents.

Regina's *Official Community Plan* projects that within the next 25 years the population will grow by 100,000 residents. If current service levels are maintained with five outdoor pools, with a forecasted population of 300,000+ in 25 years, the City will be providing one pool per 60,000 residents, or with three outdoor pools serving the community at large, one pool per 100,000 residents. It is expected that Massey Pool will serve the growing south/southwest areas of the city, Regent Pool will continue to serve the growing north/northwest areas of the city and Wascana Pool will continue to serve as a city-wide destination, attracting visitors and residents from all over the city. It is further expected that the smaller Dewdney and Maple Leaf Pools will continue to serve primarily as neighbourhood facilities, serving those living in close proximity.

The aging outdoor pool situation is being experienced by most major municipalities across the prairie provinces. While most municipalities are not adding new outdoor pools to respond to growth, the approach to dealing with the problem has varied from one municipality to another.

- Saskatoon has four outdoor pools. Two of these pools were renovated in 1989. The City considered closing its Mayfair Pool within the past five years; however, due to public pressure to keep the pool open, the City rebuilt the pool in 2011, adding recreation elements such as a water slide, spray features, and zero depth entry. With a population of 220,000, Saskatoon currently provides one pool per 55,000 residents.
- Winnipeg has ten outdoor pools, five of which are heated. With a population of 650,000 residents, Winnipeg is currently providing one pool per 65,000 residents. The plans to address infrastructure issues in Winnipeg are unknown at this time; however, the City has not invested in any rebuilds in recent years.
- With a population of 812,000 and five pools, Edmonton is providing one pool per 162,000 residents. One of these pools is being rebuilt as a natural un-chlorinated pool that will double as a skating rink in the winter months. A second pool in Edmonton was recently rebuilt in 2011 and also provides recreation amenities such as an adjacent spray park, zero depth entry and a shallow water slide. Edmonton has no plans to close its remaining pools.
- With a population of 1,097,000 and seven pools, Calgary is currently providing one pool per 156,000 residents. However, Calgary has turned the operation and maintenance of pools over to a community organization, which is also struggling with the aging infrastructure. This organization is currently in discussions with the City of Calgary with respect to the future of the outdoor pools.

Some smaller municipalities such as Portage la Prairie and Lethbridge have also recently rebuilt outdoor pools, typically in the form of a water park with various amenities such as slides and spray features; however, again, the approach varies significantly across the prairies and the majority of municipalities tend to direct recreation facility investments in year-round indoor facilities.

b) Condition & Costing Research

Phase I work included an assessment of the condition and costs to maintain five pools with identification of code issues, design standards, and safety issues for the pools and their support buildings. Stantec's interim report detailing the results of Phase I of the project is provided in Appendix 2. Stantec assessed costs through two approaches. First, an assessment of the remedial work that would be required to address all code and safety issues was completed. Secondly, costs for complete rebuilds of each pool and building were developed. The results are presented below in Table 2 (remedial work) and Table 3 (complete rebuild) for a period of 20 years.

TABLE 2: Capital Costs for Remedial Work at Five Pools ('000s)²

	Capital	Capital Renewal over 20 Years³	Total Capital Costs Over 20 Years (if all pools were replaced at same time)
Wascana	\$5,203.50	\$1,188.60	\$6,392.10
Dewdney	\$1,944.20	\$501.50	\$2,445.70
Maple Leaf	\$1,931.70	\$505.00	\$2,436.70
Massey	\$1,666.30	\$952.70	\$2,619.00
Regent	\$1,656.40	\$922.50	\$2,578.90
TOTAL	\$12,402.10	\$4,070.30	\$16,472.40

Table 2 demonstrates that the capital costs to undertake remedial work are \$16.5 million including the initial capital investments as well as ongoing capital renewal for 20 years. The remedial costs identified above include replacement of the pool basin, deck, and gutter system as well as building envelope upgrades, flooring work and some addition of washroom fixtures to meet bather load requirements. The remedial costs do not include the following: piling, sewer and water lines, inlet and outlet piping, any pool mechanical works, building structure and foundation, interior finishes, roofing or building mechanical and electrical systems.

