



# **EXECUTIVE COMMITTEE**

**Wednesday, November 12, 2014  
11:45 AM**

**Henry Baker Hall, Main Floor, City Hall**



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Office of the City Clerk

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**Public Agenda  
Executive Committee  
Wednesday, November 12, 2014**

**Approval of Public Agenda**

**Minutes of the meeting held on October 22, 2014.**

**Communications**

EX14-34 Regina Public Library 2015 Mill Rate Request

**Administration Reports**

EX14-35 Service Delivery Options for Animal Control and Impoundment Services

**Recommendation**

1. That the City maintain current animal control service levels and continue to pursue the renewal of the Regina Humane Society (RHS) agreement as the most cost effective option to achieve this objective.
2. That subject to budgetary approval by Council, the Deputy City Manager and COO be authorized to resolve the final terms and conditions of a definitive agreement with the RHS based upon the key commercial terms outlined in Appendix D to this report.
3. That the \$761,000 in increased operating funds required in 2015 to reflect the increased costs RHS would incur in its delivery of City animal control services in a new facility be subject to approval by Council as part of its consideration of the 2015 General Operating Budget.
4. That the City Clerk be authorized to execute any definitive legal agreements after review by the City Solicitor.
2. That this report be forwarded to the November 24, 2014 City Council meeting.



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## Office of the City Clerk

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EX14-36 Regina Exhibition Association Limited: Pre-construction Design and Costing Project for a Multi-Purpose Event

**Recommendation**

That a one-time community investment of \$50,000 be provided to The Regina Exhibition Association Limited from the Community Investment Grants Reserve.

EX14-37 Status Update on the Enforcement of New Residential Homestay Regulations

**Recommendation**

1. That the Administration be directed to continue standard bylaw enforcement procedures for Residential Homestays.
2. That the Administration provide a report back in Q4 of 2015 outlining options for target licensing for R1, single family home zones, keeping in mind congregated living arrangements and having public engagement as part of the review of options.
3. That this report be forwarded to the November 24, 2014 City Council meeting for approval.

EX14-38 Joint-Use School Sites Acquisitions

**Recommendation**

1. That City Council delegate authority to the City Manager & Chief Administrative Officer to:
  - a) Negotiate and approve the City entering into any agreements, as in his discretion are deemed necessary, with the Government of Saskatchewan and/or development corporations as may be required to facilitate the acquisition and licensing of bare land real estate sites for three planned new joint-use schools; and,
  - b) Allocate \$6,045,000 funding to be provided by the Government of Saskatchewan to facilitate the development of a school site in Regina, North of Lakeridge.
2. That the following exceptions to the Interim Phasing and Financing Policy be approved:
  - a) Contrary to the Interim Phasing and Financing Policy, (Appendix A – Part 3) the City of Regina may provide funding for a portion of the infrastructure internal to the development North of Lakeridge.



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## Office of the City Clerk

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- b) Contrary to the Interim Phasing and Financing Policy, (Appendix A – Part 3), North of Lakeridge, the City of Regina may provide funding for a portion of the water, wastewater and storm water projects including a portion of the reconstruction of McCarthy Boulevard if directional boring is not feasible.

EX14-39      Fire Services Agreement - Global Transportation Hub Authority

**Recommendation**

It is recommended that City Council:

1. Direct the Chief Legislative Officer & City Clerk to sign the finalized agreement on behalf of the City.
2. Direct the City Solicitor to prepare the necessary bylaw for the Fire Services Agreement between the City of Regina and the GTHA.

EX14-40      Pension and Long Term Disability Bylaw Amendments to Include EPCOR Water Prairies Inc. as a Participating Employer

**Recommendation**

1. That City Council approve amending *The Regina Civic Employees' Long Term Disability Plan, 1997 Bylaw*, Bylaw No. 9566 (the "LTD Plan"), and *A Bylaw of the City of Regina Concerning Superannuation and Benefit Plan*, Bylaw No. 3125 (the "Pension Plan") to add EPCOR Water Prairies Inc. ("EPCOR") to the definitions of "employer" and "City" respectively so as to have EPCOR become participating employer in both the Pension Plan and LTD Plan; and
2. That the City Solicitor be authorized to bring forward an amendment to *The Regina Civic Employees' Long Term Disability Plan, 1997 Bylaw*, Bylaw No. 9566 and *A Bylaw of the City of Regina Concerning Superannuation and Benefit Plan*, Bylaw No. 3125") to add the EPCOR Water Prairies Inc. to the definitions of "employer" and "City" respectively.

EX14-41      Update: CR13-157 Inclusion of Brownfield Sites in the Intensification Strategy

**Recommendation**

That item CR13-157 be removed from the list of outstanding items for the Executive Committee.

**Resolution for Private Session**

AT REGINA, SASKATCHEWAN, WEDNESDAY, OCTOBER 22, 2014

AT A MEETING OF THE EXECUTIVE COMMITTEE  
HELD IN PUBLIC SESSION

AT 11:45 AM

**These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.**

Present: Councillor Bryon Burnett, in the Chair  
Mayor Michael Fougere  
Councillor Sharron Bryce  
Councillor John Findura  
Councillor Shawn Fraser  
Councillor Jerry Flegel  
Councillor Bob Hawkins  
Councillor Terry Hincks  
Councillor Wade Murray  
Councillor Mike O'Donnell  
Councillor Barbara Young

Also in Attendance: Chief Legislative Officer & City Clerk, Jim Nicol  
Deputy City Clerk, Erna Hall  
City Manager & CAO, Glen Davies  
Executive Director of Legal & Risk, Byron Werry  
Deputy City Manager & COO, Brent Sjoberg  
Chief Financial Officer, Ed Archer  
Executive Director, City Services, Kim Onrait  
Executive Director, Transportation and Utilities, Karen Gasmo  
A/Executive Director, City Planning & Development, Diana Hawryluk  
Senior Engineer, Kevin Synchron

(The meeting started in the absence of Councillor Wade Murray.)

APPROVAL OF PUBLIC AGENDA

**Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted, and that the delegations be heard in the order they are called by the Chairperson.**

ADOPTION OF MINUTES

**Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that the minutes for the meeting held on October 1, 2014 be adopted, as circulated.**

OTHER REPORTS

EX14-33      Executive Committee: Regina and Region Water and Wastewater Study  
Follow-up

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**Recommendation**

1. That subject to approval of funding in the 2015-2019 Utility Budget, Council direct Administration to endeavour to enter into a Memorandum of Understanding with committed stakeholders to conduct further investigations into the potential for a long-term, regional wastewater system east of Regina.
2. That the City Clerk be authorized to execute any definitive legal agreements after review by the City Solicitor.
3. That this report be forwarded to the November 3, 2014 City Council meeting.

Jim Elliott, representing himself addressed and answered questions of the Committee.

(Councillor Murray arrived at the meeting.)

**Mayor Michael Fougere moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.**

RESOLUTION FOR PRIVATE SESSION

**Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that in the interest of the public, the remainder of the items on the agenda be considered in private.**

RECESS

**Councillor Wade Murray moved, AND IT WAS RESOLVED, that the Committee recess for five minutes.**

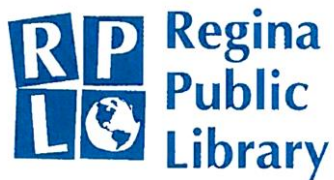
The meeting recessed at 12:05 p.m.

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Chairperson

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Secretary



DIRECTOR'S OFFICE  
P.O. Box 2311, 2311 – 12<sup>th</sup> Avenue  
REGINA, Saskatchewan  
Canada S4P 3Z5  
(306) 777-6000  
[www.reginalibrary.ca](http://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

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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 30<sup>th</sup> 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 100<sup>th</sup> 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

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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 21<sup>st</sup> 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
<b>Statement of Operations</b>			
<b>Revenue:</b>			
<b>Taxes and Grants:</b>			
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
	<b>20,216,800</b>	<b>19,418,800</b>	<b>798,000</b>
<b>Other Revenue:</b>			
Other revenue	501,000	514,500	(13,500)
<b>Total Revenue</b>	<b>20,717,800</b>	<b>19,933,300</b>	<b>784,500</b>
<b>Expenses:</b>			
<b>Operating Expenses:</b>			
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
<b>Total Expenses before Amortization</b>	<b>17,885,800</b>	<b>16,981,300</b>	<b>904,500</b>
Amortization Expense	2,400,000	2,230,000	170,000
<b>Total Expenses</b>	<b>20,285,800</b>	<b>19,211,300</b>	<b>1,074,500</b>
<b>Annual Surplus from Operations</b>	<b>432,000</b>	<b>722,000</b>	<b>(290,000)</b>
<b>Funding Adjustments</b>			
<b>Adjustments for non cash items</b>			
Amortization of Capital Assets	2,400,000	2,230,000	170,000
Employment Benefits Obligation	112,000	117,000	(5,000)
	<b>2,512,000</b>	<b>2,347,000</b>	<b>165,000</b>
<b>Funding Provided from Operations</b>	<b>2,944,000</b>	<b>3,069,000</b>	<b>(125,000)</b>

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**

	<b>2015 Budget \$</b>	<b>2014 Budget \$</b>	<b>2015 Budget vs. 2014 Budget \$ Change</b>
<b>Capital:</b>			
<b>Ongoing:</b>			
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)
	<b>2,365,000</b>	<b>2,470,000</b>	<b>(105,000)</b>
<b>Major Projects:</b>			
Branch Development (Note 2)	619,000	619,000	-
<b>Special:</b>			
<b>Total Capital</b>	<b>2,984,000</b>	<b>3,089,000</b>	<b>(105,000)</b>
<b>Net Funding Requirements</b>	<b>40,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Less other sources of funds:</b>			
Planned Funding from Reserves			
From DAG Reserves	(40,000)	(20,000)	(20,000)
	<b>(40,000)</b>	<b>(20,000)</b>	<b>(20,000)</b>
<b>Add other uses of funds:</b>			
Planned Contributions to Reserves			
	-	-	-
<b>Net Budget (Note 3)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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**

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

**THE REGINA PUBLIC LIBRARY BOARD**Schedule 2**SCHEDULE OF LIBRARY MATERIALS EXPENSES**

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

Table 1

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

Library Branch Location	Revenue	2015 Expenses						Total 2015 Expenses \$
	All Sources \$	Staffing \$	Services & Other \$ (Note 2)	Building Operations \$	Building Lease \$ (Notes 3 4)	Sub-total	Building Amortization \$ (Note 5)	
(Note 1)								
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	31,700	470,100
Prince of Wales	8,600	320,100	4,000	38,300		362,400	46,100	408,500
Regent Place	22,000	438,200	5,000	46,100	207,000	696,300	34,500	730,800
Sherwood Village	37,500	578,300	5,900	125,700		709,900	25,000	734,900
Sunrise	37,700	589,100	4,800	122,600		716,500	39,700	756,200
	188,100	3,497,100	40,600	682,200	449,600	4,669,500	177,000	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.

November 12, 2014

To: Members,  
Executive Committee

Re: Service Delivery Options for Animal Control and Impoundment Services

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**RECOMMENDATION OF THE EXECUTIVE COMMITTEE  
- OCTOBER 22, 2014**

1. That the City maintain current animal control service levels and continue to pursue the renewal of the Regina Humane Society (RHS) agreement as the most cost effective option to achieve this objective.
2. That subject to budgetary approval by Council, the Deputy City Manager and COO be authorized to resolve the final terms and conditions of a definitive agreement with the RHS based upon the key commercial terms outlined in Appendix D to this report.
3. That the \$761,000 in increased operating funds required in 2015 to reflect the increased costs RHS would incur in its delivery of City animal control services in a new facility be subject to approval by Council as part of its consideration of the 2015 General Operating Budget.
4. That the City Clerk be authorized to execute any definitive legal agreements after review by the City Solicitor.
5. That this report be forwarded to the November 24, 2014 City Council meeting.

*EXECUTIVE COMMITTEE – NOVEMBER 22, 2014*

Lisa Koch, and Louise Yates representing the Regina Humane Society were present to answer questions of the Committee. The delegation was excused prior to consideration of this report

The Committee adopted a resolution to concur in the recommendation contained in the report.

Mayor Michael Fougere, Councillors: Sharron Bryce, Bryon Burnett, John Findura, Jerry Flegel, Shawn Fraser, Bob Hawkins, Terry Hincks, Wade Murray, Mike O'Donnell and Barbara Young were present during consideration of this report by the Executive Committee.

The Executive Committee, at the **PRIVATE** session of its meeting held on October 22, 2014, considered the following report from the Administration:

RECOMMENDATION

The Administration recommends that:

1. The City maintain current animal control service levels and continue to pursue the renewal of the Regina Humane Society (RHS) agreement as the most cost effective option to achieve this objective.
2. Subject to budgetary approval by Council, the Deputy City Manager and COO be authorized to resolve the final terms and conditions of a definitive agreement with the RHS based upon the key commercial terms outlined in Appendix D to this report.
3. The \$761,000 in increased operating funds required in 2015 to reflect the increased costs RHS would incur in its delivery of City animal control services in a new facility be subject to approval by Council as part of its consideration of the 2015 General Operating Budget.
4. That the City Clerk be authorized to execute any definitive legal agreements after review by the City Solicitor.
5. That this report be forwarded to the November 12, 2014 public session of Executive Committee for consideration in advance of the November 24, 2014 City Council meeting.

## CONCLUSION

The City of Regina has been in negotiations with the RHS to develop a renewed contract which is effective for both parties and allows the city to minimize its costs while maintaining the current levels of service. The term sheet developed through discussions to date will allow the City to meet these objectives, while providing a long term mutually beneficial arrangement. The RHS delivers Regina's animal control and impoundment services on a cost-recovery basis, while also providing not-for-profit animal adoption, care, education and health services in the community and smaller contracts with other municipalities or agencies. Forty-six per cent of the RHS's total operating costs are associated with the City contract. The RHS requires a new building, which means the costs it charges to the City as part of its contract will need to increase in order for the relationship to continue on a full cost-recovery basis.

A new long-term service agreement with RHS for animal control and impoundment that reflects the increased over incurred by RHS in the delivery of services to the City in a new facility is presents the most practical and cost-effective way for the City to provide animal control in the community at the same level as it has for the past two and a half decades. In-house options for service delivery cost more, even if the City adopts a lower level of service than is currently provided by the RHS. No private service provider is currently available in the Regina area and it is expected that, like the RHS, a private company would also want to pass on its new facility costs to the City through a long term service contract that would include profit as well as overhead.

In order to avoid the obligations of owning another facility directly, under the model proposed in this report, the City would not directly fund the capital cost of constructing a new RHS facility, but would adjust its annual contract with RHS to reflect the increased overhead the RHS incurs in delivering service to the City in a new facility. The City would have the ability to assume ownership of the building if the RHS was to cease operations or vacate the facility, factoring in the financial contribution already made by the City.



## BACKGROUND

In June 2013, RHS provided the City with a proposal and request for funding towards the construction of an animal control and shelter centre to be located within the city limits. RHS has proposed an integrated Animal Community Centre, which would be a central hub for animal care, education, and control in the city.

In February 2014, City Council authorized the Administration to begin negotiations with RHS regarding the City's potential role in a new Animal Community Centre, including a review of RHS's assessment that 46 per cent of the costs of the new facility were attributable to the City contract. Council further directed the Administration to evaluate alternatives to the delivery of animal control and shelter services and report back to Council by the end of June. Negotiations were productive, but additional time was required to develop the recommendations contained in this report.

### Services Provided Regina Humane Society

In September 1982, Council passed *Bylaw 7322* authorizing the execution of an agreement between the City of Regina and the Regina Society for the Humane Care of Animals (later renamed the Regina Humane Society) for the handling of all cat-related issues in the City for an annual service fee. Effective January of 1988, the RHS agreed to provide all pound-keeping and kennelling services for all animals admitted to the shelter from the City while the City maintained all enforcement responsibilities. At that time, City animal enforcement was primarily carried out by a private security company. In 1998, RHS assumed full responsibility for the animal control program, including administration and enforcement functions.

