

CITY OF LEDUC
COMMITTEE-OF-THE-WHOLE MEETING AGENDA



Monday, April 8, 2019, 5:00 P.M.
Lede Room, Leduc Civic Centre
1 Alexandra Park, Leduc, Alberta

		Pages
1.	CALL TO ORDER	
2.	APPROVAL OF AGENDA	
3.	ADOPTION OF PREVIOUS NOTES	
3.1	Approval of Notes of the Committee-of-the-Whole Meeting held Monday, March 18, 2019	3 - 25
3.2	Approval of Notes of the Committee-of-the-Whole Meeting held Monday, March 25, 2019	26 - 53
4.	DELEGATIONS & PRESENTATIONS	
5.	BUSINESS ARISING FROM PRESENTATIONS	
6.	IN-CAMERA ITEMS	
6.1	Offsite Levy Considerations (FOIP s. 23, 24 & 25) (J. Cannon / S. Olson / K. Woitt - 30 minutes)	
6.2	Airport Vicinity Protection Area ("AVPA") – St. Michael's Update (FOIP s. 16, 21, 24 & 25) (S. Losier / K. Woitt - 15 minutes)	
7.	RISE AND REPORT FROM IN-CAMERA ITEMS	
8.	REPORTS FROM COMMITTEE & ADMINISTRATION	
8.1	City Manager's Office & Corporate Services 2020 Budget Overview (P. Benedetto / I. Sasyniuk - 1 hour)	54 - 64

- 8.2 Update on Condominium Tax Enquiries** 65 - 97
(J. Cannon / I. Sasyniuk - 15 minutes)
- 8.3 Extended Producer Responsibility ("EPR")** 98 - 105
(Councillor G. Finstad - 15 minutes)

9. INFORMATION ITEMS

10. ADJOURNMENT



**NOTES OF THE CITY OF LEDUC
COMMITTEE-OF-THE-WHOLE MEETING**

Monday, March 18, 2019

Present: Mayor B. Young, Councillor B. Beckett, Councillor G. Finstad,
Councillor B. Hamilton, Councillor L. Hansen, Councillor T. Lazowski,
Councillor L. Tillack
Also Present: P. Benedetto, City Manager, S. Davis, City Clerk

1. CALL TO ORDER

Mayor B. Young called the meeting to order at 5 pm.

2. APPROVAL OF AGENDA

MOVED by Councillor B. Beckett

That the Committee approve the agenda with the following additions:

8. REPORTS FROM COMMITTEE & ADMINISTRATION

8.4 Temporary Signage

8.5 Airport Vicinity Protection Area ("AVPA")

8.6 Social Media

Motion Carried Unanimously

3. ADOPTION OF PREVIOUS NOTES

3.1 Approval of Notes of the Joint City of Leduc / Leduc County Committee-of-the-Whole Meeting held Monday, October 1, 2018

MOVED by Councillor L. Hansen

That the notes of the Joint City of Leduc / Leduc County Committee-of-the-Whole meeting held on Monday, October 1, 2018, be approved as presented.

Motion Carried Unanimously

3.2 Approval of Notes of the Committee-of-the-Whole Meeting held Monday, March 11, 2019

MOVED by Councillor L. Tillack

That the notes of the Committee-of-the-Whole Meeting held Monday, March 11, 2019, be approved as presented.

Motion Carried Unanimously

4. DELEGATIONS & PRESENTATIONS

There were no delegations or presentations.

5. BUSINESS ARISING FROM PRESENTATIONS

6. IN-CAMERA ITEMS

MOVED by Councillor B. Beckett

That Committee-of-the-Whole move In-Camera at 5:05 pm.

Motion Carried Unanimously

6.1 Intermunicipal Projects Update/Strategic Planning

FOIP s. 21 & 25

6.2 Leduc Arts Foundry

FOIP s. 16, 24 & 25

MOVED by Councillor L. Tillack

That the Committee-of-the-Whole move In-Public at 5:13 pm.

Motion Carried Unanimously

7. RISE AND REPORT FROM IN-CAMERA ITEMS

7.1 Intermunicipal Projects Update/Strategic Planning

FOIP s. 21 & 25

In Attendance:

Committee Members

Executive Team

S. Davis, City Clerk

P. Benedetto, City Manager, provided an update on the Leduc-Nisku Economic Development Association and answered the Committee's questions.

7.2 Leduc Arts Foundry

FOIP s. 16, 24 & 25

In Attendance:

Committee Members

Executive Team

D. Brock, Director, Community and Social Development

T. Turner, Manager, Arts, Culture and Heritage

B. Knisley, Director, Facility and Property Services

N. Booth, Manager, Communications and Marketing Services

C. Hui, Marketing and Communications Specialist, Arts, Culture and Heritage

S. Davis, City Clerk

D. Brock and T. Turner made a presentation and answered the Committee's questions.

This item continued In-Public.