It is a certainty that piling is required at Wascana, Maple Leaf and Dewdney Pools. For all pools it is a near certainty that the inlet and outlet piping as well as the mechanical works will have to be replaced at some point over the next one to ten years. There is a chance that the water and sewer service lines will have to be replaced within that timeframe as well. In the case of the Wascana, Maple Leaf and Dewdney buildings, which are all close to 70 years old, there is a possibility of building deterioration reaching the point that partial or complete replacement could be required at any time. In summary, the remedial work results in an expensive renovation requiring similar pool downtime to a full rebuild with no guarantee of the extended lifespan for each facility as failures in systems that are not upgraded or replaced could occur over multiple years causing further program disruption and requiring further investment.

² Stantec also researched the feasibility of a steel basin enclosure. However, Stantec advised that this approach is not feasible in Regina's climate and soil conditions. Stantec was also asked about the viability of using pool liners to extend pool lifespan. Stantec advised that this is not a suitable option for a commercial pool.

³ Stantec has used the same numbers to demonstrate capital renewal work in the remedial and capital rebuild options based on their assessment of the work that is required.

Table 3 presents Stantec’s estimates to completely rebuild each pool and support building, addressing code issues, but without any program enhancements such as water slides and spray elements. In all cases the pools would remain the same size; however, the support buildings will be constructed to meet current “bather load” (capacity) and code requirements.

TABLE 3: Capital Costs for Complete Rebuild of 5 Pools (‘000s)

	Capital	Capital Renewal over 20 Years	Total Capital Costs Over 20 Years (if all pools were replaced at same time)
Wascana	\$8,727.90	\$1,188.60	\$9,916.50
Dewdney	\$3,526.20	\$501.50	\$4,027.70
Maple Leaf	\$3,653.10	\$505.00	\$4,158.10
Massey	\$7,304.30	\$952.70	\$8,257.00
Regent	\$6,573.90	\$922.50	\$7,496.40
TOTAL	\$29,785.40	\$4,070.30	\$33,855.80

Table 3 demonstrates that the capital costs to rebuild all pools and support buildings as per Stantec’s recommendation amounts to \$33.9 million over 20 years, including \$29.8 million in the initial capital investment and an additional \$4.1 million in capital renewal, which is required to maintain the pools in like new condition. Given that the City would not replace all five pools at the same time, there will be costs incurred at each site to maintain the pools until rebuilt, which is addressed later in this report.

As a result of the condition assessment, Stantec has recommended that “given the age of the facilities there are several risks related to unknowns. As such, upgrades to achieve a satisfactory state of facilities (with an inherent lifespan of 30 – 40 years) can be best assured via new construction” (page iii of Stantec’s report, which is included in Appendix 2). This requires the City to: (i) replace all five pool basins to address foundation movement, cracking and incorrect pool orientation (caused by the fact that change rooms exit at the deep end of the pool), which causes safety concerns; (ii) replace all mechanical systems which are time expired and in need of significant work; and (iii) replace all support buildings to maximize the capacity of pools in order to align with the target lifespan of 30 – 40 years. The question, therefore, is not whether or not to completely rebuild each pool, but rather it is a question of when to undertake the work in a manner that minimizes long-term lifecycle costs and taxpayer subsidization.

As a final part of the Phase I research, Stantec identified costs to enhance Wascana Pool. Appendix A, which forms part of the Stantec report attached provides a draft conceptual plan from which cost estimates were developed. Costs are outlined below.

Wascana Pool Enhancement (‘000s)
(20 Year Capital Costs)

Capital	\$13,552.3
Capital Renewal	<u>\$3,972.6</u>
Total Capital Costs	\$17,524.9

The \$17.5 million to rebuild and maintain Wascana Pool with enhancements for 20 years compares to \$9.9 million to rebuild Wascana Pool as it currently exists.

c) Identification of Options

Drawing from Stantec's work, the Administration has developed and analyzed five options for addressing the outdoor pool situation.