The RHS also serves as the first point-of-contact for all animal-related inquiries. In addition to the animal control and impoundment service agreement, the City funds a separate spay/neuter program that provides subsidized pet sterilizations to financially disadvantaged households and eligible community animal rescue organizations.

RHS also acts as an animal welfare agency, maintains a registry of tattoo and microchip identification marks, and enforces the animal cruelty provisions of the *Criminal Code* and *The Animal Protection Act, 1999*. These services, as well as any regional or provincial services provided by the RHS, are not charged to the City.

The RHS has a number of small contracts with other surrounding jurisdictions. These other contracts combined account for less than 3 per cent of the animals impounded by the RHS every year. City of Regina animals account for 85 per cent of impounded animals. The cost of caring for the remaining 12 per cent of impounded animals (considered unidentifiable) is absorbed into the RHS operating budget. RHS conducts an annual review of fees for service and applies the same increase across all municipal service contracts. The additional costs associated with providing services in the new animal community centre will be reflected in all of RHS' service agreements with other jurisdictions.

In 2013, the RHS reached 2,131 animal adoptions – the highest number of adoptions in the organization's 50 year history. This high rate of adoptions is due to the RHS' continuing community and corporate partnerships, as well as its high profile both in the media and community. Pet identification initiatives, including My Pet Matters and RHS community tattoo/microchip programs, have resulted in a 35 per cent increase in cats returned to their

owners between 2012 and 2013. Spay/neuter surgeries provided through the low-cost/no-cost sterilization program have increased 141 per cent since the first pilot program in 2008. These initiatives have resulted in a reduced number of unwanted animals and a 25 per cent decrease in animal euthanasia since 2008.

### Existing RHS Facility

The existing RHS shelter and facility was built more than 30 years ago with volunteer labour and donated materials. In 2013, P3 Architecture deemed the building unsalvageable and no longer able to effectively meet minimum occupational, public health, safety, biosecurity, disease management, accessibility or fire standards. According to the architects, it is not possible to upgrade the existing facility to achieve required human and animal health and safety standards or to meet current building codes. The Administration concurs with these findings and recognizes that, in building a new facility where the RHS provides City animal control services, the cost of contracting the RHS to provide these services will increase accordingly.

As the existing building is unsalvageable, it would be expensive to relocate operations, demolish the building, build a new building on the same site, and move operations back in. Further, the current location is not within the city limits and is not serviced by transit, both of which are important from a community access perspective.

## DISCUSSION

In preparing the recommendations in this report, Administration first reviewed the City's current service levels, costs and options, and then based on this analysis has recommended the option that is most effective in terms of both service delivery and cost.

### Options for the Delivery of Animal Control and Impoundment Services

In determining the recommended course of action for the City, the Administration has assessed the relative costs associated with possible service delivery options, the availability of alternative service providers, the quality and nature of services available, the scope of services required, and the internal resources are available to support the City's role in animal control. The evaluated service delivery options are as follows:

- *Perform animal control in-house at three different service levels:* The City would be responsible for building, staffing and operating its own animal impoundment facility. As the City has outsourced animal control services for over 20 years, a new business unit would be created and staff hired and trained to perform animal control duties. Three in-house scenarios were evaluated to demonstrate the costs associated with differing levels of service: maintaining current RHS service levels, reduced service levels, and impoundment of dogs only. More information on the three options, including advantages and disadvantages, can be found in Appendix A.
- *Continue the relationship with the RHS:* The RHS plans to build a new facility that will offer improved spaces for animal care, greater community access, expanded education programming opportunities, and an improved working environment for staff and volunteers. In the original Centre business case, the RHS requested that the City contribute 46 per cent of the capital costs for the new building – representing an estimate of the portion of a new facility that providing City-related animal control and impoundment services requires. Additional information on this option can be found both in the subsequent discussion and in Appendix B.

- *Find a different, private sector service provider:* There are no service providers with the current capacity to provide all animal control functions in the Regina area. Standard construction estimates were used to determine the costs for the in-house options, so it is unlikely a new company could build a new facility for less. In addition, a private company will add profit to their start-up and ongoing costs – whereas the in-house and RHS options include only overhead – making it unlikely that they could provide the service more inexpensively than the City or RHS, which is a non-profit organization. It is unlikely a private company would commit to building an animal impoundment facility without a long-term agreement with the City as well. More information on possible outsourcing models and the advantages and disadvantages of seeking a new private service provider can be found in Appendix C.
- *Perform no animal control:* There is no legal requirement for the City to perform animal control duties under *The Cities Act* and small or remote communities opt out of providing this service. None of the larger cities in Canada opt out of active animal control. This option would save \$1,070,500 annually, but presents a reputational risk to the City and a public health and safety risk to residents.

Note that the current spay/neuter contract funding is excluded from all options, as it would not be continued outside of a contract with the RHS. The program is only feasible because the RHS has access to inexpensive or donated veterinary care. The current value of that contract is \$147,300.

It should be noted, that regardless of the service level or service model chosen, a new facility will be required with the City paying all or a portion of the cost.

Table 1 contains the results of the cost analyses for in-house service delivery and continued delivery through the RHS. Private sector delivery cost estimates are not provided as they are expected to exceed the RHS cost estimates, which represent a not-for-profit, cost recovery business model.

Table 1: Cost comparison between in-house animal control and RHS service agreement

Cost Calculation	Perform in-house			RHS
	Maintain current RHS service levels	Reduce service levels	Impoundment of dogs only	Continue service agreement
Annual capital costs associated with a new facility	\$ 1,181,946	\$641,438	\$480,410	\$760,708
Annual operating costs associated with service delivery	\$4,166,096	\$1,769,838	\$1,470,390	\$1,070,500
<b>Total annual cost to the City</b>	<b>\$ 5,348,042</b>	<b>\$2,411,276</b>	<b>\$ 1,950,800</b>	<b>\$ 1,831,208</b>

Based on the financial analyses, all of the in-house options cost more than a continued contractual relationship with the RHS. Moving to a model under which only dogs are enforced is comparable in cost, but still exceeds the expected increase in overhead associated with RHS building and operating a new facility.

### Framework for a Continued Relationship with RHS

Based on the results of the alternative service delivery analysis, a continued relationship with RHS represents the lowest cost option for the provision of long-term animal control and impoundment services for the City. From this perspective, the Administration and RHS have been negotiating a draft term sheet defining the future contractual relationship between the two parties. The Administration's approach to negotiations has included:

- A line-by-line review of the RHS proposal for an increased overhead charge to the City to capture its increased costs in a new facility in order to ensure it only represents only the City contract and no luxuries within those costs;
- Assurance that the RHS will pursue proportionate increases to its contracts with other municipalities and agencies;
- Development of a mutually acceptable financial model that will not result in any City borrowing or effect on the City's debt limit;
- Discussions related to building ownership and capital contribution by the City versus amendments to the operating agreement to reflect RHS' new costs for delivering City services in a building wholly owned and operated by the RHS; and,
- Development of the framework for a long-term arrangement for animal control services that provides certainty for both parties and stable services to the community.

It is estimated that building costs, including land and servicing, will be approximately \$21 million in today's dollars or \$33.1 million dollars including financing over a 20 year period. In building this new facility, the RHS is expected to incur an additional \$1,654,000 in annual costs. Forty-six per cent of the RHS annual costs are associated with the provision of City services, suggesting that the current contract should be increased by \$761,000 to reflect the new capital costs associated with service provision by the RHS.

The Administration has worked with the RHS to ensure this estimate accurately reflects the operating costs and resources dedicated to fulfilling the current service agreement. Building features deemed to be wholly unrelated to municipal animal control and impoundment (e.g., dog agility training areas, space allocations for regional or provincial services, etc.) or above required municipal standards (e.g., additional parking above City zoning requirements) are excluded from the cost analysis presented in this report. These types of features, if constructed, would be funded entirely by RHS.

The remaining 54 per cent of the costs associated with the new building relate largely to the RHS' not-for-profit role as an animal welfare organization and will be used to house adoption, education, animal health, and other services not associated with the City contract.

Based on negotiations with RHS, the Administration is recommending a long-term service agreement with the RHS. The new agreement would provide additional funding of \$761,000 above the current animal control service agreement (\$1,070,500 for 2014) to reflect the portion of the RHS's cost associated with delivering City services in a new facility (see Appendix B).

The separately funded spay and neuter program, which costs \$147,300 annually, would also be expected to continue.

Under this agreement, the City provides only its proportional share of the capital cost of the building and the RHS will have full ownership of the facility. However, the City does have the ability to take ownership of the facility if it is no longer being used by RHS. The City will include provisions in the service agreement that will require the RHS to maintain a capital reserve fund to be used for future repairs and expansions. When the long-term agreement expires after 20 years, the City may enter a new agreement with the RHS for animal control and impoundment services. Funding in the new agreement would be adjusted to match the costs associated with providing animal control and impoundment services at that time, as has historically been the case in agreements with the RHS.

It is recommended that, subject to approval through the budget process, the new additional funding be put into place beginning in 2015 and be held and released to RHS based upon project progress and the satisfaction of conditions contained within the definitive agreement. This approach is recommended in order to encourage rapid progress on the new building and reduce the impacts of construction inflation. Regardless of when increased funding is started, the term over which it is provided remains 20 years.

The \$761,000 annual payment is calculated prior to future annual inflationary adjustments, which are currently negotiated on a short-term basis, typically annually in recent years. Both the RHS and the Administration support developing an inflationary cost increase model that would provide a defined mechanism for increases to the RHS contract. Exceptions to the model would only be considered under specified circumstances and would require Council approval. This approach would provide both the City and the RHS with increased certainty in their financial planning and would also have positive impacts on staff capacity for both agencies as well.

The option of becoming a direct owner in the capital construction of the building was also considered, which would require a one-time capital contribution by the City of \$9.5 million in today's dollars. Due to budgetary constraints and the ongoing capital maintenance costs that would result from a direct City capital contribution, this approach is not recommended. The recommended approach of a long term service contract provides for simpler financing, operating, and risk management and is supported by both the RHS and the Facilities Management Services Department.

An in-kind donation, such as land or servicing fees, would reduce the annual payment made to RHS for delivering City services in a new facility. For example, an in-kind contribution of \$2 million would result in an annual payment of \$600,223.

The City benefits from RHS' non-profit status, with supplies and services provided to the RHS at donated or discounted costs being used in support of the City contract as well as surrendered animals. Donated dog and cat food, for example, has a value of more than \$30,000 per year. RHS volunteers also complement paid staff, allowing for additional efficiencies. The RHS has seen an increased adoption rate of both impounded and surrendered animals.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

Creating a long-term service agreement with the RHS is estimated to result in an increase of \$761,000 per year over the current animal control service agreement, plus annual inflation subject to a negotiated cost increase model. A budget request of \$761,000 is included in the 2015 General Operating Budget for the consideration of City Council as part of its annual deliberations.

Note that the City has a separate annual contract supporting a subsidized spay/neuter program with the RHS that cost \$147,300 in 2014. This cost is not included in any of the options, as the program would be discontinued under all in-house and privatized alternatives. It is only through access to the RHS' low-cost in-house veterinary services and donated or reduced-fee services from local veterinarians that the spay/neuter program is financially viable. The financing of this program is not impacted by the recommendations in this report and, should those recommendations be adopted by City Council, the annual spay/neuter fee would form part of the new annual contract.

### Environmental Implications

All options that provide a new, modern facility are expected to be more energy efficient than the RHS's existing location and should provide better disease management within the facility. Any options that reduce levels of service could have impacts on the environment and public health should at-large animal populations increase.

### Policy and/or Strategic Implications

A well-functioning animal control program would contribute to the following goals of the new Official Community Plan (OCP):

- Minimize social and environmental impacts and improve the health and safety of the city and region.
- Promote and enhance social sustainability by recognizing that quality of life in a community depends on both its physical and community resources.
- Ensure that Regina is a safe community where everyone feels secure in their homes and neighbourhoods.

However, another key priority of the OCP is the *long-term financial viability* of the City of Regina. This priority has been an important underpinning of the strategic focus of the City for the past two years and is likely to continue as a theme in the new strategic plan, currently in development. Regardless of how the City of Regina delivers an animal control service, the service must be planned and designed in a sustainable fashion without compromising other important services the City offers or the financial viability of the City.

### Other Implications

Regional models for animal control should not be discounted. In several ways, the RHS does fulfill a regional role, taking in stray and surrendered animals from outside city limits and providing contracted services. None of the costs of the RHS's regional role, nor its role with

respect to criminal or provincial animal control requirements, are included in the costs presented in this report. RHS has indicated that it will also be seeking increased funding or higher fees for service from regional and provincial clients to reflect the costs it will incur in a new facility; however, increased funding from other clients would not lessen the 46 per cent contribution by the City of Regina.

#### Accessibility Implications

If a new facility is built, it will meet all current accessibility requirements. Should RHS find acceptable land within the city; it will also be serviced by public transit, which will increase the accessibility of the facility for clients with limited transportation choices related to physical or financial challenges.

#### COMMUNICATIONS

The development of the recommendations included in this report are the result of several months of negotiations and discussions with RHS. Subject to approval of this report by Council, detailed communications plans related to its implementation will be prepared with the RHS.

#### DELEGATED AUTHORITY

City Council approval of this report is required.

Respectfully submitted,

EXECUTIVE COMMITTEE

A handwritten signature in black ink, appearing to read 'Jim Nicol', is written over a horizontal line.

Jim Nicol, Secretary

mrt

**Appendix A:**  
*Option 1: Perform In-House Animal Control*

Alternatives for In-House Animal Control

*a) Match Service Levels to Current RHS Contract*

In order for the community to experience service levels as currently provided by the RHS, it is estimated that the first year's start-up costs (to build a new animal control facility, hire and train staff, provide appropriate equipment, allow for animal surrender services, perform 24-hr animal control duties in the community and provide education about responsible pet ownership) would be approximately \$14.7 million (see Table 1). Under this model, veterinary services would be out-sourced, allowing for a small reduction in the size of the building and a more substantial reduction in the cost associated with outfitting a veterinary surgery. On-going operating costs would be approximately \$4.2 million per year (see Table 2).

*b) Reduced Service Levels*

If the City chose to operate at lower service levels than those currently provided by the RHS, it is estimated that the start-up costs would be approximately \$8.0 million and the subsequent annual costs would be about \$1.8 million (see Table 1 & 2). In this scenario, animal control and impoundment services would be provided during weekday business hours only, rather than 24-hours. All after-hours and emergency services would cease.

*c) Impoundment of Dogs Only*

If the City were to enforce the impoundment of dogs and not cats, they could reduce the size and the cost of a new facility and reduce the amount staff needed. This option would have a first year cost of about \$6.0 million and a yearly operating cost of \$1.5 million per year (see Table 1 & 2). There are cities throughout Canada that only have a dog bylaw and provide no animal control related to cats. While there are cost-savings associated with selective animal control versus continuing to provide the current service levels, the City began its relationship with RHS because of citizen complaints regarding cat-overpopulation, which would likely become a concern again if the City were to forgo providing cat control services.