D. Brock, T. Turner, D. Melvie, General Manager, Community and Protective Services, and Councillor B. Beckett made a PowerPoint presentation (Attached) outlining the city's methodology relative to the requests of the Leduc Arts Foundry ("Foundry").

D. Brock, T. Turner, D. Melvie and Councillor B. Beckett answered the Committee's questions.

The Committee requested that the Foundry advise how many groups are committed to utilizing a new facility in order to help assess the the need, and success, of such an undertaking.

MOVED by Councillor B. Beckett

That the City of Leduc and the Leduc Arts Foundry bring forward a Memorandum of Understanding to outline the path forward as well as a Communications Plan.

Motion Carried Unanimously

8. REPORTS FROM COMMITTEE & ADMINISTRATION

8.1 Private Hydrant Inspection Service

R. Sereda, Director, Public Services, and Chief G. Clancy, Leduc Fire Services, made a verbal presentation on hydrant inspections. It was identified that there is a benefit to having Administration inspect fire hydrants on private property. Administration recommended that all hydrants be inspected at no cost. Repairs to hydrants on private property will be the responsibility of land owner.

R. Sereda, Chief G. Clancy and P. Benedetto, City Manager, answered the Committee's questions.

Due to budget considerations, this matter will be brought forward to a future Council meeting for final approval.

8.2 LRC 10 Year Celebration Update

D. Melvie, General Manager, Community and Protective Services, introduced L. Weller, Manager, Business Services, and D. Hewson, Marketing and Communications Specialist, Leduc Recreation Centre. L. Weller and D. Hewson made a PowerPoint presentation (Attached) outlining the festivities for the 10 year celebration.

D. Hewson and D. Melvie answered the Committee's questions.

MOVED by Councillor G. Finstad

That Administration provide information on enhancing the youth initiatives at the Leduc Recreation Centre.

Motion Carried Unanimously

8.3 2020 Budget Financial Overview

P. Benedetto, City Manager, introduced the item. I. Sasyniuk, General Manager, Corporate Services, and J. Cannon, Director, Finance, made a PowerPoint presentation (Attached) and led discussions on options to bring the budget in line with Council's expectation of a rate increase of no more that 2 – 3% in 2020.

I. Sasyniuk, J. Cannon, P. Benedetto and Mayor B. Young answered the Committee's questions.

MOVED by Councillor L. Hansen

That Committee direct Administration to investigate the following options to adjust the multi-year budgets to align with reduced revenues to achieve Committee's desire to reduce the multi-year tax impacts:

- Continue to look for new revenue opportunities
- Transfers to reserves review
- Reduce operational expenses by:
 - Continuing to introduce new efficiencies (where possible)
 - Limiting request for new service levels (business cases)
 - Eliminate built in allowance for business cases
 - Deferring operational projects that can be moved to future years
 - Tightening contract services budgets
 - Service level options
 - Restricting new hiring
 - Position Review upon vacancy
 - Re-prioritize capital by:
 - Reducing scope of projects
 - Re-timing (deferring) projects
 - Eliminating projects

And present recommendations to Committee at an upcoming meeting

Motion Carried Unanimously

8.4 Temporary Signage

Mayor B. Young made a verbal presentation.

MOVED by Councillor T. Lazowski

That Council direct Administration to investigate options and make recommendations at a future Committee meeting to accommodate development signage on an interim basis.

Motion Carried Unanimously

8.5 Airport Vicinity Protection Area ("AVPA")

Councillor T. Lazowski raised some concerns about dialogue between the City and Edmonton International Airport in relation to St. Michael's Parish and the Airport Vicinity Protection Area.

B. Loewen, City Solicitor, P. Bendetto, City Manager, and Mayor B. Young answered the Committee's questions.

Councillor T. Lazowski indicated he was considering developing a potential motion to make at an April Council meeting.

8.6 Social Media

Mayor B. Young advised Committee members that with the upcoming provincial election, they are to use social media wisely.

9. GOVERNANCE

There were no items.

10. COUNCIL CALENDAR UPDATES

There were no items.

11. INFORMATION ITEMS

There were no information items.

12. ADJOURNMENT

The meeting adjourned at 7:30 pm.

B. YOUNG, Mayor

S. DAVIS, City Clerk



ADOPTION OF PREVIOUS NOTES

Notes of the Committee-of-the-Whole Meeting
– October 15, 2018

* **7.2 Leduc Arts Foundry (In-Camera)**

Attachment Removed Pursuant to Sections 16, 24 & 25 of the
FOIP Act.