- Option #1: Status Quo - undertake minimum work required to keep all five pools open until infrastructure failure results in closure.
- Option #2: Undertake remedial work on all five pools to address code, safety and urgent condition issues.
- Option #3: Rebuild all five pools, replace all mechanical systems and rebuild all support buildings within a time span of ten years. Undertake minimum work required to keep all pools open until all rebuilds are complete.
- Option #4: Enhance Wascana Pool with contemporary aquatics amenities, as illustrated in Appendix A of Stantec's report. Rebuild all four other pools and support buildings within a time span of ten years. Undertake minimum remedial work as required to keep all pools open until rebuilds are complete.
- Option #5: Enhance Wascana Pool with contemporary aquatics amenities; rebuild Dewdney, Massey and Regent Pools and support buildings within a time span of ten years, undertaking minimum remedial work as required to keep all pools open until rebuilds are complete. Decommission Maple Leaf Pool. Replace Maple Leaf Pool with contemporary lower cost recreation amenities. Create a transit service that transports residents from the Heritage and Al Ritchie Communities to Wascana Pool.

It should be noted that the Administration is not presenting expansions nor significantly enhanced service levels in these options (other than at Wascana Pool), as a result of the fact that the season is short⁴. This is consistent with the input heard from citizens during the consultation process for the RFP. Citizens have never expressed a need for more, nor expanded outdoor pools in Regina. But rather, input has focussed on maintaining what currently exists, and if feasible, upgrading existing pools to provide more contemporary experiences. If funding were available to construct new recreation facilities to expand service levels, the Administration would instead recommend directing funds to indoor year-round facilities.

The Administration wants to ensure that decisions about investment in outdoor pools are made based on a broad understanding of the recreation facility needs in the community. Engaging in public consultation on outdoor pools in isolation of the overall recreation facility needs may result in an isolated decision that impacts the City's ability to make other priority investments in recreation or other corporate priorities. In consideration of this concern, the Administration has developed another option for consideration.

- Option #6: Delay a decision on the previously outlined five options until a refresh of the Recreation Facility Plan is undertaken in 2016/2017. This will provide an opportunity for a broad discussion of the overall recreation facility needs in the

⁴ In fact, it is not feasible to expand Dewdney Pool because the land surrounding the pool is a designated provincial heritage site. Nor is it feasible to expand Massey Pool without re-orienting the full pool. The only pools that could be considered for expansion are the Maple Leaf Pool, which does not operate at full capacity, Regent Pool and Wascana Pool.

community which will result in a strategic direction for future investment in recreation facilities. This option will require an annual investment to maintain the pools until the refresh of the RFP in 2016/2017.

d) Assessment of Options & Recommendation

The following is an assessment of each of the five options over a 20-year period. While the lifespan of rebuilt pools is well beyond 20 years, the 20-year time period was selected for comparison purposes since Options #1 and #2 cannot be assessed beyond 20 years. It should be noted that the Administration has chosen to use a capital renewal formula of 1.5 per cent of hard construction costs rather than Stantec's estimates. This is consistent with the City's adopted practices in asset management.

Option #1: Status Quo - undertake minimum work required to keep all five pools open until infrastructure failure results in closure.

In the past five years, the FMS Department has invested roughly \$155,000 to \$160,000 per annum on urgent additional maintenance to keep the pools open. This investment provides no guaranteed return. The FMS Department projects that this will increase to \$11.5 million (averaging \$575,000 per annum) over the next 20 years.

Examples of major work required over 20 years:

- Reconstruction of pool basin, deck, skimmers (Wascana - \$3.8 million)
- Replacement of inlet and outlet piping
- Replacement of all or part of the pool mechanical system
- Replacement of all or part of the building (Wascana - \$2.4 million)

Stantec has advised against this option, due to the fact that it is a significant high risk capital investment that provides no level of certainty as to the length of time added to the pool lifespans. With this scenario, total costs over 20 years are estimated at \$29.5 million, which includes the \$11.5 million in capital maintenance plus \$18 million in operating costs⁵. Due to a high degree of risk related to lifespan, the option was not analyzed past 20 years. This option provides no guarantee of maintaining the current service levels and provides no increase in service level or experience for the customer.