Advantages and Disadvantages Associated with In-House Delivery

Advantages	Disadvantages
<ul style="list-style-type: none"><li>– The City would have greater control over the service levels for animal control. Service levels could be reasonably adjusted according to cost and priority.</li><li>– The City would have direct accountability in terms of fulfilling legislated animal control duties.</li></ul>	<ul style="list-style-type: none"><li>– A new and highly specialized line of business with which the City has no contemporary experience would need to be established.</li><li>– All scenarios require the City to construct, operate and maintain a new facility of some scale.</li><li>– Under Option 1b, services would not be available evenings and weekends, creating risks for residents and emergency responders and potentially increasing suffering for at-large animals.</li></ul>



	<ul style="list-style-type: none"><li>– Option 1c would result in an increased number of stray and feral cats in Regina.</li><li>– All three options transfer any public concerns related to the impounding and potential euthanizing of animals to the City, a role that RHS presently fulfills.</li><li>– Options 1b and 1c would terminate any City involvement in animal surrender, leaving the RHS to manage that role if elected to do so.</li><li>– Should existing service levels from the RHS be maintained, additional costs associated with in-house animal control would require funding through higher taxation.</li></ul>
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Table 1. Operating and Building Costs for In-house Animal Control Options

Operating Costs		Similar Service Levels		Reduced Service Levels		Dogs Enforced Only	
Item	Notes	Start-up & Operate Year 1	Operate & Maintain Year 2 on	Start-up & Operate Year 1	Operate & Maintain Year 2 on	Start-up & Operate Year 1	Operate & Maintain Year 2 on
Labour	Based on HR policy	2,186,890	2,186,890	493,890	493,890	405,847	405,847
Uniforms	\$200 each	4,000	800	2,800	560	2,200	440
Food costs	Portions @ \$1	65,587	65,587	50,000	50,000	39,352	39,352
Biowaste disposal		10,000	10,000	10,000	10,000	10,000	10,000
Euthanasia & cremation		244,800	244,800	244,800	244,800	244,800	244,800
Staff training consulting		50,000	-	50,000	-	50,000	-
Vehicles	3 unit acquisition & fitted	90,000	9,000	60,000	6,000	60,000	6,000
Vehicle operating	*	30,000	30,000	22,500	22,500	22,500	22,500
Hardware	\$360/year	10,800	10,800	7,560	7,560	2,880	2,880
Software	\$300 each	9,000	9,000	7,560	7,560	2,400	2,400
Website and advertising	COR estimated small campaign	70,000	70,000	50,000	50,000	50,000	50,000
Consulting (start up)		50,000	-	50,000	-	50,000	-
Contract labour (veterinary)	Estimate based 2/3 of RHS 2013 costs	475,500	475,500	356,625	356,625	267,468	267,468
Temporary facility rental	\$2.50/SF 14000 sf/year	35,000	35,000	26,250	26,250	17,500	17,500
Renovation of temporary facility		250,000	-	187,500	-	150,000	-
Printing and publication		14,000	14,000	10,500	10,500	10,500	10,500
Furniture & fixtures		40,000	4,000	40,000	4,000	40,000	4,000
Equipment		115,000	11,500	86,250	8,625	86,250	8,625
Cages & kennels		200,000	20,000	150,000	15,000	75,000	7,500
Recruitment costs	Estimate from HR	5,000		5,000		5,000	-
Utilities costs (light, heat, water, insurance)		110,000	110,000	82,500	82,500	61,875	61,875
Maintenance cost		-	26,000	-	19,500	-	14,625
<b>A. SUBTOTAL (OPERATING)</b>		<b>4,065,577</b>	<b>3,332,877</b>	<b>1,993,735</b>	<b>1,415,870</b>	<b>1,653,572</b>	<b>1,176,312</b>
<b>Building Cost Description</b>							
New Building		7,414,083	-	3,500,000	-	2,183,400	-
Servicing & demolition cost		750,000	-	500,000	-	400,000	-
Land cost		2,500,000	-	2,000,000	-	1,750,000	-
<b>B. SUBTOTAL (CAPITAL)</b>		<b>10,664,083</b>	<b>-</b>	<b>6,000,000</b>	<b>-</b>	<b>4,333,400</b>	<b>-</b>
<b>Total Cost</b>							
Sub-Total (A+B)		14,729,660	3,332,877	7,993,735	1,415,870	5,986,972	1,176,312
Contingency 25%		-	833,219	-	353,968	-	294,078
<b>C. TOTAL</b>		<b>14,729,660</b>	<b>4,166,096</b>	<b>7,993,735</b>	<b>1,769,838</b>	<b>5,986,972</b>	<b>1,470,390</b>

Table 2. Annual Animal Control Costs (assuming 20 year period)

	Similar Service Levels	Reduced Service Levels	Dogs Enforced Only
<b>Accumulated Capital Cost Over 20 Years</b>			
A. Total Before Financing	\$14,729,660	\$7,993,735	\$5,986,972
B. Accumulated Financing (5%) over 20 years	\$8,909,261	\$4,835,05	\$3,621,230
<b>C. Accumulated Total Cost (A+B)</b>	<b>\$23,638,921</b>	<b>\$12,828,760</b>	<b>\$9,608,202</b>
<b>Annual Cost (Operating + Capital)</b>			
D. Annual Capital Cost (C ÷ 20 years)	\$1,181,946	\$641,438	\$480,410
E. Annual Operating Cost	\$4,166,096	\$1,769,838	\$1,470,390
<b>F. Total Annual Cost (D+E)</b>	<b>\$5,348,042</b>	<b>\$2,411,276</b>	<b>\$1,950,800</b>

**Appendix B:**  
*Option 2: Continue Relationship with the RHS*

<b>1.0 Animal Care Centre Building Costs</b>	
1.1 Building Construction	\$ 11,008,427
1.2 Site Work	\$ 625,000
1.3 Cages/Kennels	\$209,100
1.4 Fixtures, Furniture & Equipment	\$ 400,000
1.5 Escalation 1.5 years x 5% = 7.5%	\$ 918,190
1.6 Contingency (5% design, 5% construction)	\$ 1,316,071
1.7 Soft Costs @ 20 %	\$ 2,632,143
1.8 Land and servicing	\$ 3,500,000
<b>Total Project Costs =</b>	<b>\$ 20,608,931</b>
<b>City contribution towards project @ 46%=</b>	<b>\$ 9,480,108</b>
<b>2.0 Long-term service agreement between RHS and City</b>	
2.1 Annual capital funding	\$ 760,708
2.2 Annual operating funding	\$ 1,070,500
<b>Total annual funding agreement =</b>	<b>\$ 1,831,208</b>

**Appendix C:**  
*Option 3: Find a Different Service Provider*

The Administration has conducted a jurisdictional review of Canadian cities that have privatized animal control models. Based on the available information, there are three models of contracted-out animal services:

- Municipality contracts all or part of their animal services to a private vendor (e.g., Red Deer, Victoria, Richmond, and Montreal);
- Municipality contracts to the local humane society for all or part of their animal control needs (e.g., Edmonton, Markham, and Saskatoon); and,
- Municipality does their animal control regionally and either has a regional pound or uses a regional humane society (e.g., Kelowna and Chilliwack).

A request for Expressions of Interest (EOI) may show that there are potential service providers interested in the Regina animal services contract, but the Administration believes that this is unlikely to be a financially viable alternative. As no alternative service providers or facilities currently exist in the Regina area, any new private sector service provider would face start-up costs. Standard construction estimates were used to determine the costs in Option 1, so it is unlikely a private company would be able to construct a new facility for a lower cost. In addition, any private company will add profit to their start-up and ongoing costs, making it unlikely that they could provide the service more inexpensively than the City or RHS, which is a non-profit organization. It is unlikely a private company would commit to building an animal impoundment facility without a long-term agreement with the City as well.

**Advantages and Disadvantages Associated with Private Service Provision**

Advantages	Disadvantages
<ul style="list-style-type: none"><li>– Request for Expression of Interest (EOI) could show that there are other service providers interested in the contract.</li><li>– The City would be able to set out service levels and standards with a new provider.</li><li>– A long-term relationship provides certainty for the City and residents.</li></ul>	<ul style="list-style-type: none"><li>– There is no guarantee an EOI will be successful and fully privatized animal service models are not common in Canada.</li><li>– If the City were to find a new service provider a new animal impoundment facility would need to be constructed. Depending on the level of service provided, it is expected that the building and operating costs would be similar to those presented in Option 1, but with corporate overhead and profit added.</li><li>– As procurement and construction would be expected to take at least a year, the City would need an interim solution for animal control and impoundment.</li><li>– The new private service provider would charge the City for supplies and services currently provided to the RHS by its volunteers.</li></ul>

**Appendix D:**  
*Draft Term Sheet for an Agreement with the RHS*

**DRAFT TERM SHEET**

**THIS TERM SHEET** is made as of the \_\_\_\_ day of (month), 2014.

**BETWEEN:**

**THE CITY OF REGINA**  
(the “City”)

**AND**

**REGINA HUMANE SOCIETY, INC.**  
(“RHS”)

This term sheet sets out the key commercial terms and conditions upon which the City will engage the services of RHS to provide animal control services, animal impoundment services and the related facilities for the City and its residents for a period of twenty (20) years.

This term sheet is intended to advance discussions towards the completion of definitive agreements to be made between the City and RHS in connection with such services.

**1. Term of Engagement of RHS**

The City will continue to use RHS to provide animal control services, animal impoundment services, spay and neuter services and the related facilities (collectively, the “**Services**”) for a period of twenty (20) years.

**2. Animal Control and Impoundment Services**

RHS will provide the Services to the City at the same service levels and standards at which such Services are currently provided and prescribed in the existing Animal Impound and Animal Control Service Contract between RHS and the City and the existing Spay and Neuter Services Contract between RHS and the City.

**3. Construction of New RHS Facility**

The City and RHS each acknowledge that for RHS to properly provide the Services, a new facility for RHS will be required (the “**New Facility**”). RHS estimates that the capital cost of a New Facility will be \$20.65 million, excluding financing costs.

The City and RHS agree that the provisions of the Services to the City accounts for 46% of RHS's annual costs. This percentage will remain unchanged with the New Facility, but additional expenses will be realized by RHS. The City agrees to contribute to 46% of the annual costs that will be experienced by the RHS, including the increased expenses (estimated to be \$761,000 in 2015) through the annual payments for the Services specified in section 5 of this Term Sheet or through in-kind contributions such as land donation, provision of servicing or engineering).

RHS shall, at its sole cost and expense, be responsible for coordinating all design, engineering, procurement, permitting, construction, maintenance, operation and management of the New Facility.

If requested by RHS, the City will provide guidance and assistance as may be required by RHS relating to the construction of the New Facility. RHS acknowledges and agrees that the City will not be providing any professional advice or services and all risk and decision making authority relating to the New Facility will remain with RHS.

RHS acknowledges and agrees that all capital replacement and risk of the New Facility rests with RHS and that RHS will indemnify and save the City harmless from and against any loss or damage due to or occurring from the maintenance, repair, rehabilitation, or operation of the New Facility unless such damage is caused by the gross negligence of the City.

#### **4. Location of New Facility**

The location for the New Facility is yet to be determined. The City and RHS each agree to collaboratively pursue any commercially reasonable solutions that meet the needs of RHS and the City will provide guidance and assistance as may be required by RHS to help facilitate the identification and acquisition of the lands required for the New Facility.

#### **5. Fees Payable**

As consideration for the provision of the Services over the 20 year term, the City will pay an annual fee to the RHS calculated as follows:

Annual Fee = *Annual negotiated operating service fee for Services (inclusive amount for all operating and facility expenses attributable to the City's 46% of costs, including the increased costs related to the New Facility).*

+

*An annual negotiated inflationary adjustment that will be applied to certain elements of operating expenses based upon the agreed to costing model.*

## **6. Payment of Annual Fees Prior to Construction of New Facility**

RHS and the City each acknowledge and agree that the City will commence paying the Annual Fee in 2015 notwithstanding that construction of the New Facility has not been completed to account for the increased operating expenses that RHS will incur in preparing for, planning, constructing and transitioning to the New Facility. RHS acknowledges and agrees that the portions of the Annual Fee relating to the increased operating costs on account of the New Facility will be held and released to RHS by the City based upon progress of the New Facility and the satisfaction of reasonable conditions that may be specified by the City from time to time.

## **7. Operations & Maintenance of RHS Facility**

RHS agrees that as part of the Services and as owner of the New Facility, RHS will, at its sole cost, risk and expense, provide any and all operating and maintenance services to operate and properly maintain the New Facility in accordance with industry standards and practices. RHS shall provide the City with a copy of its annual operations and maintenance plan, including details surrounding the levels of capital reserves maintained in relation to the New Facility

## **8. City Option to Purchase**

In the event of (i) an early with-cause termination of the agreement contemplated by this term sheet, (ii) the insolvency, bankruptcy or winding up of RHS, (iii) RHS ceasing to use the New Facility, (iv) any creditor taking enforcement or realization proceedings as against the RHS or the New Facility, or (v) RHS offering the New Facility for sale, the City will have the option to purchase the New Facility at a price equal to the then current fair market value of the New Facility less the City's contributions to the New Facility being paid pursuant to section 3 of this term sheet.

## **9. Conditions Precedent to Definitive Agreements**

Definitive agreements to implement the arrangements described in this term sheet are subject to the following conditions precedent:

- (a) RHS internal approvals;
- (b) City Council approval of commercial terms and final agreement conditions/details;
- (c) City Council providing budget approval for all related expenditures.

## **10. Non-Binding Term Sheet**

Nothing in this term sheet is intended to create legally binding obligations between the City and RHS until definitive agreements are signed by both the City and RHS.



ACKNOWLEDGED AND AGREED to by Regina Humane Society, Inc. and the City of Regina  
as of the dates indicated below:

**REGINA HUMANE SOCIETY, INC.**

Per: \_\_\_\_\_  
Date: \_\_\_\_\_

**CITY OF REGINA**

Per: \_\_\_\_\_  
Date: \_\_\_\_\_

November 12, 2014

To: Members,  
Executive Committee

Re: Regina Exhibition Association Limited: Pre-construction Design and Costing Project For  
A New Multi-Purpose Event Facility Located At Evraz Place

---

### RECOMMENDATION

That a one-time community investment of \$50,000 be provided to The Regina Exhibition Association Limited from the Community Investment Grants Reserve.

### CONCLUSION

The facilities located at Evraz Place that are used by Canadian Western Agribition (CWA) have deteriorated beyond their useful life, and are becoming increasingly costly to operate and maintain. The Regina Exhibition Association Limited (REAL) is ready to undertake a project to develop the schematic design and cost projections for the removal of 13 aging buildings on the west side of the site and the construction of a new 120,000 square foot multi-purpose facility to be designed for hosting trade shows, large catered functions, as well as CWA's annual livestock and trade show. This proposal is consistent with Phase 2 of the Evraz Place Master Plan.

### BACKGROUND

The Executive Committee, at the PRIVATE session of its meeting held on October 22, 2014, deferred communication E14-49 to the PUBLIC session of its November 12, 2014 meeting.

Communication E14-49 from REAL requests that the City of Regina contribute \$50,000 toward a pre-construction design and costing project for a new multi-purpose event facility to be located at Evraz Place.

### DISCUSSION

The facilities located at Evraz Place that are used by CWA have deteriorated beyond their useful life, and are becoming increasingly costly to operate and maintain. As such, the condition of the facilities is beginning to negatively impact the profile of the show. There is a concern that the poor condition of the facilities will start to impact the number of delegates and vendors attending and could jeopardize the future of the show in our city.

A key component of REAL's long term plan for Evraz Place is to include facility requirements with an emphasis on multipurpose facilities in order that new business opportunities and uses for the facilities (outside of CWA's event) are able to be hosted to help support the long term financial sustainability of the facilities.

REAL is ready to undertake a project to develop the schematic design and cost projections for the removal of 13 aging buildings on the west side of the site and the construction of a new 120,000 square foot multi-purpose facility to be designed for hosting trade shows, large catered functions, as well as CWA's annual livestock and trade show. The total cost of this

Pre-construction Design and Costing Project is \$100,000. The project would commence immediately and be completed by the end of January 2015. Other funding partners confirmed for this project include the Regina Hotel Association (\$16,667), CWA (\$16,667), and REAL (\$16,667).

## RECOMMENDATION IMPLICATIONS

### Financial Implications

It is recommended that a one-time community investment of \$50,000 be provided to REAL from the Community Investment Grants Reserve. This reserve is subdivided into three accounts, one for each of the Community & Protective Services Committee, the Finance & Administration Committee and the Executive Committee. Currently, the forecasted balance at December 31, 2014 for the Executive Committee's portion of the reserve is \$150,070. The approval of this community investment would reduce the year end forecasted balance to \$100,070.

The minimum balance required for the Executive Committee's portion of the Community Investment Grants Reserve is \$0 and the maximum allowable balance is \$150,000.

### Environmental Implications

None related to this report.

### Policy and/or Strategic Implications

This funding supports the City of Regina's vision and its community priorities to (i) embrace built heritage, and invest in arts, culture, sports and recreation and (ii) to foster economic prosperity.

### Other Implications

None related to this report.

### Accessibility Implications

None related to this report.

## COMMUNICATIONS

REAL and CWA will receive a copy of this report.