Leduc Drama

Maclab Centre for the Performing Arts

Stageworks

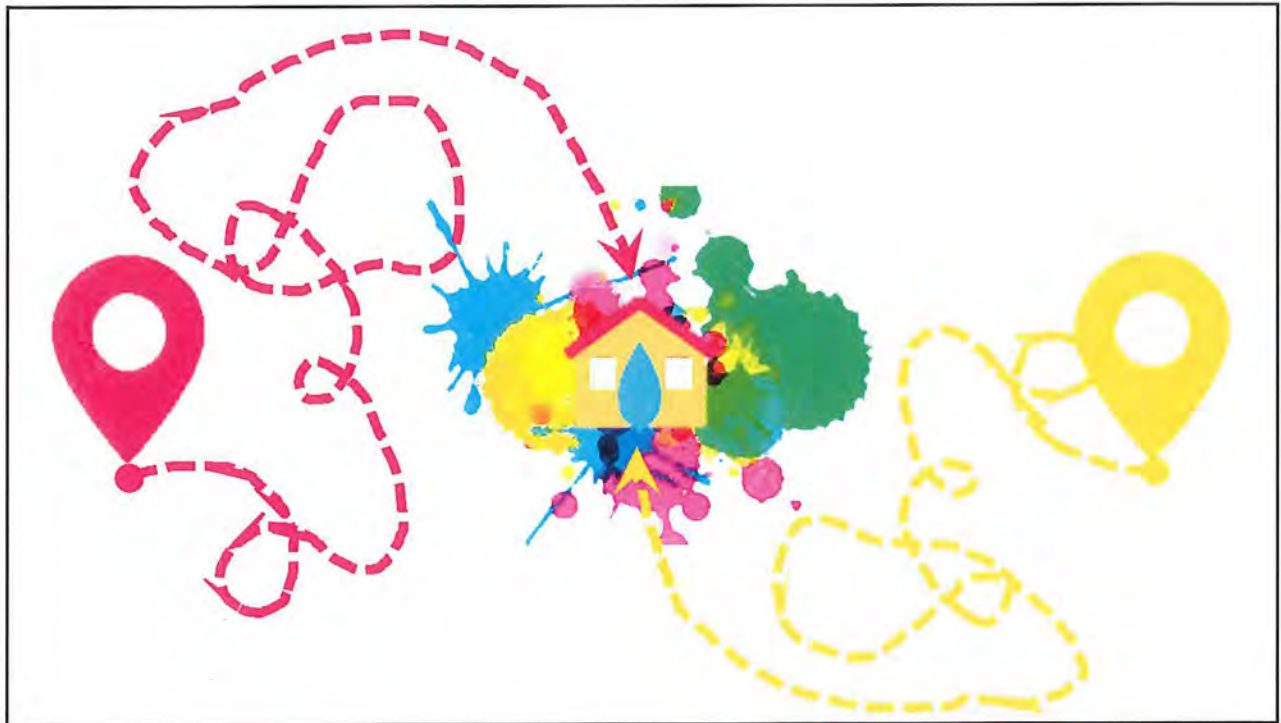
DIVERSITY & INCLUSIVENESS
We respect and support diversity and inclusiveness within our community.

A CITY WHERE PEOPLE WANT TO LIVE, WORK & PLAY

A CITY WITH A PLAN FOR THE FUTURE

A COLLABORATIVE COMMUNITY-BUILDER & REGIONAL PARTNER

AN ECONOMICALLY PROSPEROUS CITY



PATH | PERFORMING ARTS THEATRE HINTON

EDSON THE RED BRICK arts

Prince Albert Council for the Arts

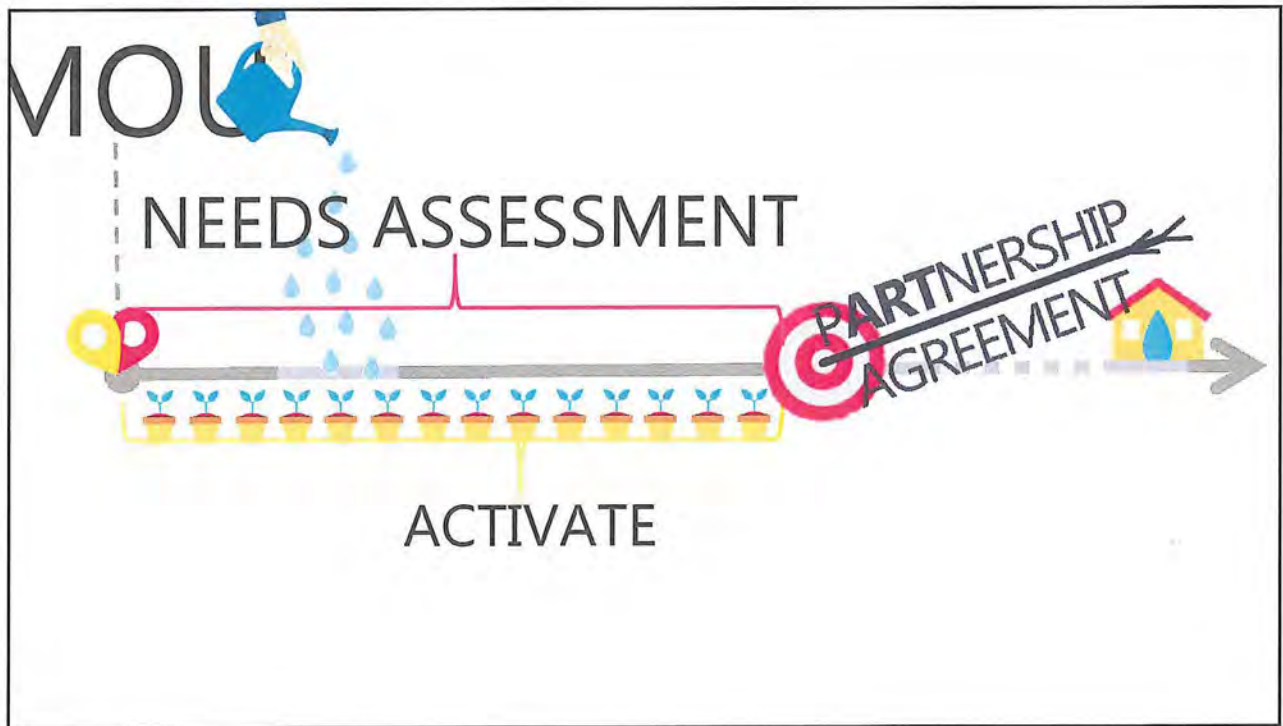
artsPlace
Where community meets creativity