Option #2: Undertake remedial work on all five pools to address code, safety and urgent condition issues.

As with Option #1, this option repairs infrastructure in need of urgent attention. In addition to urgent issues, Option #2 would also address current code and safety requirements, where possible. For example, pool basins would be replaced to provide access to the shallow end of the pool near the changerooms, rather than the reverse which is the current situation at some pools. Other examples of code concerns are inadequate number of washroom facilities to meet capacity requirements at some pools, non-compliant drain grates, and inappropriate chemical storage.

⁵ These costs represent salaries and benefits for lifeguards, maintenance, and all other staff. Also included in these costs are utility expenses such as water, power and natural gas, as well as the cost of all other operating materials and supplies.

With this scenario, total costs over 20 years are estimated at \$33.2 million, which includes the \$12.4 million in initial capital investments, \$2.8 million in capital maintenance plus \$18 million in operating costs as is depicted in Appendix 3, labelled as Option #2. However, Stantec has advised against investing in remedial work, as this investment will not provide a guaranteed lifespan.

The remedial costs identified above include replacement of the pool basin, deck, and gutter system as well as building envelope upgrades, flooring work and some addition of washroom fixtures to meet bather load requirements. The remedial costs do not include the following: piling, sewer and water lines, inlet and outlet piping, any pool mechanical works, building structure and foundation, interior finishes, roofing or building mechanical and electrical systems.

It is a certainty that piling is required at Wascana, Maple Leaf and Dewdney. For all pools it is a near certainty that the inlet and outlet piping as well as the mechanical works will have to be replaced at some point over the next 1 to 10 years. There is a chance that the water and sewer service lines will have to be replaced within that timeframe as well. In the case of the Wascana, Maple Leaf and Dewdney buildings, which are all close to 70 years old, there is a possibility of building deterioration reaching the point that partial or complete replacement could be required at any time and almost certainly would be required within the next 20 years. In summary, the remedial work results in an expensive renovation requiring similar pool downtime to a full rebuild with no guarantee of the extended lifespan for each facility as failures in systems that are not upgraded or replaced could occur over multiple years causing further program disruption and requiring further investment.

As with Option #1, no change in service level, nor customer experience would be realized through this work.

Option #3: Rebuild all five pools, replace all mechanical systems and rebuild all support buildings within a time span of ten years. Undertake minimum work required to keep all pools open until the rebuilds are complete.

The initial capital investment required to rebuild all five pools is \$29.8 million. The Administration is proposing that one pool would be rebuilt every two years, over a period of ten years. Once a pool is rebuilt, its useful life is expected to be 30-40 years. The Administration is recommending that the phasing occur with Wascana Pool being built first, followed by Dewdney, Maple Leaf, Massey and Regent Pools. Wascana is selected as the first pool to be rebuilt for a number of reasons:

- It is currently in need of most urgent repairs;
- It is classified as a city-wide destination facility serving residents from all over Regina;
- It is Regina's largest pool with a capacity of almost 30 per cent greater than Regent and Massey and more than 300 per cent greater than Dewdney and Maple Leaf.

The remaining pools are scheduled in order of magnitude of investments expected to keep the pools open, with the two inner city pools being replaced prior to Regent Pool serving the north and Massey Pool serving the south. With this scenario, total costs over 20 years are estimated at \$52.9 million, which includes the \$29.8 million in initial capital, \$5.1 million in capital renewal and maintenance plus \$18 million in operating costs. This is illustrated in Appendix 3, labelled as Option #3.

This is Stantec's recommended option in relation to #1 and #2, due to the fact that it provides a guaranteed extended lifespan of more than 35 years. While the option will not result in service level changes, customers will experience improvements simply by participating in like-new facilities.

Option #4: Enhance Wascana Pool with contemporary aquatics amenities, as illustrated in Appendix A of Stantec's report. Rebuild all four other pools and support buildings within a time span of ten years. Undertake minimum remedial work as required to keep all pools open until rebuilds are complete.