DELEGATED AUTHORITY

This report must be forwarded to City Council for approval.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Laurie Shalley".

Laurie Shalley, A/Director  
Community Services

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Kim Onrait".

Kim Onrait, Executive Director  
City Services

Report prepared by: Jeff May, Manager, Sport & Recreation

November 12, 2014

To: Members,  
Executive Committee

Re: Status Update on the Enforcement of New Residential Homestay Regulations

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**RECOMMENDATION OF THE EXECUTIVE COMMITTEE  
- OCTOBER 22, 2014**

1. That the Administration be directed to continue standard bylaw enforcement procedures for Residential Homestays.
2. That the Administration provide a report back in Q4 of 2015 outlining options for target licensing for R1, single family home zones, keeping in mind congregated living arrangements and having public engagement as part of the review of options.
3. That this report be forwarded to the November 24, 2014 City Council meeting for approval.

*EXECUTIVE COMMITTEE – OCTOBER 22, 2014*

The Committee adopted a resolution to concur in the recommendation contained in the report after amending #2 and #3 to read as follows:

2. That the Administration provide a report back in Q4 of 2015 outlining options for target licensing for R1, single family home zones, keeping in mind congregated living arrangements and having public engagement as part of the review of options.
3. That this report be forwarded to the November 12, 2014 Executive Committee meeting and to the November 24, 2014 City Council meeting for approval.

Mayor Michael Fougere, Councillors: Sharron Bryce, Bryon Burnett, John Findura, Jerry Flegel, Bob Hawkins, Terry Hincks, Wade Murray, Mike O'Donnell and Barbara Young were present during 2014 consideration of this report by the Executive Committee.

The Executive Committee, at the **PRIVATE** session of its meeting held on October 22, 2014 considered the following report from the Administration:

**RECOMMENDATION**

1. That the Administration be directed to continue standard bylaw enforcement procedures for Residential Homestays.
2. That further exploration of a corporate policy for handling unwarranted repeat complaints be undertaken and a report on recommendations be provided to the December 3, 2014 Private Executive Committee meeting for consideration.
3. That this report be forwarded to the October 1, 2014 Executive Committee meeting and to the October 14, 2014 City Council meeting for approval.

## CONCLUSION

Since the Residential Homestay land use was introduced in November 2013, 159 properties have been investigated as suspected Residential Homestays. Four properties were confirmed as Residential Homestays and appropriate action has been taken to ensure the property owners comply with *The Regina Zoning Bylaw No. 9250*. The results of the investigations indicate the provision of short-term rental accommodation in low-density residential neighbourhoods is not a widespread issue in the City.

The extensive enforcement initiatives undertaken by the Bylaw & Licensing Branch and the Current Planning Branch appear to have heightened awareness and consciousness amongst landlords, tenants, and residents of City bylaws related to rental properties. The number of illegal use of property and on-street parking complaints linked to potential residential homestays received by Service Regina has decreased since May 2013. As such, it is recommended that current enforcement procedures are not changed at this time.

## BACKGROUND

Council approved an amendment to the Zoning Bylaw on October 15, 2013 to repeal the “rooming house” land use classification and introduce a “Residential Homestay” land use and a new definition for “short-term accommodation”.

**Short-Term Accommodation** – the provision of sleeping and bathing quarters for less than 30 days, and where a daily or weekly rate is charged.

**Residential Homestay** – a dwelling unit where short-term accommodations are provided without meals.

This new land use classification addresses motel-like functions taking place in a structure that was purposely built as a dwelling unit. The amendments to the Zoning Bylaw provide clear land use purpose and intent while not attempting to regulate users, including household size or compositions.

At the October meeting, Council directed the Administration to report back to Council in 2014 with a status update on the implementation of the new regulations. This report provides a review of the implementation and enforcement outcomes of the Residential Homestay regulations.

## DISCUSSION

### Enforcement of New Regulations

A list of 139 potential Residential Homestays was compiled based on illegal property use complaints received from Service Regina and direct calls to the Bylaw & Licensing Branch. An additional 20 properties with confirmed addresses were found listed as short-term accommodations on websites such as Kijiji and Used Regina for a total of 159 properties. Investigations of these properties took place between December 2013 and May 2014.

Bylaw Standards Officers (BSOs) visited each property and attempted to obtain verbal confirmation from the property owner or tenant that the address is being used for short-term accommodation. If contact could not be made with a property owner or tenant, the BSO left a

letter in the mailbox providing the reason for the visit and requesting the property owner contact the Bylaw & Licensing Branch. If the property owner did not make contact with the Branch, the BSO visited the property a second time one week later. If the BSO was unable to make contact with the property owner after issuing a second letter, the case was closed due to “no contact”.

When contact is made with the property owner or tenant, they are asked if the property is being rented as short-term accommodation (i.e., for a period of less than 30 days). If a zoning violation was identified, the BSO followed the normal course of action for illegal land use. Violations were forwarded to the Current Planning Branch to review evidence and issue an illegal land use notice to the property owner. Owners were advised to either offer long-term accommodation or submit an application for discretionary use approval to operate as a legal Residential Homestay.

While attending to the property, the BSO attempted to gain permission to enter the property to conduct a routine maintenance inspection, in which the interior of the building is inspected to ensure compliance with property maintenance standards under *The Regina Property Maintenance Bylaw, No. 2008-48*. If a violation was identified, the BSO began standard enforcement procedures for property maintenance. In some cases, properties were referred to the Fire Department for further investigation.

Another 15 online advertisements were found on the short-term accommodation website Airbnb.ca with no listed address or contact information. For these cases, the Current Planning Branch sent a notice using the website’s message system informing the advertiser that they appear to be in violation of the land use provisions of the Zoning Bylaw. The notice reinforces Airbnb Inc.’s terms of use, which state registered hosts should review local laws to verify if providing short-term accommodations in their city is legal. Advertisers were encouraged to contact the Current Planning Branch to determine what steps may be necessary to bring their property into compliance with the Zoning Bylaw. The advertisers were also provided with information on the discretionary use approval process.

### Enforcement Outcomes

The Bylaw & Licensing Branch investigated 159 properties as possible Residential Homestays (refer to Table 1). Of the 159 cases identified and investigated for zoning violations, 140 cases were closed with no violations found. Sixteen inspections resulted in either BSOs unable to make contact with the property owner, or the property owner/tenant refused to provide a response to the question of whether the property is being rented for a period of less than 30 days. Only 3 cases resulted in confirmed violations. It should be noted some properties have been inspected multiple times and still no violation has been found. Further, it has been observed by the Bylaw & Licensing Branch that some cases are rooted in neighbour-to-neighbour disputes, not Residential Homestay violations.

Table 1: Residential Homestay – Zoning Inspections Enforcement Results				
Source	Total Number of Cases	*No Contact / Information Refused	No Violation	Zoning Bylaw Violations
Service Requests / Calls to B&L Branch	139	16	121	2
Internet Search (Kijiji & UsedRegina)	20	0	19	1
<b>Total</b>	<b>159</b>	<b>16</b>	<b>140</b>	<b>3</b>

\* “No Contact/Information Refused” means the BSO was unable to make contact with the property owner, and/or the property owner/tenant refused to provide a response to the question of whether the property is being rented for a period less than 30 days.

The same 159 properties were also inspected for property maintenance issues (see Table 2). Ninety-four property maintenance inspections resulted in no violations found. In 21 cases, BSOs were either unable to make contact with the property owner, or the BSO was refused entry into the property to conduct a property maintenance inspection. Only 4 cases resulted in confirmed property maintenance violations and 40 cases were referred to the Fire Department for further investigation. From these referrals the Fire Department has issued 11 orders to remedy. Fourteen fire inspection results are currently pending or ongoing. The remaining 15 cases have been closed with no further action taken.

Table 2: Residential Homestay – Property Maintenance Inspections Enforcement Results					
	Total Number of Cases	*No Contact/Entry Denied	No Violation	Property Maintenance Bylaw Violations	Referred to Fire
<b>Totals</b>	159	21	94	4	40

\* “No Contact/Entry Denied” means the BSO was unable to make contact with the property owner, and/or the property owner/tenant would not allow the BSO inside the property to conduct a property maintenance inspection.

Between April 29 and July 30, 2014 the Current Planning Branch contacted 15 Airbnb hosts offering short-term accommodation in Regina. The hosts were informed through the Airbnb messaging system of the Residential Homestay land use definition and that they may be in contravention of the Zoning Bylaw. They were advised if they wish to operate a short-term rental unit to contact the City of Regina for information on the discretionary use approval process.

At present, the Current Planning Branch has received 4 responses from Airbnb hosts and another 5 hosts have removed their ads from the website. Host responses have been inquiries on how to make their Residential Homestay legal, or to advise Current Planning they are changing their short-term rental to a monthly rental to be in compliance with current bylaws. One host location is located in the TAR – Transitional Area Residential zone where Residential Homestays are permitted. Current Planning continues to send a notice to non-responsive hosts on a weekly basis until compliance is achieved.



Table 3: Residential Homestay Investigated on Airbnb.ca				
Source	Hosts contacted by Current Planning	Host Response	Response Pending	Ads removed from website
Airbnb.ca	15	4	6	5

### Enforcement Impacts

A total of 211 service requests related to illegal land use were received between January 2013 and June 2014. Illegal land use service requests accounted for 0.17% of all the service requests received by Service Regina during the same period. Sixty-four illegal land use service requests were received during the peak period between April and May 2013 (accounting for 0.37% of all service requests in those months), which corresponds to the time of the rooming house public consultations (see Figure 1).

Figure 1: Service requests related to illegal suites/illegal use (Jan. 2013 - June 2014)

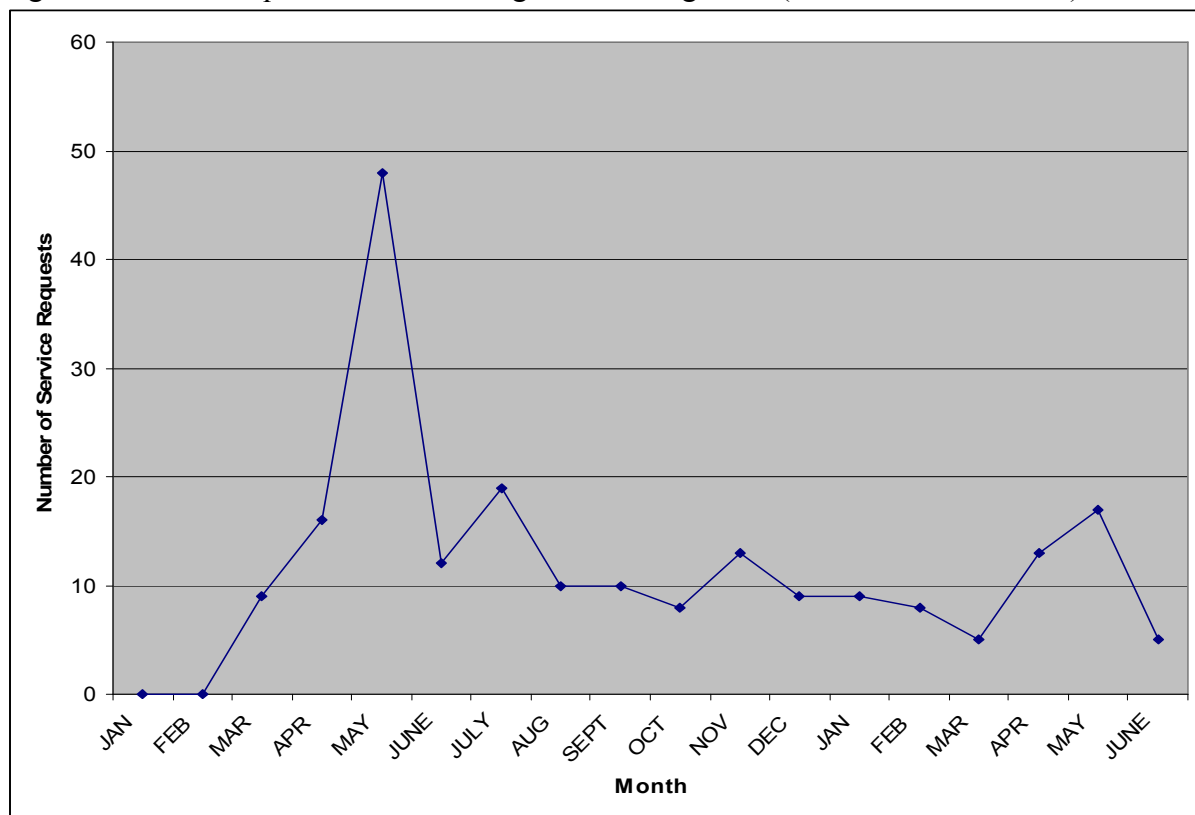


Figure 1 demonstrates a clear reduction of the number of complaints within the last year (August 2013 to June 2014) except for a small increase in the months of April and May 2014, which is mainly related to one individual filing multiple or repeated complaints on properties within a neighbourhood. This reduction can likely be partially attributed to proactive enforcement and increased awareness of the Zoning Bylaw and the Property Maintenance Bylaw.

Another neighbourhood issue identified in 2013 during the Comprehensive Housing Strategy community consultation process was the lack of on-street parking due to rental properties operating in residential neighbourhoods. The increase in the number of Parking Enforcement Officers in the fall of 2013, as well as the expanded hours of service for enforcement and inbound call-taking in the evenings and on weekends, has improved the ability of the Parking Services Branch to respond to residential concerns in a timely manner. This enforcement is seen as a positive step in satisfying the concerns of neighbours. This is likely a key reason as to why the City has seen a reduction in illegal land use and illegal suite complaints.

### Enforcement Challenges

#### *Voluntary compliance*

Illegal land use violations are determined by a verbal confirmation from the owner or tenant that a property is being used to provide short-term accommodation for less than 30 days. Illegal property use cannot necessarily be determined by an on-site inspection. If a property owner or tenant indicates to a BSO that accommodation is being provided for a period longer than 30 days, then there is no violation and the case is closed. There have been cases where a BSO suspected the owner or tenant was not being truthful, however, there was no other obvious evidence to support that suspicion. Additionally, if a property owner or tenant refuses to respond to a BSO's line of questioning, the BSO does not have the authority to compel a property owner or tenant to provide an answer.

If a property owner or tenant is not honest or is uncooperative, the only way to gather the necessary evidence is through surveillance of a property over a period of time to gather sufficient evidence to prove the use "beyond a reasonable doubt". However, BSOs are not trained for interrogation or long-term surveillance. A BSO's primary function is property-based investigation, not people-based investigation. Their training and qualifications supposes that they will be able to visually observe an infraction due to the condition of a property instead of having to engage in advanced investigative or interrogative techniques to reveal how people are behaving in a property. Should the City consider engaging in longer-term surveillance of a property to attempt to determine use, additional training and resources would be required, which will divert resources away from other enforcement activities.

#### *Online Anonymity*

Staff have searched online to identify advertisers who appear to be offering short-term accommodations. In consultation with Legal Counsel, it has been determined an online advertisement on its own is insufficient evidence to obtain a conviction in a prosecution for illegal land use. The standard of proof applicable to the City's regulatory prosecutions is "proof beyond a reasonable doubt" which is the same standard applicable to criminal prosecutions. Satisfying that standard requires evidence confirming the apparent illegal use offered in an online advertisement is actually occurring at the property.

Further, numerous online advertisements fail to provide information that could potentially be used to identify the property at which the accommodation is offered. Rather than stating the address where the accommodation is offered, advertisements may only state a general area of the City where the property is located. Instead of providing an email address or telephone number for the property owner or landlord, online advertisements may require the searcher to send a message through the site. The Current Planning Branch has attempted contact through the

advertising site's communication method to advise the owner or landlord to either change their operations or get discretionary use approval to continue their operations. This method has proven to be less successful than a personal visit to the property or a phone call, as demonstrated by the 47% response rate achieved with Airbnb hosts. It is suspected online anonymity will continue to pose a challenge to enforcement of Residential Homestays as property owners and landlords adapt to the City's investigative techniques by not posting addresses or direct telephone numbers on listings, giving them an opportunity to screen potential tenants before giving out sufficient information to identify a property.