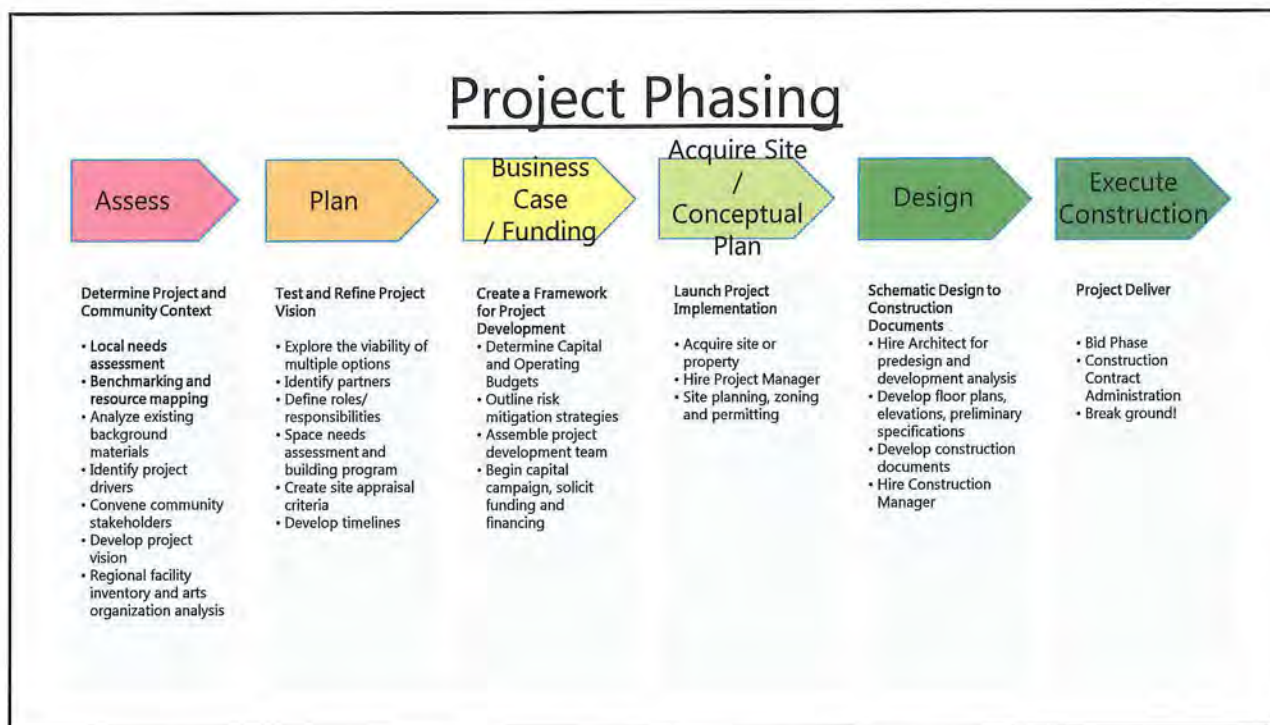
DAWSON CREEK KIWANIS PERFORMING ARTS CENTRE

THE CENTRE FOR CREATIVE ARTS GRANDE PRAIRIE

Arts FOUNDRY







Leduc Recreation Centre 10 Year Celebration Update

March 14, 2019
Committee-of-the-Whole

Events

- April 7 Paint the Ice Event and FREE Family Skate at Wilhawk Beef Jerky Arena
- May 1 to 17 Social Media Contesting and Giveaway
What does the LRC mean to you? Share stories, pictures, memories from time past.
- June 13 Staff BBQ (LRC) hosted in the BMO Curling Rink
- September 29 LRC Community Run and FREE Access Day
- October 10 Birthday Celebration