While Council has not requested that the Administration consider enhancing Wascana Pool specifically, this option was explored as a result of the fact that it is was part of the Administration's earlier proposal to Council and is also consistent with the direction municipalities such as Saskatoon and Edmonton are taking with their pool renewal plans. Stantec has developed a conceptual design which was used to estimate capital and operating costs.

The enhanced Wascana Pool will add approximately 450 square metres of pool area (increasing the area by 50 per cent), but will provide significantly enhanced aquatics experiences as outlined in Appendix A of Stantec's report which is included in Appendix 2 of this report. This added space is slightly larger than the existing Maple Leaf or Dewdney Pool. The capacity will increase from a bather load of 915 to 1,330.

This option would require an initial capital investment of \$34.6 million, during the twenty year period from 2015 to 2034; in addition, an investment of \$6.1 million in capital renewal and maintenance would be required during this period to maintain each pool in like new condition. With this scenario, total costs over 20 years are estimated at \$60.1 million, which includes the \$34.6 in capital, \$6.1 million in capital renewal and maintenance plus \$19.3 million in operating costs. This is illustrated in Appendix 3, labelled as Option #4. As a result, the total lifecycle investment in this option is \$7.2 million more than for Option #3. This option provides an enhanced service level with new recreation experiences for citizens.

Option #5: Enhance Wascana Pool with contemporary aquatics amenities; rebuild Dewdney, Massey and Regent Pools and support buildings within a time span of ten years, undertaking minimum remedial work as required to keep all pools open until rebuilds are complete. Decommission Maple Leaf Pool. Replace with contemporary lower cost recreation amenities and create a transit service that transports residents from the Heritage and Al Ritchie Communities to Wascana Pool.

In recognition of the higher than previously stated costs to maintain five outdoor pools, along with the awareness of the choices Council is facing with respect to infrastructure investments, the Administration assessed an option that involves service level reductions.

This option is consistent with Option #4, but involves the replacement of the Maple Leaf Pool with new outdoor recreation amenities that would not be staffed and would therefore be more cost-effective for the City. This option would require the decommissioning of the current Maple Leaf pool, along with a budget for a site redevelopment that is based on community input, roughly estimated at \$1.2 million. It would also require the addition of a designated transit service that would transport residents from the Heritage and Al Ritchie neighbourhoods to Wascana Pool, which is estimated to cost \$68,000 per annum.

This option will provide roughly 200 additional square metres of pool space compared to what exists today. However, it will result in the loss of a facility that is currently viewed as a hub facility within one of Regina's high needs neighbourhoods. Consideration should be given to the fact that past discussions surrounding outdoor pool closures caused significant negative public reaction.

This option would require an initial investment of \$32.2 million, during the twenty year period from 2015 to 2034; in addition, an investment of \$5.8 million would be required during this period to maintain each pool in like new condition. With this scenario, total costs over 20 years are estimated at \$58.5 million, which includes the \$32.2 million in capital, \$5.8 million in capital renewal and maintenance plus \$17.8 million in operating costs, which includes the transit service. As a result, the total lifecycle investment in this option is \$5.6 million more than for Option #3, which was Stantec's recommended option for maintaining service levels. This is illustrated in Appendix 3, labelled as Option #5.

Table 4 summarizes costs and service level changes for each of the five options.