### *Neighbourhood disputes*

It has been noted by the Bylaw & Licensing Branch that a number of neighbour-to-neighbour disputes have resulted in unwarranted bylaw complaints. The Administration conducted a cost analysis of a potential Residential Homestay with several complaints – including parking, building permits, illegal business, illegal land use, and fire safety concerns – lodged against the property owner by a neighbour over the past year. It is estimated the City dedicated over 380 hours in staff time for a total of almost \$30,000 in resources in order to address the numerous complaints received for that property. Investigations into these complaints have resulted in a handful of parking tickets and minor fire safety violations that were immediately rectified by the property owner. The neighbour has expressed displeasure with the results of the City's investigations and continues to submit complaints.

### Options for Additional Regulation

A few members of the public have called for the licensing of rental accommodations, as they believe it will help control and limit the negative impacts certain types of rental properties may have on neighbourhood character. The primary goal of any rental licensing regime should be to protect tenants from unsafe living conditions by preventing landlords from renting out sub-standard properties.

The Canadian Mortgage and Housing Corporation (CMHC, 2013) estimates there are 23,347 rental units in Regina. Should the City consider licensing all rental units in Regina, staffing would be required for issuing new licences, processing annual licence renewals, monitoring rental housing stock, database management, and conducting inspections to ensure compliance with relevant City bylaws. Research by the Canadian Urban Institute (2008) suggests “a universal licensing system that applies to all forms of rental buildings would not be effective in dealing with the minority who do not adequately maintain their buildings”.

A targeted rental licensing regime may be more feasible, as it would reduce the administrative burden for both City staff and responsible property owners by only targeting properties with the most persistent and severe property maintenance violations. The type of rental properties targeted tends to differ greatly between jurisdictions as licensing regimes are tailored to the specific housing issues facing the community (see Schedule “A” for a jurisdictional review). The City of Edmonton requires property owners who provide shared-space living arrangements for 4 or more unrelated people in single-family dwellings to obtain a special congregate living rental accommodation licence. The City of London requires a licence be obtained for buildings containing 4 or fewer rental units and converted dwellings. Alternatively, the City of Oshawa requires all residential rental properties located in the areas of Durham College and the University Of Ontario Institute Of Technology be licensed.

For both full and targeted licensing regimes, it is reasonable to assume there will be significant challenges with enforcement and maintaining financial sustainability. Jurisdictions that have implemented rental licensing have suffered from low compliance rates. A 2012 study from the Centre for Urban and Regional Affairs found majority of cities do not recuperate the costs of administering their rental licence programs. As the City's costs of administering and enforcing a licensing program will be fixed, low compliance rates will result in the program being financially unsustainable in the long-term. In most jurisdictions, landlords have expressed concern that licensing and inspections fees unfairly punish responsible landlords. Affordable housing advocates have also expressed concern that fees will be passed on to tenants in the form of increased rent. As many marginalized groups rely on rental housing, they can be disadvantaged by measures that limit the types of housing available to them.

The Administration is not prepared at this time to provide a breakdown of the types of rental properties that should fall under a targeted licensing regime. The investigation presented in this report has been focused specifically on Residential Homestays (i.e., motel-like accommodation), not issues of sub-standard rental housing. However, for the purposes of demonstration, the Administration has conducted a high-level cost analyses for licensing single-family dwellings used as rental housing (refer to Schedule "B"). The CMHC (2013) estimates there are 5,160 of this type of rental housing in Regina. Licence fees are based on cost-recovery principles, meaning a lack of compliance will result in the licensing program being financially unsustainable. This also means responsible property owners will be paying inflated licence fees to support a program designed to hold negligent property owners accountable for providing unsafe housing conditions. Compliance rates used for the analysis in Schedule "B" are based on rates reported by other jurisdictions.

Should Council determine further study is needed, the Administration recommends soliciting community and stakeholder input regarding the potential impact of a rental licensing program. A full appreciation of the likely effects of a licensing regime requires an understanding of the wider context of rental housing in Regina, in particular, the changing demographics of renters, rising rent costs, and rental stock availability.

### Recommendations

#### *Continue current Residential Homestay enforcement procedures*

Based on results of Residential Homestay investigations since the land use was introduced in November 2013, it appears short-term accommodations are not a major problem in low-density residential neighbourhoods. Of the 159 property investigations conducted, less than 2% resulted in a Zoning Bylaw violation. Majority of the illegal land use complaints investigated were unfounded. The number of service requests received for illegal land use has decreased since May 2013, and the month of June 2014 received the lowest number of complaints since January 2013.

Although the extensive enforcement initiatives undertaken by the Bylaw & Licensing Branch and the Current Planning Branch have required a significant amount of resources, there appears to be increased awareness and consciousness amongst landlords, tenants, and residents of City bylaws and safety codes related to rental properties. Considering these results, the Administration recommends continuing standard bylaw enforcement procedures for properties suspected of illegal use.

Advantages: Bylaw & Licensing and Current Planning can continue standard enforcement procedures for suspected Residential Homestays. This recommendation does not require additional resources or staff.

Disadvantages: Existing challenges with enforcement, specifically voluntary compliance and online anonymity, are not addressed, which may result in some number of Residential Homestays continuing operation.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

None with respect to this report. However, the adoption of a policy to handle unwarranted repeat complaints may result in a more efficient and effective use of City resources as less time may be spent by investigating and responding to complaints that are unfounded and of a vexatious nature.

### Environmental Implications

None with respect to this report.

### Policy and/or Strategic Implications

Enforcement of Residential Homestay regulations supports the development of complete neighbourhoods where people feel safe and secure. Adopting a policy to handle unwarranted repeat complaints will help ensure long-term financial viability through more efficient and effective use of City resources.

### Other Implications

None with respect to this report.

### Accessibility Implications

None with respect to this report.

## COMMUNICATIONS

None with respect to this report.

## DELEGATED AUTHORITY

The report must be forwarded to City Council for approval.

Respectfully submitted,

EXECUTIVE COMMITTEE



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Jim Nicol, Secretary



## Schedule “A” Jurisdictional Review of Rental Licensing Programs

Jurisdiction	Regulation	Fees & Requirements	Staffing	Outcomes
Edmonton, AB	<p><i>Business Licence Bylaw</i> requires property owners who provide congregate living arrangements in single family dwellings to obtain a rental accommodation licence.</p> <p>Congregate living refers to a residence where four or more unrelated individuals occupy sleeping units in a building with shared access to cooking, laundry, or sanitary facilities. These housing forms include Group Homes, Limited Group Homes, Lodging Houses, and Fraternity and Sorority houses.</p>	<p><u>Licence Fee:</u> \$218  <u>High-Risk Fire Inspection:</u> \$180  <u>Consultation Fee:</u> \$70</p> <p>A combined application form has been created to obtain necessary information for the:</p> <ul style="list-style-type: none"> <li>- development permit,</li> <li>- building permit, and</li> <li>- rental accommodation business licence</li> </ul>	<p>Residential Compliance Team (RCT) approves licences and enforces regulations related to congregate living facilities. RCT also supports other housing initiatives and the Derelict Buildings Team. RCT consists of:</p> <ul style="list-style-type: none"> <li>- 3 Development Officers</li> <li>- 9 Safety Codes Officers</li> <li>- 3 Planners</li> <li>- 5 Coordinators</li> </ul>	<ul style="list-style-type: none"> <li>- RCT received an average of 30 complaints per week in second quarter of 2014</li> <li>- 500 congregate living facilities licensed since 2012 (50% compliance)</li> </ul>

<p>London, ON</p>	<p><i>Residential Rental Units Licensing Bylaw</i> addresses sub-standard housing conditions in rental units and protects the amenity, character and stability of residential areas.</p> <p>Eligibility includes any building containing four or less rental units and converted dwellings require a licence. A converted dwelling is a building constructed prior to 1993 as a single detached dwelling, a semi-detached dwelling or a triplex and has since been converted to add an additional unit(s) within the existing structure. Rental units in apartment and townhouse buildings are exempt.</p>	<p><u>Licence Fee</u>: \$55 per unit  <u>Renewal Fee</u>: \$55 per unit  <u>Fire Inspection</u>: \$171 per unit (new applicants only)</p> <p>The applicant completes a Self-Certification Checklist. The checklist is to assist property owners in determining if their property complies with the <i>Property Standards By-law</i>.</p>	<p>- \$400,000 per year in administrative staff costs</p>	<ul style="list-style-type: none"> <li>- 3,800 rental units licensed since program began in 2010 (47% compliance)</li> <li>- Due to low compliance, licence fees were increased from \$25 to \$55 in 2013 to achieve cost recovery</li> <li>- 1,750 fire inspections conducted as of 2013. Of these 350 units have failed inspections.</li> <li>- Ontario Human Rights Commission (OHRC) expressed concern that students and those on social assistance would be disproportionately affected by rental licensing</li> <li>- City staff suspect many landlords have gone “underground” to evade licensing fees</li> </ul>
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<p>Waterloo, ON</p>	<p>The <i>Residential Rental Housing Licensing Bylaw Licensing</i> sets out licensing categories for low-rise residential rental units. Dwelling units from one to three lodgers are permitted in any residential zone. Dwelling units accommodating four to five people without the proprietor are subject to various minimum separation distance requirements dependent on the zone. Restrictions on zones apply to dwelling units with four or more people with the proprietor and dwelling units with six or more people without the proprietor.</p>	<p>The fee schedule varies between unit size and classification.</p> <p><u>Initial Application Fee</u>: \$68  <u>Licence Fee</u>: \$375-\$757 per unit.  <u>Renewal fees</u>: \$204-\$413 per unit</p> <p>Applicants must also submit:</p> <ul style="list-style-type: none"> <li>- Criminal records check</li> <li>- Electrical safety report</li> <li>- Floor plan</li> <li>- HVAC certificate</li> <li>- Insurance certificate</li> <li>- Parking plan</li> <li>- Proof of ownership</li> <li>- Property maintenance plan</li> <li>- Tenants Name</li> </ul>	<p>Enforced by the Bylaw Enforcement and Property Standards Division with an annual budget of approximately \$1,113,000.</p> <ul style="list-style-type: none"> <li>- 7 full-time staff (licensing officers, administrative staff)</li> <li>- Support from Fire, Development, and Building Standards</li> </ul>	<ul style="list-style-type: none"> <li>- 3,000 of the estimated 6,000 rental properties have been licensed since 2012 (50% compliance)</li> <li>- Intended to be revenue-neutral, rental licensing has produced a surplus of \$850,000 over 3 years due to inflated licence fees and higher than expected compliance. Licence fees will be re-evaluated in 2016.</li> <li>- OHRC alleged discrimination in regards to the per-person floor area requirements. Waterloo amended the Bylaw in 2014 to remove floor area requirements.</li> </ul>
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<p>Oshawa, ON</p>	<p>The <i>Lodging House Bylaw</i> applies to a building that contains 3-10 lodging units, and is only permitted within certain zones. A lodging unit is one or more rooms designed for sleeping accommodations, and may include shared cooking or washroom facilities, but not both. The property owner or landlord rents individual unit through separate leases and the renters have no say in who else lives in the lodging house.</p> <p>The <i>Licensing By-Law</i> for residential rental units applies to individual housekeeping units where more than two bedrooms are rented out in the areas of Durham College and the University Of Ontario Institute Of Technology be licensed. The maximum number of bedrooms permitted is 4, and the house must be rented as one unit (i.e. all renters sign the same lease). The licence also requires the submission of a maintenance plan and parking plan for the property.</p> <p>In 2013, Oshawa introduced a landlord demerit point system. If the property receives 7 demerits, the landlord receives a warning letter. Fifteen demerit points may result in the landlord losing their licence to operate for at least a year. Demerits are issued for noise, parking violations, and operating without a valid licence.</p>	<p><u>Application Fee</u>: \$75  <u>1<sup>st</sup> time Licence Fees</u>: \$500  <u>Early-bird Licence Renewal Fee</u>: \$360  <u>Licence renewal fee</u> (less than 60 days before expiry): \$500  <u>Additional Inspection Fee</u>: \$75</p>	<p>- 10 staff in Licensing and Standards administer licences for Residential Rental, Group Homes, Two Unit House, and Lodging House Bylaws.</p> <p>- 4 Special Enforcement Officers (SEOs) conduct rental inspections proactively during the fall and spring</p> <p>- 2 SEOs and other Parking Enforcement Officers respond to complaints throughout the year</p>	<p>- Over 300 properties are licensed as of May 2014</p> <p>- City reports that the number of bylaw infractions related to noise or out of control parties have decreased. Properties are being maintained more diligently because of proactive property maintenance enforcement</p> <p>- The OHRC sought to appeal the bylaw, which they claim targets students due to the geographical zoning</p> <p>- Student associations have condemned the demerit system as being “anti-student”</p>
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**Schedule “B”**  
**Cost Analyses for Licensing Single-Family Dwelling Rental Units**

Table 1: Operating Cost for Rental Licensing Program

<b>Operating Costs</b>	<b>Year 1*</b>	<b>Year 2**</b>	<b>Year 3+***</b>
Staffing	\$ 314,524 5 full-time staff	\$ 614,604 9 full-time staff	\$ 765,724 11 full-time staff
Overhead	\$ 75,486	\$ 147,505	\$ 183,774
Start-up	\$ 250,000	\$ 0	\$ 0
<b>Total Operating Cost</b>	<b>\$ 640,010</b>	<b>\$ 762,109</b>	<b>\$ 949,498</b>

Table 2: 4-Year Cost/Revenue Estimate

	<b>Year 1*</b>	<b>Year 2**</b>	<b>Year 3***</b>	<b>Year 4***</b>	<b>4 Year Total</b>
1.0 ANNUAL OPERATING COSTS	\$ 640,010	\$ 762,109	\$ 949,498	\$ 949,498	\$ 3,301,115
2.0 ANNUAL REVENUE	\$ 516,000	\$ 766,799	\$1,051,649	\$ 949,498	\$ 3,283,872
\$ 500 (new licence fee)	\$ 516,000	\$ 387,000	\$ 387,000	\$ -	\$ 1,290,000
\$ 368 (renewal fee)	\$ -	\$ 379,766	\$ 664,608	\$ 949,498	\$ 1,993,872
<b>TOTAL GAIN/LOSS (1.0 + 2.0)</b>	<b>-\$ 124,010</b>	<b>\$ 4,657</b>	<b>\$ 102,110</b>	<b>- \$ 0</b>	<b>- \$ 17,243</b>

\* Assumes licensing 1,032 rental units (20% compliance)

\*\* Assumes licensing 1,806 rental units (35% compliance)

\*\*\* Assumes licensing 2,580 rental units (50% compliance)

November 12, 2014

To: Members,  
Executive Committee

Re: Joint-Use School Site Acquisitions

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### RECOMMENDATION

1. That City Council delegate authority to the City Manager & Chief Administrative Officer to:
  - a) Negotiate and approve the City entering into any agreements, as in his discretion are deemed necessary, with the Government of Saskatchewan and/or development corporations as may be required to facilitate the acquisition and licensing of bare land real estate sites for three planned new joint-use schools; and,
  - b) Allocate \$6,045,000 funding to be provided by the Government of Saskatchewan to facilitate the development of a school site in Regina, North of Lakeridge.
2. That the following exceptions to the Interim Phasing and Financing Policy be approved:
  - a) Contrary to the Interim Phasing and Financing Policy, (Appendix A – Part 3) the City of Regina may provide funding for a portion of the infrastructure internal to the development North of Lakeridge.
  - b) Contrary to the Interim Phasing and Financing Policy, (Appendix A – Part 3), North of Lakeridge, the City of Regina may provide funding for a portion of the water, wastewater and storm water projects including a portion of the reconstruction of McCarthy Boulevard if directional boring is not feasible.

### CONCLUSION

To facilitate the acquisition and providing of access to lands necessary to accommodate three joint-use school facilities proposed by the Province, the City Manager requires delegated authority from Council to finalize financial and legal agreements between the following parties:

- A Contribution Agreement between The City of Regina and Her Majesty the Queen, in right of the Province of Saskatchewan, as represented by the Minister of Education
- A proposed form of Lease Agreement, (to be approved in principle) between The City of Regina and one or both of the Regina Public School Board and Regina Catholic School Board, The Lease Agreement will remain subject to formal Council approval at a later date, pursuant to section 101 of *The Cities Act* as it is a lease of dedicated lands.
- Any agreements necessary with the relevant landowners and/or development corporations.