Paint the Ice Event & FREE Family Skate

- Colouring book-like concept: paint outlines of LRC-related images (e.g. exercise equipment, birthday cake, sport players, 10 year logo) for residents to fill in
- End of rink left for residents to draw and paint what they envision the LRC to look like in the future
- FREE Family Skate 1:30 – 6p.m.
- What does the LRC mean to you? engagement boards

Ice Rink Example



Staff BBQ (LRC)

- Held at the LRC in the BMO Curling Rink
- Rob Hislop will moderate a speaking segment from Noon-12:30p.m.
- Acknowledgement of staff members who have been a part of the LRC since its inception 10 years ago
- Birthday Cake will be available for all to enjoy



LRC Community Run

- Utilize multi-way trail behind the LRC
- Family Friendly Run
- 1Km, 5KM, 10KM routes available
- Proceeds over run cost to be donated to "The Hub"
- Partner with local businesses where there is opportunity to do so e.g. run package inserts, after run snacks, tents set up at entrance area



FREE Access Day

- FREE access to the facility
- Inflatables set up in the Field House
- Leisure programming in the Courts
- Face Painting
- Live entertainment 11 -3 p.m.



Birthday Celebration October 10

- 10 draws, 10 days leading up to the actual birthday October 10
- Presentation birthday cake and cupcakes
- Décor within the building
- What does the LRC mean to you? engagement boards





2020 Multi-Year Budget Financial Overview

Presented By:
Jennifer Cannon, Director, Finance

Multi-year Tax Revenue

Reduce 2020 & 2021 multi-year tax revenue requirement by 2% - 3%

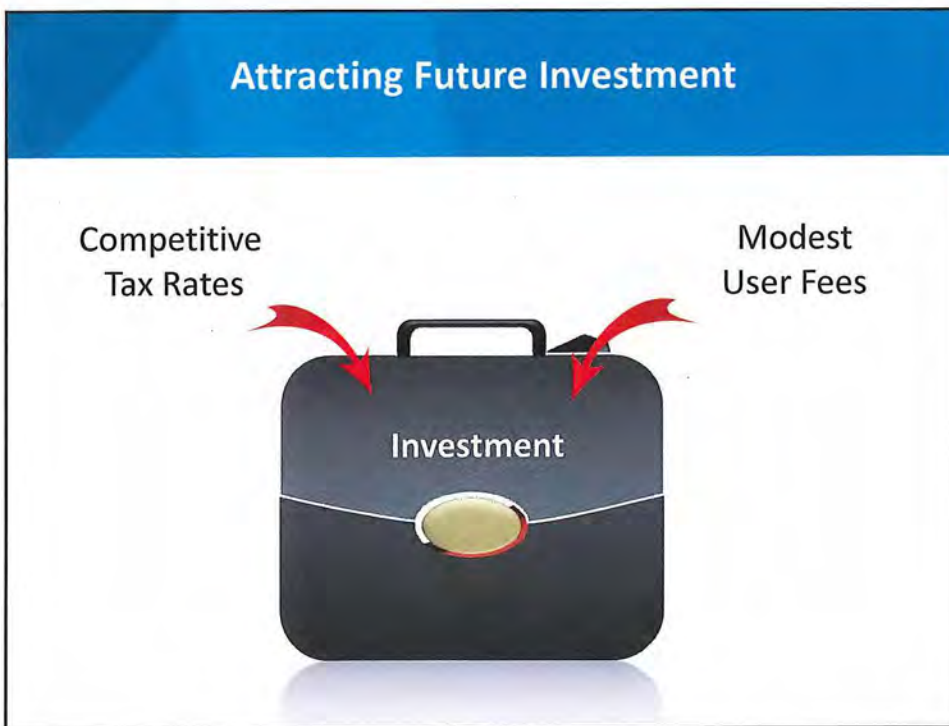
1% tax revenue = \$480K

2019 Multi-year Budget approved December 3, 2018

	2019	2020	2021
Base Operational & Capital Requirements	0.83%	2.39%	3.15%
RCMP	1.32%	1.32%	-
Enhanced Transit	0.74%	0.74%	0.74%
Partnership Opportunities	-	-	1.16%
Proposed Tax Revenue Increase	2.89%	4.45%	5.05%

reduce

\$700K - \$2M



Possible Options to Adjust Multi-Year Budgets

1 Continue to look for new revenue opportunities




The word "OPPORTUNITY" is rendered in large, blue, 3D block letters. A thin vertical line descends from the top of the letters, ending in a small metal hook that appears to be holding the word in place.