TABLE 4: Summary Analysis of Options

	OPTION #1 (Status Quo)	OPTION #2 (Remedial)	OPTION #3 (Rebuild all five as is)	OPTION #4 (Enhance Wascana; Rebuild others)	OPTION #5 (Enhance Wascana; Decommission Maple Leaf; Rebuild others)
# Pools	5	5	5	5	4
Square metres	3,344	3,344	3,344	3,794	3,553
Bather load	2,835 participants	2,835 participants	2,835 participants	3,250 participants	3,000 participants
Total capital construction & capital renewal costs (20 years)	\$11.5 million	\$15.2 million Initial construction of \$12.4 million + capital renewal of \$2.8 million	\$34.9 million Initial construction of \$29.8 million + capital renewal of \$5.1 million	\$40.7 million Initial construction of \$34.6 million + capital renewal of \$6.1 million	\$38.0 million Initial construction of \$32.2 million + capital renewal of \$5.8 million
Life span	Unknown – failure risk	Unknown – failure risk	35+ years	35+ years	35+ years
Citizen experience	Status Quo with option to add temporary elements such as small slides & moveable climbing wall through future capital budgets	Status Quo with option to add temporary elements such as small slides & moveable climbing wall through future capital budgets	Improved “atmosphere” at all pools, with no change in amenities; option to add temporary elements such as small slides & moveable climbing wall at any time	Enhanced – same as option #3, with new experiences at Wascana Pool including zero depth entry, water slide, drop slide, spray elements	Service level changes – enhanced experience at Wascana offset by replacement of pool with other recreation amenities in Heritage Community
Risks	Lack of certainty around expanded lifespan given challenges predicting future condition issues that could result in pool closures. Funds invested in remedial work do not guarantee an expanded lifespan. This could lead to multiple pool closures at the same time and multiple pool closures at a given facility.	Lack of certainty around expanded lifespan given challenges predicting future condition issues that could result in pool closures. Funds invested in remedial work do not guarantee an expanded lifespan. This could lead to multiple pool closures at the same time and multiple pool closures at a given facility.	The expected time for implementation may require more than ten years due to financial constraints; there is a risk of a pool closure should urgent maintenance be required prior at a particular site prior to it’s rebuild.	The expected time for implementation may require more than ten years due to financial constraints; there is a risk of a pool closure should urgent maintenance be required prior at a particular site prior to it’s rebuild.	Expected significant negative public reaction to the proposed closure of Maple Leaf pool; potential long term negative effects on the neighbourhood due to the loss of a neighbourhood hub facility in a neighbourhood representative of Regina’s high needs communities.

The report demonstrates that the outdoor pool program, which is only eleven weeks in length, is costly to operate and in need of significant capital investments, which may outweigh the benefits to the community at large. While choices with respect to service level decisions are difficult to consider, the Administration is recommending that the public consultation process present options which include service level changes. It is expected that public reaction to such a

consultation process will be strong with pressure to maintain all pools as is. As a result the Administration is recommending that public consultation be delayed as discussed in Option 6 below.

Option #6: Delay a decision on the above five options until a refresh of the Recreation Facility Plan is undertaken in 2016/2017. This will provide an opportunity for a broad discussion of the overall recreation facility needs in the community which will result in a strategic direction for future investment in recreation facilities. This option will require an annual investment to maintain the pools until the refresh of the RFP in 2016/2017.

Given the previous strong public reaction to the outdoor pool discussion in the community, the Administration recommends that public consultation on the outdoor pool program be postponed until it can take place as part of a larger discussion on choices and tradeoffs between the mix and level of sport and recreation services provided by the City in relation to financial sustainability. This discussion would take place as part of the refresh of the RFP, which is scheduled to occur in 2016/2017. This process would involve a focussed public discussion on the outcomes achieved by indoor aquatics facilities and by outdoor aquatics facilities and will consider other opportunities to address these outcomes in a more cost effective manner relative to the benefits to the community at large. There is a moderate degree of risk that an infrastructure failure or a Public Health or code requirement may result in a pool closure prior to a refresh of the RFP in 2016/2017. To help minimize this risk, the City would continue to undertake capital repairs until a plan is approved. The 2015 to 2019 outdoor pool capital budget includes \$300,000 in 2016 and 2017 for capital repairs. Should a failure result in repair costs exceeding this amount, a report would be brought to Council to decide whether to invest further in the repairs to keep the pool open.

RECOMMENDATION IMPLICATIONS

Financial Implications

A decision to maintain service levels in the outdoor pool program will be costly. As discussed in the body of the report, the Administration will undertake a consultation process regarding outdoor pools within the larger context of the refresh of the RFP in 2016/2017. This process will provide long-term direction for investment in the outdoor pool program with respect to the City's overall recreation programming needs which would influence the development of the 2017 capital budget.