Entering into the noted agreements will, in consideration of a funding contribution from the Province, obligate the City to provide licensing and lease rights to the Province and noted school boards to identified municipal reserve lands acquired for this purpose. This will allow construction and ultimate operation of three proposed new school facilities in the city to meet the growing educational needs of the community.

## BACKGROUND

The Government of Saskatchewan (the Province) has been moving forward with plans to construct nine new joint-use schools in Saskatchewan as part of a public-private partnership (P3) process. Three of the nine joint-use schools will be located in Regina. The Province has approached the City of Regina to assist in finding locations for the three joint-use schools. In order to fulfill the request of the Province, the City will need to negotiate and finalize a number of agreements for the acquisition of the school sites as well as ongoing lease agreements and Council's authorization is required to grant authority to the City Manager to approve the necessary agreements.

## DISCUSSION

The City has been meeting with the Province to negotiate the acquisition of three school sites in Regina. Historically, the Province has purchased school sites directly from the land developers at fair market value, but the Province can no longer afford to continue this practice. Instead the Province would like the City to require land developers to dedicate portions of their land as Municipal Reserve space, which will allow the Province to utilize this land as a school site at no cost.

The three schools currently being considered will be joint-use schools with both a public and separate elementary school as well as a daycare facility. It has been noted that the community will indirectly benefit from the schools because it will help create complete neighbourhoods and because the City will have access to the schools to help meet the community's recreation needs.

The three sites which have been identified by the Province are located in Harbour Landing, the Greens on Gardiner and a new neighbourhood generally referred to as Skywood (although referred to as "North of Lakeridge" in the recommendations of this report). The Harbour Landing school site is already zoned, subdivided, and serviced. The Greens on Gardiner site is within the developer's current phasing and is expected to be zoned and subdivided in spring 2015. The Skywood site; however, is within a 300K neighborhood and is only at the preliminary planning stages.

The school that will be going into the Skywood neighbourhood is required to meet an existing demand for a school in the Lakeridge neighbourhood. As a result, the developer of the Skywood neighbourhood is being asked by the Province to advance the development of this school site to meet their needs. In order to advance this site and have it serviced in 2015, the City will be using the funding provided by the Province in order to assist the developer to meet the necessary timelines. This will require an exception to the Interim Phasing and Financing Policy as noted in the recommendations section of this report in order to utilize the provincial funds. One of the requirements of the Province is to deal directly with the City without being required to deal with the developers.

In order to facilitate all the necessary agreements and to meet the Province's timelines, Administration is requesting approval from City Council to delegate the authority to negotiate and approve all the necessary agreements (unless they relate specifically to matters which cannot be delegated pursuant to section 101 of *The Cities Act*), including the allocation and management of the \$6,045,000 provided by the Province.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

The City of Regina will be receiving \$6,045,000 in funding provided by the Province which is broken down as follows: \$3,000,000 is to be directed to the servicing costs of the school site in northwest Regina and \$3,045,000 is to be allocated to the City's Dedicated Lands Reserve for compensation of the loss of municipal reserve lands that the school sites will be occupying.

In order, to meet the Province's construction timelines for the northwest school site and due to accelerating the land developers timelines, the Province has requested that the City utilize the full \$6,045,000 to upfront a portion of the infrastructure costs required to service the area. As this infrastructure investment will benefit a larger area than just the school site, the City would then require the land developer to repay the \$3,045,000 as development proceeds within the area. The collection of these monies would be directed into the City's Dedicated Lands Reserve.

### Environmental Implications

None with respect to this report.

### Policy and/or Strategic Implications

The Official Community Plan, Design Regina identifies developing complete neighbourhoods as a community priority. Complete neighbourhoods offer a variety of amenities and services, including educational and recreational facilities and programs. The inclusion of three new joint-use schools in Regina will contribute to this community priority. The City has no direct responsibility for schools or education related funding and the recommendations in this report are intended to solve a one-time need and not establish precedent for future education-related funding from the municipality.

### Other Implications

None with respect to this report.

### Accessibility Implications

None with respect to this report.

## COMMUNICATIONS

Any public inquiries related to the joint-use schools will be directed to the Province (Ministry of Education).

DELEGATED AUTHORITY

City Council approval is required.

Respectfully submitted,

A handwritten signature in black ink that reads "Shanie Leugner". The script is cursive and fluid.

Shanie Leugner, A/ Director  
Planning

Respectfully submitted,

A handwritten signature in blue ink that reads "Diana Hawryluk". The script is cursive and fluid.

Diana Hawryluk, A/ Executive Director  
City Planning & Development

Report prepared by:

Michael Cotcher, A/ Manager, Long Range Planning

November 12, 2014

To: Members,  
Executive Committee

Re: Fire Services Agreement – Global Transportation Hub Authority

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### RECOMMENDATION

It is recommended that City Council:

1. Direct the Chief Legislative Officer & City Clerk to sign the finalized agreement on behalf of the City.
2. Direct the City Solicitor to prepare the necessary bylaw for the Fire Services Agreement between the City of Regina and the GTHA.

### CONCLUSION

An agreement to provide Fire Services to the GTHA will support the fire protection and code enforcement requirements that the GTHA desires. The GTHA has been provided the jurisdiction to determine such code enforcement requirements in the legislation establishing it as an authority. The agreement would reflect the cost recovery for direct response services provided, including both fixed, variable and overhead costs for the City.

### BACKGROUND

The Provincial Government enacted *The Global Transportation Hub Authority Act* in August of 2013, which in part directed the GTHA to seek agreements with providers for various services, including fire protection. Since then, Administration has been negotiating with the GTHA towards a Fire Services Agreement with an interim agreement in place to ensure continuation of fire protection services. The interim agreement established a fee of \$10,000 per month while analysis was completed on a comprehensive agreement. The interim agreement also identified a mechanism for the City to retroactively recover additional fees negotiated above the agreed interim rate. The interim agreement is set to expire at the end of 2014.

### DISCUSSION

Prior to the enactment of *The Global Transportation Hub Authority Act*, the City and GTHA were in talks to determine the level of service, range of services and remuneration for the City to provide the GTHA. The timeline to negotiate an agreement changed rapidly as *The Global Transportation Hub Authority Act* was brought forward in August of 2013. As a result, the negotiation changed from a formal long term agreement to an interim agreement with an arbitrary service fee with provisions to retroactively bill for the difference in the permanent agreement and the interim agreement.

Because the cost of fire service is not a direct user pay system, determination of fees for service is not a straightforward exercise. The Administration negotiated with the GTHA to reach an agreement that accounts for all costs associated with maintaining and operating a fire service. Specifically, the terms of the agreement take into consideration full cost recovery of fixed and variable costs. Since there is a standing cost of maintaining a Fire Service regardless of



frequency of use, there is a general fixed cost that should be attributed to all properties that are afforded access to the service regardless of the level of use of each property, similar to an insurance policy.

Administration has determined an Assessed Value approach to calculating a fee as the most practical. Assessed Value is comparable to a 'per capita' approach in that it reflects a proportionate representation. The GTHA in their leading practice research found examples in which smaller municipalities paid large municipalities a fee based on per capita share of costs. The assessment approach provides a similar method to sharing costs as it represents assets protected and the valuation system is consistent across all areas of Saskatchewan and provides a measure that equitably addresses the GTHA's lack of a permanent population. The City approached negotiations with the assessed value in mind. While the parties have explored a number of options, this approach has remained the most viable. These options included the following:

- 1) Assessed Value of all properties and lands regardless of tax status;
- 2) Determining a per response fee for all calls in a given year; and
- 3) Assessed Value of all properties including assessment eligible for grant in lieu (excluding exempt vacant lands) and pooling all the assessments to determine a factor. In addition, a per response fee for all exempt vacant land responses.

The final agreement addressed three key areas. The first area was to determine an appropriate formula that could be replicated and provides cost certainty. The formula, based on assets protected, this was agreed to be a fair approach to determining a fee. The formula is predictable as the components are based on assessment growth and cost of establishing and running a modern fire service. The second area was to determine the services to be provided. While Fire & Protective Services provides an array of services only some services were included in the agreement. Services such as Bylaw Enforcement and Emergency Management are not included in the agreement. Lastly, the legal agreement addresses risk management and outlines the terms of the agreement. The agreement reached provides mutual benefit to both the City and GTHA.

Table 1, below, summarizes the proposed calculation to determine the annual fire services agreement fee. The City and GTHA assessments (excluding vacant exempt land) are pooled together and are divided by the total cost of providing fire services. This creates a factor that is applied against the assessment of each member (excepting the exempt vacant land) of the Fire Services Agreement. The sums of all fees are equal to the total cost of providing the service; thus, representing a cost recovery model where each user pays their share based on the assessments or, put alternatively, assets protected.

(A) The aggregate cost of running the fire service is:

- i. Fire Department Operating Budget (excluding emergency management) +  
Facility Operating Costs + Capital Renewal + City Overhead;

(B) The taxable assessments including assessment eligible for grant in lieu of all who receive fire services is pooled;

(E) Exempt Vacant Land is excluded from the formula;

(F) A factor is generated by taking  $A / (B-E)$ ; and

(R) The annual fee charged is the factor (F) times the taxable assessment including assessment eligible for grant in lieu (excluding exempt vacant land) for each individual participant.

**$R = (A / B-E) * \text{GTHA Assessed Value} - \text{exempt vacant land}$**

**$R = (\$50,205,923 / 23,944,903,100) * 113,557,800$**

**$R = .21\% * 113,557,800$**

**$R = \$238,099.70$**

<b>Fire Service Agreement Fee Formula</b>			
	<b>GTHA</b>	<b>City</b>	<b>City + GTH</b>
<b>Assessed Value (2014) (B-E)</b>	113,557,800	23,831,345,300	23,944,903,100
<b>RFPS Gross Operating (2014)</b>	\$ 40,205,650	\$ 40,205,650	\$ 40,205,650
<b>City Overhead 22%</b>	\$ 8,845,243	\$ 8,845,243	\$ 8,845,243
<b>Capital Renewal</b>	\$ 1,155,030	\$ 1,155,030	\$ 1,155,030
<b>Total Cost (A)</b>	\$ 50,205,923	\$ 50,205,923	\$ 50,205,923
<b>Ratio to Pooled Assessed Value (F)</b>	0.210%	0.210%	0.20967%
<b>Annual Fee (R) = (Total Cost (A) * Ratio to Pooled Assessed Value (F))</b>	\$ 238,099.70	\$ 49,967,823.30	\$ 50,205,923.00

**Table 1**

The response fee for exempt vacant lands is based on all apparatus responses for the given year divided into the total cost of running the fire service. The fee is multiplied by each apparatus response to exempt vacant land. For example in 2013, the per apparatus response fee would have been approximately \$6,900.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

This agreement generates general revenue of \$238,099.70 per year with variable revenue based on apparatus responses to exempt vacant land.

Additionally, the differential between the interim payments of \$10,000 per month since August 1, 2013 and the final negotiated price will be retroactively adjusted once the agreement is signed. This results in a one time differential payment of \$147,624.17 as of October 31, 2014.

### Environmental Implications

None with respect to this report.

### Policy and/or Strategic Implications

Fire Administration views the provision of fire services as a system. Entering into a Fire Service Agreement with another jurisdiction has a direct impact on the capacity of the department to meet existing citizen requirements and requirements of existing fire protection agreements, Mutual Aid Agreements or other fee for service arrangements. As a part of the evaluation of these agreements, fire must balance the availability and deployment of resources. As fire begins to revisit existing agreements and enters into new agreements, this principle will be considered to ensure the community receives the highest level of service and uncompromised response. We will also be applying the formula to existing fire service agreements.

### Other Implications

None with respect to this report.

### Accessibility Implications

None with respect to this report.

### COMMUNICATIONS

None with respect to this report.

### DELEGATED AUTHORITY

*The Regina Administration Bylaw* allows the Administration to enter into revenue agreements that do not exceed \$100,000 in value or five years in length. In the case of the GTHA, the value of the agreement will be in excess of \$100,000 and therefore requires Council approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'EP' followed by a long horizontal stroke.

Ernie Polsom, Fire Chief  
Fire & Protective Services

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'Diana Hawryluk'.

Diana Hawryluk, A/Executive Director  
City Planning & Development

Report prepared by:  
Gerard Kay, Deputy Chief

November 12, 2014

To: Members,  
Executive Committee

Re: Pension and Long Term Disability Bylaw Amendments to Include EPCOR Water Prairies Inc.  
as a Participating Employer

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RECOMMENDATION

1. That City Council approve amending *The Regina Civic Employees' Long Term Disability Plan, 1997 Bylaw*, Bylaw No. 9566 (the "LTD Plan"), and *A Bylaw of the City of Regina Concerning Superannuation and Benefit Plan*, Bylaw No. 3125 (the "Pension Plan") to add EPCOR Water Prairies Inc. ("EPCOR") to the definitions of "employer" and "City" respectively so as to have EPCOR become participating employer in both the Pension Plan and LTD Plan; and
2. That the City Solicitor be authorized to bring forward an amendment to *The Regina Civic Employees' Long Term Disability Plan, 1997 Bylaw*, Bylaw No. 9566 and *A Bylaw of the City of Regina Concerning Superannuation and Benefit Plan*, Bylaw No. 3125") to add the EPCOR Water Prairies Inc. to the definitions of "employer" and "City" respectively.

CONCLUSION

In order to comply with the applicable legislation, collective bargaining agreement and City Council's instructions, it is necessary to amend the Pension Plan and the LTD Plan bylaws to include EPCOR as a new participating employer in those two plans. Consent from the Pension and Benefits Committee and the Superintendent of Pensions is required in order to add EPCOR as a participating employer, both of which have been received.

The addition of EPCOR as a participating employer does not impact the larger pension discussion, but is meant to allow existing City staff who have opted to work for EPCOR to maintain their existing benefits.

BACKGROUND

On February 25, 2013, City Council unanimously approved proceeding with the DBFOM procurement approach for the upgrade of the wastewater treatment plant (CR13-26). On July 3, 2014, the City entered into a project agreement with EPCOR. The project agreement establishes EPCOR's obligations in relation to designing, building, financing, operating and maintaining the wastewater treatment plant. The project agreement also requires EPCOR to comply with the collective bargaining agreement, including the need to maintain employee seniority and benefits.

## DISCUSSION

It is a requirement under *The Trade Union Act* and its successor act, *The Saskatchewan Employment Act* (the “Act”) that EPCOR become a successor employer in order for the existing City employees at the wastewater treatment plant to become EPCOR employees. As a successor employer, EPCOR must comply with the requirements of the current collective bargaining agreement between the City of Regina (the “City”) and Canadian Union of Public Employees Local 21(“CUPE”).

The current collective bargaining agreement requires that employees be enrolled in both the LTD Plan and the Pension Plan. As part of its deliberations during its meeting of February 25, 2013, City Council indicated that it wanted all wastewater treatment plant employees transferring to EPCOR to retain their current benefits under the collective bargaining agreement.

Amending the Pension Plan and the LTD Plan bylaws required the consent of the Pension and Benefits Committee in order to amend the bylaws. On September 17, 2014, the Pension and Benefit Committee considered the City’s request to add EPCOR as a participating employer to both the Pension Plan and the LTD Plan and consented to the bylaw amendments. A copy of the Pension and Benefit’s consent is attached as Appendix “A” to this report. The Superintendent of Pensions also provided its consent to adding a new participating employer to the LTD Plan and Pension Plan. A copy of the Superintendent of Pension’s letter is attached as Appendix “B” to this report.

City Council approval is needed to amend the Pension Plan and LTD Plan bylaws to add EPCOR as a participating employer in both the LTD Plan and the Pension Plan. Failure to approve the amendments to the Pension Plan bylaw and the LTD Plan bylaw will create a situation where EPCOR is unable to comply with the conditions of the collective bargaining agreement that require participation in these plans.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

None with respect to this report.

### Environmental Implications

None with respect to this report.