Possible Options to Adjust Multi-Year Budgets

2 Reduce operational expenses

- Continue to introduce new efficiencies
- Limit requests for new service levels/business cases
- Defer projects that can be moved to future years
- Tighten contact services budgets
- Service level options
- Restrict new hiring
- Other



The word "EXPENSES" is rendered in large, white, 3D block letters on a blue rectangular background. Above the letters, a pair of scissors is shown in a cutting motion, as if cutting through the word.

Possible Options to Adjust Multi-Year Budgets

3

Re-prioritize capital

- Later
 - Tomorrow
 - Today
 - NOW**
- Reduce scope of projects
 - Re-time projects (defer)
 - Eliminate projects

Questions



**NOTES OF THE CITY OF LEDUC
COMMITTEE-OF-THE-WHOLE MEETING**

Monday, March 25, 2019

Present: Mayor B. Young, Councillor B. Beckett, Councillor G. Finstad,
Councillor B. Hamilton, Councillor L. Hansen, Councillor L. Tillack
Absent: Councillor T. Lazowski
Also Present: P. Benedetto, City Manager, S. Davis, City Clerk

1. CALL TO ORDER

Mayor B. Young called the meeting to order at 5 pm.

2. APPROVAL OF AGENDA

MOVED by Councillor L. Hansen

That the Committee approve the agenda with the following amendments:

8. REPORTS FROM COMMITTEE & ADMINISTRATION

Remove from Agenda:

8.4 Condominium Tax Enquiries - This item will be heard at the April 8, 2019,
Committee-of-the-Whole meeting.

Addition to the Agenda:

8.6 Alberta Global Trade Corridor Advocacy Update

8.7 Supporting Alberta Urban Municipalities Association ("AUMA") Provincial Election
Advocacy

Motion Carried Unanimously

3. ADOPTION OF PREVIOUS NOTES

There were no previous notes.

4. DELEGATIONS & PRESENTATIONS

There were no delegations or presentations.

5. BUSINESS ARISING FROM PRESENTATIONS

6. IN-CAMERA ITEMS

There were no In-Camera items for the agenda.

7. RISE AND REPORT FROM IN-CAMERA ITEMS

8. REPORTS FROM COMMITTEE & ADMINISTRATION

8.1 Temporary Signage

S. Losier, Manager, Current Planning, N. Booth, Manager, Communications and Marketing Services, and H. Wilson, Manager, Economic Development, made a verbal presentation relative to signage within road right-of-ways. For safety purposes, traffic signs should take precedent over other signage.

Administration made recommendations for other ways that builders and developers could bring their advertising to the forefront. Those recommendations included: placing information on the City of Leduc website; producing maps outlining new developments and builders in that area; and developers and builders sponsoring public events. There will also be a relaxation of some of the requirements for temporary signage.

There was further discussion of other opportunities to advertise businesses in the City of Leduc.

8.2 2018 Year End Results

J. Cannon, Director, Finance, and C. Dragan-Sima, Manager, Financial Planning and Budget Services, made a PowerPoint presentation (Attached) providing information on the 2018 year end results.

J. Cannon and I. Sasyniuk, General Manager, Corporate Services, answered the Committee's questions.

8.3 2019 Mill Rate Process

J. Cannon, Director, Finance, and G. Damo, Manager, Revenue Services, made a PowerPoint presentation (Attached) on the 2019 Mill Rate Process.

M. Pieters, General Manager, Infrastructure and Planning, J. Cannon, G. Damo, I. Sasyniuk, General Manager, Corporate Services, and P. Benedetto, City Manager, answered the Committee's questions.

Mill-rate projections will be emailed to Committee members.

Committee members confirmed that they are comfortable with a 2.78% Tax Revenue Increase contained in Bylaw No. 1017-2019 - The 2019 Property Tax Rate Bylaw - coming forward to the April 8, 2019, Council meeting for first reading.

8.4 Condominium Tax Enquiries

This item was removed from the agenda.

8.5 Staff BBQ Update

I. Sasyniuk, General Manager, Corporate Services, confirmed with Committee members that they are comfortable with the Staff Appreciation Barbecue being part of the Leduc Recreation Centre 10 year anniversary.

8.6 Alberta Global Trade Corridor Advocacy Update

Mayor B. Young provided Committee members with the Advocacy Report on the Alberta Global Trade Corridor (Attached). Mayor B. Young advised that on his trip to Ottawa he had the opportunity to meet with a number of individuals who were very supportive of the initiative and of the proposed grant application for \$50,000.

Mayor B. Young and P. Benedetto, City Manager, answered the Committee's questions.

8.7 Support for Alberta Urban Municipalities Association ("AUMA") Provincial Election Advocacy

M. Hay, Director, Intergovernmental Affairs and Corporate Planning, provided Committee members with a handout (Attached) which contains information from the Alberta Urban Municipal Association on items that municipalities could consider for advocacy. Items could be separated into Provincial and local issues to be advocated. Committee members indicated that Leduc City Council does a very good job of advocating for local issues.