In order to maintain current service levels until 2017, the City requires the following capital funding:

- 2015 - funding for capital maintenance is currently available through carry forward in the Outdoor Pools Program capital account, which was originally intended to fund the redesign of Wascana Pool.
- 2016 - \$300,000 for capital maintenance
- 2017 - \$300,000 for capital maintenance and \$200,000 to begin the design process for the first outdoor pool replacement
- 2018 - \$1,000,000 to complete design and commence construction on the first outdoor pool replacement
- 2019 - \$3,310,000 for construction completion

Capital costs in 2018 and 2019 are preliminary and will be refined as details for the project are confirmed. On-going operating costs would continue to be incurred and are included in the annual operating budget.

Environmental Implications

There are no environmental implications related to this report.

Policy and/or Strategic Implications

As was relayed in the report, the City's outdoor pool program supports two community priorities identified in the City's Official Community Plan, *Design Regina*: (i) embrace built heritage and invest in arts, culture, sport and recreation; and (ii) develop complete neighbourhoods. They serve the dual purpose of providing a recreation opportunity to residents throughout the city and also of providing a hub of activity within those neighbourhoods where Regina's pools are located. However, the City's pools are old and in need of significant lifecycle investments. In order to make decisions consistent with a third community priority identified through *Design Regina*, that is, to achieve long term financial sustainability, a detailed assessment and plan is required to guide these investments ensuring that the full costs of operating are considered in relation to citizen expectations and community benefits. This plan is being developed in the context of a larger discussion related to indoor and outdoor recreation facilities to ensure choices and tradeoffs are driven by long term need and anticipated growth.

Other Implications

There are no other implications related to this report.

Accessibility Implications

There are no accessibility implications related to this report. However, design and construction of future facilities will adhere to accessibility code and best practices identified through the consultation process. Zero depth entry for example, will not only meet the needs of young children but also of the growing aging population and those with mobility disabilities.

COMMUNICATIONS

As part of the refresh of the RFP in 2016, a multi-faceted communication plan will be developed to gather feedback from the public regarding the choices and trade-offs between the mix and level of sport and recreation facilities.

If Council were to make a decision to move forward with pool upgrades outside of the broader discussion, depending on the desired direction, the Administration will work with the Communications Branch to design a consultation approach that solicits feedback and input on the option(s) supported by Council.

DELEGATED AUTHORITY

City Council has the delegated authority for this report.

Respectfully submitted,

A handwritten signature in blue ink that reads "Laurie Shalley".

Laurie Shalley, A/Director
Community Services

Respectfully submitted,

A handwritten signature in black ink that reads "Kim Onrait".

Kim Onrait, Executive Director
City Services

Report prepared by:

Laurie Shalley, Manager, Community Development;

Janine Daradich, Coordinator, Recreation Facility Development

NOTICE OF MOTION

December 7, 2014

Chief Legislative Officer & City Clerk
City Hall
Regina, Saskatchewan

Dear Sir:

Please be advised that I will submit the following MOTION at the meeting of City Council on Monday, December 8, 2014.

Re: Outdoor Pools Facility Plan Update

WHEREAS Executive Committee considered the above-mentioned report at their Private meeting on October 14, 2014; and

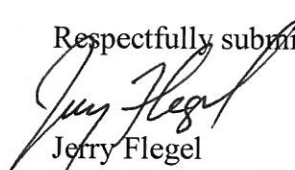
WHEREAS this report is now before Council as part of budget deliberations for 2015; and

WHEREAS the Administration is undertaking a refresh of the Recreation Facility Plan in 2016/2017 that will provide an opportunity for a broad discussion of the overall recreation facility needs in the community, resulting in a strategic direction for future investment in recreation facilities.

THEREFORE BE IT RESOLVED that City Council delay a decision on the Outdoor Pools Facility Plan until the refresh of the Recreation Facility Plan has been completed,

BE IT FURTHER RESOLVED that if successful, a report regarding the Recreation Facility Plan, which will include the outdoor pools, be provided to City Council in 2017.

Respectfully submitted,



Jerry Flegel
Councillor – Ward 10