### Policy and/or Strategic Implications

This report does not make any changes to the Pension Plan or LTD Plan bylaws outside of adding EPCOR as a participating employer, thereby allowing current wastewater treatment plant employees to retain their pension and long term disability benefits.

### Other Implications

None with respect to this report.

COMMUNICATIONS

The Administration will communicate updates from this report to wastewater treatment plant staff, union representatives, the other participating employers in the Pension Plan and LTD Plan, the Superintendent of Pensions, and the Pension and Benefits Committee.

DELEGATED AUTHORITY

The recommendations in this report require Council approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B Sjoberg', with a stylized flourish at the end.

Brent D. Sjoberg  
Deputy City Manager & COO

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'G B Davies', with a stylized flourish at the end.

Glen B. Davies,  
City Manager & Chief Administrative Officer

**Brent Sjoberg**

---

**From:** Kirby Benning [redacted]  
**Sent:** Thursday, September 18, 2014 9:37 AM  
**To:** Brent Sjoberg; Colyn Lowenberger  
**Subject:** New participating employer

Brent,

The Committee, last night, at its meeting approved the amendments to the Pension and LTD bylaws that will allow EPCOR to be a participating employer.

Sincerely,

**Kirby Benning**

**Chair - Regina Civic Pension and Benefits Committee**

[redacted]



Financial and  
Consumer  
Affairs Authority

RECEIVED  
City of Regina Corporate Services  
Office of the Deputy City Manager & CFO

DEC 03 2013

Suite 601  
1919 Saskatchewan Drive  
Regina, SK  
Canada S4P 4H2

November 29, 2013

Mr. Brent Sjoberg  
Deputy City Manager & CFO  
City of Regina  
Queen Elizabeth II Court – 2467 Victoria Avenue  
Regina, SK S4P 3C8

Dear Mr. Sjoberg:

**Re: Wastewater Treatment Plant Upgrade Project and Employee  
Regina Civic Employees' Superannuation & Benefit Plan (the "Plan")  
Registration No. 0268425**

Thank you for your letter of November 22, 2013, advising our office of the upcoming changes that will impact employees at the wastewater treatment plant as a result of using a public private partnership as the procurement model for the new facility.

In your letter, you note that *The Trade Union Act* and its successor act, *The Saskatchewan Employment Act* provide that a new entity will become the successor employer to the employees working at the wastewater treatment plant. You further note that the collective agreement and the City Bylaws that you referenced require the new entity to become a participating employer in the LTD Plan and the Regina Civic Pension Plan.

In light of the above statutory and contractual requirements governing the treatment of employees under a successor employer situation, there is nothing that would cause us to object to the new entity becoming a participating employer under the Plan or the LTD Plan.

If you have any questions, please do not hesitate to contact me at 306-787-7660 or at [leah.fichter@gov.sk.ca](mailto:leah.fichter@gov.sk.ca).



Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Leah Fichter', with a stylized, cursive script.

Leah Fichter  
Director, Pensions Division

cc: Jayne Krueger, Legal Council

November 12, 2014

To: Members,  
Executive Committee

Re: Update: CR13-157 Inclusion of Brownfield Sites in the Intensification Strategy

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### RECOMMENDATION

That item CR13-157 be removed from the list of outstanding items for the Executive Committee.

### CONCLUSION

The redevelopment of brownfield sites presents opportunities to support reaching the intensification goals established in *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP). A growing number of cities throughout Canada have developed policies and programs to guide and support redevelopment of similar sites. As part of the Intensification Work Plan the creation of a Brownfield Redevelopment Strategy (BRS) has been identified as a deliverable in 2016. In creating the strategy, Administration will consider relevant best practices from other Canadian Cities as well as working with experienced stakeholders to develop an understanding of the market forces and other factors that impact the brownfield redevelopments already occurring in Regina.

### BACKGROUND

The OCP identifies brownfield sites, former school sites, and city centre sites as lands which should be addressed as part of an Intensification Development Strategy (Goal 3, 2.10.5). At the November 6, 2013 meeting of City Council, Council passed a MOTION that the Administration provide a report on how brownfield sites can be included in the Intensification Strategy including best practice research. The motion was passed following report CR13-157, Redevelopment of Former Service Station Brownfield Sites.

### DISCUSSION

The City has no power to compel property owners to remediate brownfield sites. The Ministry of Environment is the regulator of environmental conditions of land in Saskatchewan. The remediation and redevelopment of brownfield sites is often a complex, multi-jurisdictional challenge that presents significant opportunities but holds many risks. Contamination levels are unique to each site, and remediation costs will vary depending on factors such as soil type, contamination type, age of contamination, contamination migration, proximity to material receiving / processing facilities and the local cost of labour and materials. In addition, remediation strategies will also be influenced by the proposed redevelopment scenario, as Provincial regulations require different levels of clean-up depending on the proposed / future land use (ie. residential or commercial).

The chart below illustrates some of the tools, techniques and incentives that are used by cities throughout Canada to support and encourage the clean-up and redevelopment of brownfield sites (definitions of each tool are provided in Appendix B):

Strategy Components	City							
	Calgary	Saskatoon	Edmonton	Kingston	Hamilton	North Bay	Ottawa	Waterloo
Brownfield Policy	♦	♦	♦	♦	♦	♦	♦	♦
Environmental Investigation Grant		♦	♦	♦	♦	♦	♦	♦
Development Feasibility Study Grant							♦	
Tax Assistance (relief, deferral or rebate of taxes) including education tax		♦*		♦	♦	♦	♦	
Community Revitalization Levy (Tax Increment Financing)						♦		
Tax Increment Based Grant			♦		♦	♦		
Loan					♦			
Development Charge Waiver		♦*			♦	♦	♦	♦
Planning Fee rebates		♦				♦	♦	
Expediting of permits and licenses								
Provision by the municipality of infrastructure or services for which the developer would normally be responsible								
Municipal Acquisition and Partnership					♦			
Exemption from Parking Requirements						♦		
Landfill Tipping Fees Reduction						♦		
Sanitary Sewer Discharge Fee Exemptions						♦		
Remediation Grants			♦					
Housing Specific Grants		♦						

\*for residential developments only

While a variety of different policies are employed as demonstrated by the above chart, common among all municipalities with Brownfield Redevelopment Strategies is the use of financial incentives of various types to support these projects, in recognition of the additional costs of redeveloping such sites.

While Regina does not have a Brownfield Redevelopment Strategy, the city has seen some brownfield redevelopments over the past few years such as:

Address	Former use	New Use
510 University Park Drive	Cindercrete Lands	Residential development under construction
2700 Elphinstone Street	Service Station	Residential development
3035 Gordon Road	Service Station	Tanks removed (mall master plan calls for commercial redevelopment)
4225 Albert Street	Service Station	Commercial (restaurant)
Mount Pleasant Park	Landfill	Recreation
5070 Lewvan Drive	Gun Club	Residential / commercial development
Harbour Landing Snow Dump	Snow Dump	Residential / commercial development
1440 23 <sup>rd</sup> Avenue	Service Station	Proposed mixed use residential / commercial
101 E Victoria Avenue	Service Station	Commercial Development under construction

The aforementioned brownfield redevelopment projects suggest that in some cases market forces in Regina may be sufficient to drive redevelopments without help from the municipality; however, the continued presence of high-profile brownfield sites in highly desirable locations such as the former gas station sites (identified in report CR13-157 - Appendix A), indicate that more study is needed to determine whether the municipality should take on a role in supporting and encouraging brownfield redevelopment.

Due to their locations within the existing developed and serviced area of Regina, brownfield sites present opportunities to support reaching the intensification goals established in *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP) if redeveloped. The OCP identifies brownfield sites, former school sites, and city centre sites as lands which should be addressed as part of an Intensification Development Strategy (Goal 3, 2.10.5). Administration is nearing completion of an Intensification Work Plan (IWP) which identifies the component projects and timing necessary to respond to the OCP's direction over the time period 2014 to 2017. As part of the Intensification Work Plan, the creation of a Brownfield Redevelopment Strategy has been identified as a deliverable in 2016. In creating the strategy, Administration will consider relevant best practices from other Canadian Cities as well as develop an understanding of the market forces and other factors that impact the brownfield redevelopments already occurring in Regina.

Work has not yet begun to scope the creation of a Brownfield Redevelopment Strategy for Regina. Based on Administration's review of policies from other municipalities, the strategy will need to clearly define the municipal role in brownfield redevelopment, both from a policy perspective as directed by the OCP and from a legislative perspective as directed by *The Cities Act*, *The Planning and Development Act* and the *Environmental Management and Protection Act*. Understanding current market influences on redevelopments will be key in order to create effective policies and programs. As with any planning process, public and stakeholder consultation will help to direct the strategy.

Finally, as indicated above, the common thread of all Brownfield Redevelopment Strategies reviewed from other municipalities is the inclusion of financial incentives that help reduce the high cost of remediation and redevelopment of contaminated sites.

Scoping of the Brownfield Redevelopment Strategy will begin in the spring of 2015 in order to determine whether a budget request to support the development of the strategy will be necessary in advance of the 2016 budget process.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

The creation of a Brownfield Redevelopment Strategy may require capital or operating budget approval to support the hiring of consultants. A budget request, if necessary, will be brought forward as part of the annual budget review processes. Once complete, implementation of the strategy may include incentive programs requiring budget approval of capital, operating, program funding or property tax and fee reduction incentives, resulting in reduced short-term revenues to the City. In the longer-term, taxation revenues are expected to increase and investments by the city be recouped as a result of brownfield redevelopment.

### Environmental Implications

None with respect to the recommendations of this report.

### Policy and/or Strategic Implications

Addressing the redevelopment of brownfield sites is consistent with the policies and strategic priorities identified in *Design Regina: The Official Community Plan Bylaw No. 2013-48*. The phasing and timing of work associated with the implementation of the OCP, including the creation of a Brownfield Redevelopment Strategy as part of the Intensification Work Plan is currently under review and is expected to conclude by the end of 2014.

### Other Implications

None with respect to the recommendations of this report.

### Accessibility Implications

None with respect to the recommendations of this report.

## COMMUNICATIONS

No formal communication will be undertaken with respect to this report.

DELEGATED AUTHORITY

There is no delegated authority associated with this report as it is for information purposes only.

Respectfully submitted,

A handwritten signature in black ink that reads "Shanie Leugner". The script is cursive and fluid.

Shanie Leugner, A/Director  
Planning Department

Respectfully submitted,

A handwritten signature in blue ink that reads "Diana Hawryluk". The script is cursive and fluid.

Diana Hawryluk, A/Executive Director  
City Planning & Development Division

Report prepared by:  
Chris Sale, Senior City Planner, Downtown

November 6, 2013

To: His Worship the Mayor  
and Members of City Council

Re: Redevelopment of Former Service Station Brownfield Sites

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**RECOMMENDATION OF THE EXECUTIVE COMMITTEE  
- OCTOBER 23, 2013**

1. That item # MN13-3 be removed from the list of outstanding items for the Executive Committee.
2. That the Administration provide a report within a year on how the brownfield sites can be included in the Intensification Strategy under the OCP including best practice research.

*EXECUTIVE COMMITTEE – OCTOBER 23, 2013*

The Committee adopted a resolution to concur in the recommendation contained in the report after adding a recommendation #2 to read as follows:

2. That the Administration provide a report within a year on how the brownfield sites can be included in the Intensification Strategy under the OCP including best practice research.

Mayor Michael Fougere, Councillors: Sharron Bryce, Bryon Burnett, John Findura, Jerry Flegel, Shawn Fraser, Bob Hawkins, Wade Murray, Mike O'Donnell and Barbara Young were present during consideration of this report by the Executive Committee.

The Executive Committee, at its meeting held on October 23, 2013, considered the following report from the Administration:

RECOMMENDATION

That item # MN13-3 be removed from the list of outstanding items for the Executive Committee.

CONCLUSION

Based on file records, the Administration was able to identify 15 former service station sites currently vacant in Regina which have been inventoried in Appendix A.

The City of Regina currently has no policy or strategy specifically targeting the redevelopment of former service stations or other brownfield sites. Section C of the new Official Community Plan (OCP) identifies *Goal #3 – Intensification* as “*Enhance the city’s urban form through intensification and redevelopment of existing built-up areas.*” This goal requires the consideration of various types of intensification sites, including former service stations and other brownfield sites. Thus, these specific sites will be included in the creation of an intensification development strategy as identified within the new Official Community Plan.

By including the former service stations and other types of brownfield identified within City limits for redevelopment, an intensification strategy could then consider a number of aspects including risk, liability, land use planning, environmental and community benefit, incentives, funding, and financial consequences.

## BACKGROUND

On July 8, 2013, Council approved a MOTION that the Administration be directed to prepare a report for City Council. Through the Executive Committee, an inventory of former service station sites within the city limits will be provided along with any available information on the extent of contamination of these sites and how the City may play a role, if any, in ensuring these sites are remediated and developed.

On August 20, 2013, Council tabled the recommendation to a later date so that the proposed official community plan (OCP) known as "Design Regina" be adopted pursuant to Part IV of The Planning and Development Act, 2007. Included within the new OCP is the identification of the City's Growth Plan in Section C. Within the Growth Plan are a number of goals. Goal #3 – Intensification, requires the development of an intensification strategy addressing a number of priority areas, including intensification associated with brownfield redevelopment sites, which include former service station sites.

Timing of the study will be further determined through the corporate strategic plan, which will be complete by year end.

## DISCUSSION

### Former Service Station Sites in Regina

The City of Regina's new Official Community Plan defines brownfield as undeveloped or previous development properties that may be contaminated. These properties are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant. Former service stations fall into the category of a commercial property that is underutilized, derelict or vacant.

Nationally, the scope of vacant former service stations is as follows:

- Federation of Canadian Municipalities notes that service stations are the most common brownfield sites in Canada;
- The National Round Table on the Environment and the Economy estimates that there 30,000 brownfield sites in Canada;

There are 15 vacant properties in Regina that are known to the Administration to be former service stations. A map and the addresses of the inventory of the vacant lots that were known former service station sites may be found in Appendix A.



It is not the role of the City to identify a property as “contaminated”. The Ministry of Environment is the regulator of environmental condition of land in Saskatchewan. Pursuant to section 11 of *The Environmental Management and Protection Act, 2002*, the Minister of Environment may form an opinion that a property is contaminated and may, as a result, designate a property as contaminated and publish notice in *The Saskatchewan Gazette* to that effect. The Administration is not aware of any properties in Regina where such a designation has been made.

The City has no power to compel property owners to conduct environmental testing on private land or to produce copies of any environmental assessment reports that may exist for a property. The City would not necessarily know if such reports even exist. Even in circumstances where the City may have some information about the environmental condition of a property, the information may be incomplete, unsubstantiated or out-of-date. Whether or not a property meets current environmental regulations will change as those regulations change and as the property itself changes over time.

The Administration is therefore unable to produce information on the extent of contamination of these sites. The former use of a property as a service station, however, would raise a reasonable concern that the environmental condition of the land may not meet current environmental standards and that these concerns should be investigated before redevelopment of the property is pursued.

#### Considerations for a Brownfield Intensification Strategy

The City of Regina currently has no defined strategy for encouraging the redevelopment of former service stations or other brownfield sites.

Based on experience in other municipalities, a number of options may be considered as best practices when an intensification strategy, policies and programs are developed in order to encourage the redevelopment of these properties.

Examples of programs include:

- Grants covering some or all of the costs for Environmental Site Assessments, testing and/or remediation costs;
- Tax assistance applied to brownfield projects to help offset remediation costs;
- Exemptions or discounts for geographic areas targeted for redevelopment; and,
- Working with provincial and national programs currently in place.

Further information on programs and success stories in other municipalities reviewed in the preparation of this report is provided in Appendix B.

In playing a future role in the redevelopment of these sites, the options considered are as follows;

1. Maintain the status quo with respect to brownfield redevelopment, including former service stations sites. It can be anticipated the results would be similar to what has occurred previously, where the market and viability of redevelopment projects will determine the outcome, including timing and where many sites remain undeveloped or underdeveloped.