M. Hay and P. Benedetto, City Manager, answered the Committee's questions.

9. INFORMATION ITEMS

There were no information items.

10. ADJOURNMENT

The meeting adjourned at 6:37 pm.

B. YOUNG, Mayor

S. DAVIS, City Clerk

2018 Year End Results




Presented By:
Jennifer Cannon, Director, Finance




2018 Surplus

2018 (Millions)	
Budget	97.85
Surplus	1.28
% of Budget	1.3%



Surplus



Deficit

Surplus History (Millions)	2013	2014	2015	2016	2017
Budget	70.82	76.80	91.23	91.21	90.24
Surplus	1.19	1.73	1.61	1.61	1.92
% of Budget	1.7%	2.2%	1.8%	1.8%	2.1%

95% of surplus is transferred to the general contingency reserve to fund our capital plan

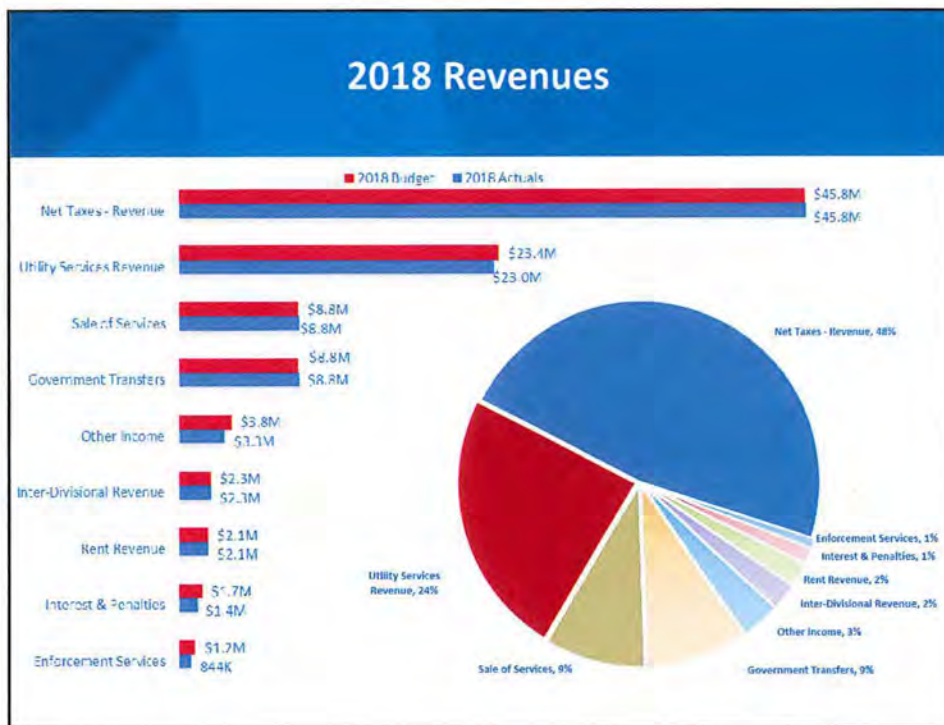
Projects Funded by Surplus

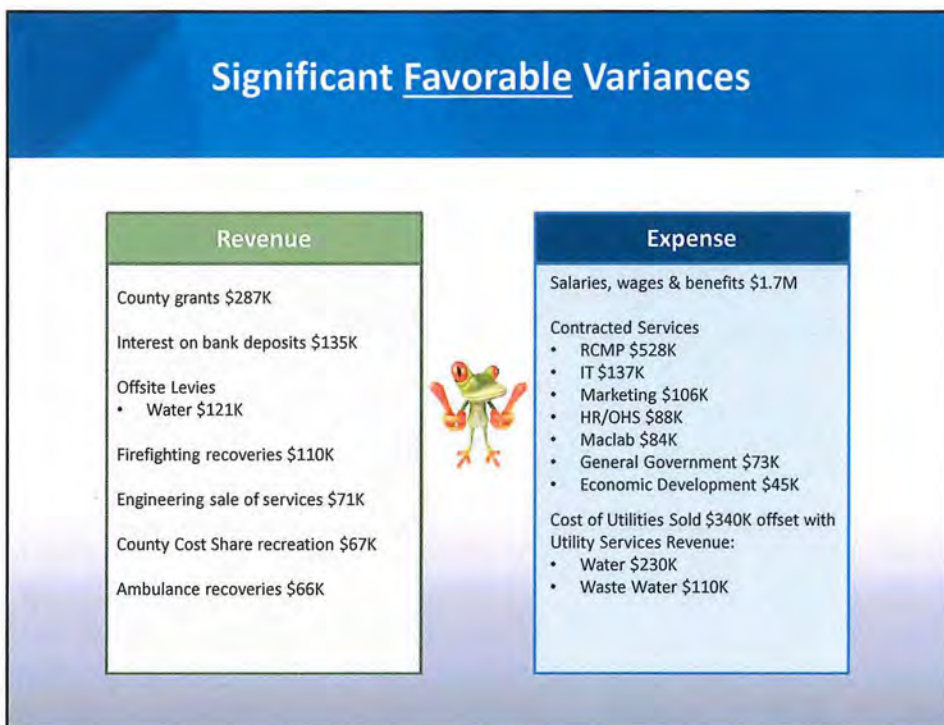
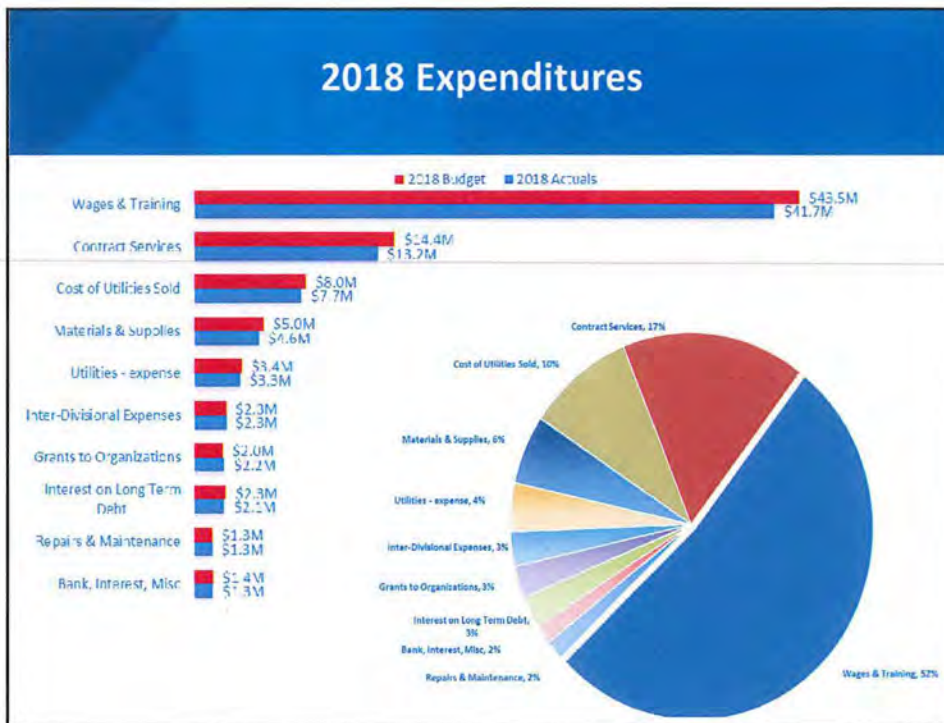
Past Projects

- Telford Lake Multiway
- Multiway Development
- Spray Park
- Civic Centre Concrete Replacement
- Eco Station & RV Dump
- Library Expansion
- Aerotropolis
- Cultural Village Amphitheatre
- Operations Building Solar
- Lede Park Road
- Alex Pool Building Capital Renewal
- Snow Storage Site

Future Projects

- Lions Park Trails
- Road Program
- LRC Cell Phone Coverage Upgrade
- Outdoor Rinks
- LRC Pool Renovations
- Protective Services Building
- Transit – capital requirements