2. Include former service station sites within a comprehensive intensification strategy as identified with The Growth Plan, Section C – of the OCP. This would require a cross-departmental collaboration and become a part of the corporate strategic plan.
3. Begin to address the issue of redevelopment of former service stations in advance of an intensification strategy. This may result, however, in an unfocused strategy that does not take into account all aspects that an intensification strategy might include.

#### Tax Implications for the Redevelopment of Former Service Station Sites

The assessment and tax system does not distinguish between the various types of vacant commercial land. All vacant land, either new or existing, is valued and taxed similarly. The former use of a property as a service station may therefore have no impact on valuation of the land for assessment. The owner of the property would continue to pay the property taxes notwithstanding the fact that the land is not developed.

From a redevelopment perspective, five former service stations were selected to compare the taxes per acre received for both single family residential and commercial development. The result is the City receives more property tax from the commercial lot than single family dwellings would yield, however, doubling the number of housing units would shift the balance in favour of residential redevelopment. The redevelopment of a former service station site for residential use, however, may require measures beyond those required for continued commercial or industrial use. The City owns the property at 1901 Elphinstone Street. The property was leased to a company that operated a small service station at the site for a number of years. At the end of the lease, the City was required to remediate the site at a cost of approximately \$82,000 or about five years of property taxes.

Should the City seek to take title of a vacant property formerly used as a service station through the default of property tax payment or through incentive programs, the City would assume the risk that the property may not meet current environmental standards. In the event of the City obtaining title of a property that does not meet current environmental standards through tax default; the City has some limited statutory immunity from action by the Ministry of Environment. The City would still bear the risk of liability to any other parties. For example, should an injurious substance migrate to a neighbouring property, the City could be civilly liable for any losses suffered by the neighbour. If the City were to sell the property, the City could be civilly liable to any subsequent purchasers in the event a negative environmental condition was not discovered and disclosed at the time of sale. In the event of the City becoming the owner of property through an incentive program, there would be no statutory immunity from action by the Ministry of Environment and the City would remain civilly liable as previously described.

#### RECOMMENDATION IMPLICATIONS

##### Financial Implications

The development of a brownfield intensification strategy may include incentive programs requiring budget approval of capital, operating or program funding or property tax and fee reduction incentives, resulting in reduced revenues to the City.

Environmental Implications

None with respect to the recommendations within this report.

Policy and/or Strategic Implications

Addressing the redevelopment of former service stations as brownfield developments is consistent with the policy and strategic priorities outlined within the new OCP. The phasing and timing of work associated with the implementation of the OCP, including the development of an intensification strategy will be determined as part of the City of Regina corporate strategic planning process. That process is currently underway and is likely to conclude by the end of 2013. The priority, scope, phasing and timing of work associated with the implementation of the OCP will be dependent on the resources available. As a key element of the implementation of the OCP, an intensification strategy is likely to be given a high priority.

Other Implications

None with respect to the recommendations within this report.

Accessibility Implications

None with respect to the recommendations within this report.

COMMUNICATIONS

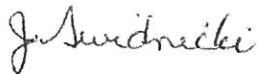
No formal communication will be undertaken with respect to this report.

DELEGATED AUTHORITY

The recommendations of this report require City Council approval.

Respectfully submitted,

EXECUTIVE COMMITTEE



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Joni Swidnicki, Secretary



# Vacant Lots / Former Service Stations

1:75,000



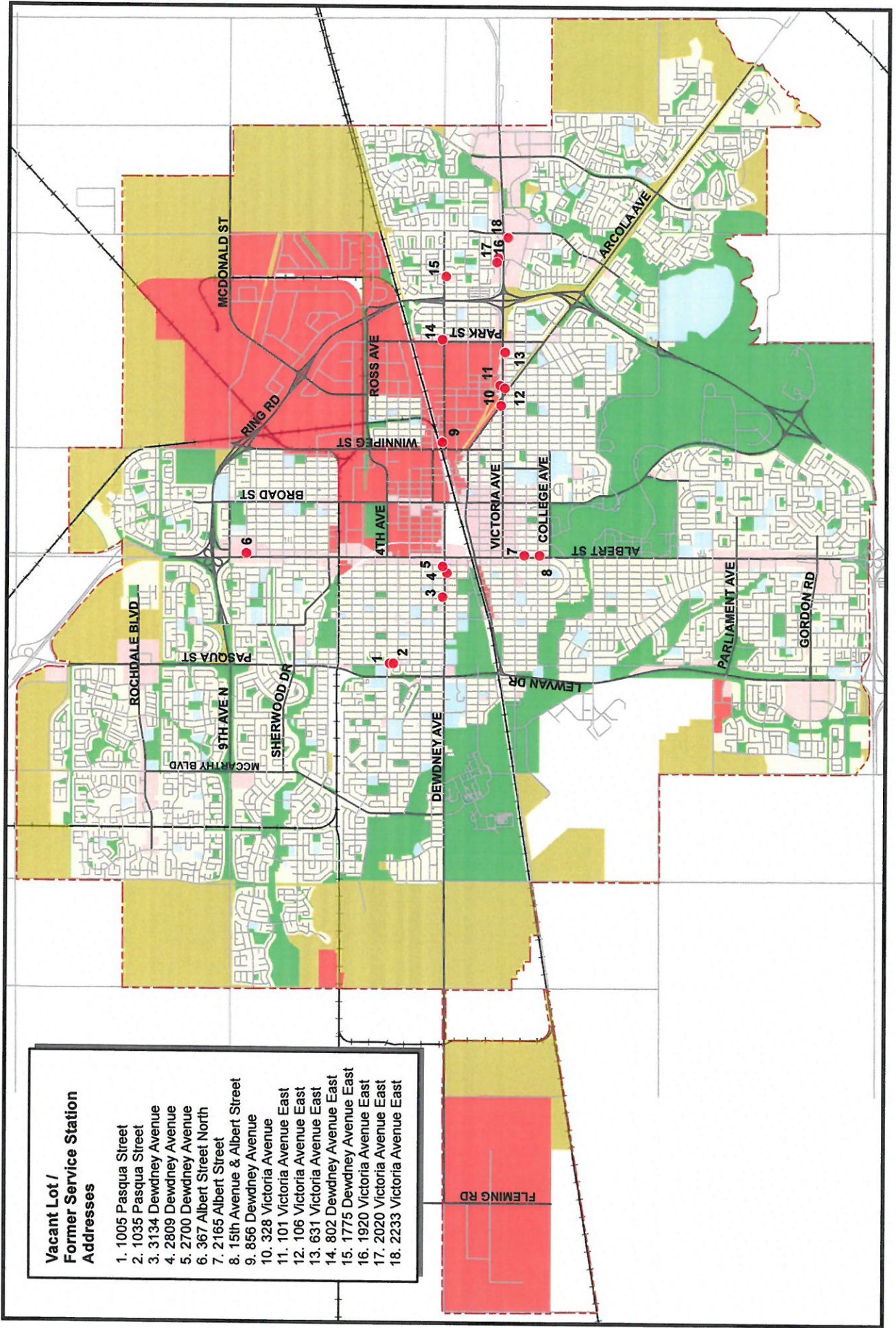
## Zoning

Commercial  
Industrial  
Open Space/Recreation  
Institutional  
Residential  
Urban Holdings  
Railway

City Limits  
Vacant Lots /  
Former Service Stations

## Vacant Lot / Former Service Station Addresses

1. 1005 Pasqua Street
2. 1035 Pasqua Street
3. 3134 Dewdney Avenue
4. 2809 Dewdney Avenue
5. 2700 Dewdney Avenue
6. 367 Albert Street North
7. 2165 Albert Street
8. 15th Avenue & Albert Street
9. 856 Dewdney Avenue
10. 328 Victoria Avenue
11. 101 Victoria Avenue East
12. 106 Victoria Avenue East
13. 631 Victoria Avenue East
14. 802 Dewdney Avenue East
15. 1775 Dewdney Avenue East
16. 1920 Victoria Avenue East
17. 2020 Victoria Avenue East
18. 2233 Victoria Avenue East



## **Examples of Programs and Policies for Brownfield re-development in Canada and Brownfield Success Stories**

### **Policies & Programs**

#### **Saskatoon, SK**

City of Saskatoon has a Brownfields Redevelopment Community Improvement Plan. In their guidebook *Redeveloping Brownfields in Saskatoon*, their incentive programs are described. A couple of features are that an initiative called *Enterprise Zone* includes a rebate program offering up to 100% of the costs of environmental screening charges as well as examining rebates for remediation charges on a project-specific basis.

#### **Guelph, ON**

Guelph's website information indicates that the Brownfield Community Improvement Plan is intended to stimulate the private sector to redevelop brownfields and includes financial incentives such as:

- Maximum \$30,000 grant per property/project;
- Maximum grant of \$15,000 per environmental study;
- Grants up to 50% of the cost of a Phase II Environmental Site Assessment; and
- Cancelling municipal property taxes and education property taxes for up to 3 years.

#### **Maritimes**

The Atlantic Provinces have adopted a Risk Based Corrective Action (RBCA) approach which establishes a set of scientifically derived risk-based (and harmonized) criteria (similar to the Tier system Saskatchewan uses) and a pre-approved and cost effective methodology for applying "Site Specific Risk Assessment" (SSRA) to petroleum-contaminated sites. CMHC reports that the Atlantic RBCA process makes it more cost effective for the owners of small contaminated properties to remediate these sites. With the benefits of standardized criteria and methods of SSRA, the rate at which petroleum-impacted sites are being remediated has increased.

#### **Ontario**

In Ontario, various funds to provide incentives to remediate Brownfield sites have been provided by the municipalities. The Ministry of Municipal Affairs and Housing, 2007 Survey "Evaluating the Impact of Brownfield Incentives" broke down these incentive programs approximately as follows:

- 1/3 tax assistance
- 1/3 grants
- 1/4 fee exemptions, reductions and parkland dedications
- 6% as loans
- Remainder: other incentives



Brownfields Ontario is a branch within the Ontario Ministry of Municipal Affairs and Housing. Some features from their report “A Practical guide to Brownfield Redevelopment in Ontario” are successful Brownfield redevelopment has these ingredients:

- a) An incentive policy that is in place before the private sector is interested; one that is developed by the municipality with consultation with lenders, local businesses, property owners and the public;
- b) Programs that are targeted to the areas of greatest need;
- c) A team typically public and private that has the capability to address all aspects of the process;
- d) Community involvement and participation; and
- e) Community support.

Brownfield’s Ontario’s guide suggests that a Municipality can build up the internal capacity to help reduce time delays in approving Brownfield redevelopment projects by having:

- An internal working group for Brownfields;
- A project lead; and
- The political leadership to a) have lead role in the development and b) generate, sound out and round out a Brownfield vision.

### **Saskatchewan**

The Province of Saskatchewan amended The Tax Enforcement Act in 2001 to allow the Provincial Mediation Board to reduce the 6 month period a municipality must wait before authorizing proceedings to seek tax title of a property if the cost of environmental remediation of the property is relatively high compared to the value of the property.

In the event that a municipality has remediated environmental conditions on a property on which a tax lien has been registered, The Tax Enforcement Act may also require that the property owner reimburse the municipality the costs of remediation before the tax lien is discharged to a maximum amount as may be set in the regulations from time to time. No maximum amount is currently set in the regulations.

In terms of funds available for remediation, the Province had an Orphaned Fuel Storage and Sales Facility Cleanup Program, under the Centenary Fund, which provided funding back in the early 2000’s. This program provided communities with financial assistance to clean up orphaned fuel storage sites. Saskatchewan Environment partnered with Saskatchewan Urban Municipalities Association (SUMA) and Saskatchewan Association of Rural Municipalities (SARM) to deliver a four-year program designed to clean up orphaned service stations. This program was concluded and therefore this is no longer an option in terms of looking for assistance.

In the new *Environmental Management and Protection Act, 2010* (which isn’t in force yet), there may be some resources available to municipalities who wish to do remediation

of these types of orphaned sites. Section 90 of *The Environmental Management and Protection Act, 2010* sets up an orphaned environmentally impacted sites fund. All of the details of this fund have been left to the Code/regulations, so at this point it is unclear how much money will be available and what the criteria will be to access this funding.

### **National**

The Federal Government granted \$550 million to the Green Municipalities Fund, some of which was targeted for “Brownfield” redevelopment in 2005. The \$150 million program is administered by the Federation of Canadian Municipalities. Projects are scored for various environmental benefits to help determine the level of funding support. Accordingly, identifying the sites within the City where the scores would be highest is likely the best strategy to follow.

### **Brownfield Redevelopment Success Stories**

There are examples of Brownfield remediation and redevelopment stories in a number of locations across Canada, such as the following redevelopments reported by Canada Mortgage and Housing Corporation (CMHC).

#### **Hamilton, ON**

A project in Hamilton converted a former gasoline station in one of Hamilton's transitional neighbourhoods into a community of attractive market-priced condominium units.

#### **Kelowna, BC**

In Kelowna, 10.1 hectares (25 acres) of a former CN rail yard were subdivided and rezoned to create a mixed-use neighbourhood of industrial, commercial, office and residential lots. The site was remediated at a cost of more than \$1.5 Million.

#### **Charlottetown, PE**

In Charlottetown, a former City public works garage in downtown Charlottetown has been redeveloped for 23 affordable rental apartment units. The site area of 0.2 Hectares (0.5 acres) is comparable to the typical service station area in Regina. The project required the purchase of three adjacent properties by the City for \$450,000 because there was some contamination that migrated to those properties. This reflects the possibility for an entity with a contaminated site to purchase adjacent land, and be in control of cleanup extent and timing.

#### **Various**

Some cities have created open spaces like parks, trails, boardwalks, protected cultural assets via conversion of old businesses to microbreweries, restaurants, art studios, etc.

## **Brownfield Remediation Incentive Program Descriptions**

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**Environmental Investigation Grant:** Grants provided to land owners to undertake Phase I, II and III environmental site investigations or risk assessments to determine contamination type and level, and to determine other site characteristics such as soil type, groundwater levels, and the presence of aquifers.

**Development Feasibility Study Grant:** Grants to help land owners and developers assess the feasibility, through proforma of various forms of development on brownfield sites.

**Tax Assistance (relief, deferral or rebate of taxes) including Provincial Education Taxes:** Relief from all or a portion of taxes (usually calculated based on post-development taxation levels) for a period of years (typically two to five years) typically linked to the remediation costs for the brownfield site.

**Community Revitalization Levy (Tax Increment Financing):** Future tax revenue increases due to redevelopment are leveraged to provide loans or grants to support redevelopment.

**Tax Increment Based Grant:** Funds are provided by the municipality based on future tax revenue increases for redeveloped properties.

**Loan:** Loan of funds by the municipality to the developer to support remediation / redevelopment. Municipal rate loans may represent a significant cost savings to the developer. Some risk is assumed from the developer by the municipality.

**Development Charge Waiver:** Provides assistance in the form of a rebate for development charges associated with a brownfield development.

**Planning Fee rebates:** Provide financial relief to property owners who undertake revitalization projects.

**Expediting of permits and licenses:** Provide dedicated municipal staff resources to accelerate the permitting and licensing process, allowing brownfield redevelopments to proceed more quickly than standard applications, helping to reduce project carrying costs.

**Provision by the municipality of infrastructure or services for which the developer would normally be responsible:** Municipal contributions to support brownfield redevelopment of services in-kind such as the upgrading of sewer, water, storm sewer or transportation infrastructure.

**Municipal Acquisition and Partnership:** Municipality purchases the contaminated land and then works with the developer to support remediation and redevelopment. Municipality assumes risk of ownership of contaminated site.



**Exemption from Parking Requirements:** Provides relief in the form of an exemption or reduction in the number of parking spaces required of brownfield redevelopments.

**Landfill Tipping Fees Reduction:** Provides relief in the form of a reduction in tipping fees to help lessen the cost of remediation.

**Sanitary Sewer Discharge Fee Exemptions:** Exemption that applies to fees associated with sanitary sewer discharges for projects where excavation below the groundwater table is necessary.

**Remediation Grants:** Provides relief in the form of a grant for a percentage of the remediation portion of a brownfield redevelopment project.

**Housing Specific Grants:** Brownfield redevelopment grants only available to residential projects.