- HR & Finance Integrated System
- LRC Capital Renewal
- Playground Equipment
- Community Reporting
- Lede Park Multiway





Significant Unfavorable Variances

Revenue

- Offsite Levies
 - Transportation (\$450K)
 - Sanitary (\$245K)
- Water and Wastewater Fees (\$425K) – offset with Cost of Utilities Sold
 - Water (\$225K)
 - Waste Water (\$200K)
- Interest on long term investments (\$422K)
- Enforcement Proceeds (\$327K)
- AHS contract (\$133K)
- Maclab sale of services (\$129K)

Expense

- Contracted Services
 - Snow Removal (\$320K)*
 - Waste water maintenance (\$96K)
 - Water maintenance (\$86K)
- Salaries, wages & benefits
 - Fire & Ambulance (\$267K)
- Repairs & maintenance
 - Equipment repairs (\$78K)
 - LRC Facilities (\$49K)
 - Transit (\$42K)

* offset with transfer of \$243K from snow removal reserve

2018 Snow Removal Results

Snow Removal

Fiscal Year	Actuals	Budget	Favourable / Unfavourable
2014	1,621,182	1,185,722	435,459
2015	1,065,963	1,435,049	369,085
2016	793,694	1,552,918	759,224
2017	1,134,083	1,539,982	405,899
2018	1,431,215	1,187,998	(243,217)
2019 YTD*	1,269,795	355,060	28%

*YTD as of March 20, 2019

Fiscal Year	Actuals	Budget	Favourable / Unfavourable
2014	1,621,182	1,185,722	435,459
2015	1,065,963	1,435,049	369,085
2016	793,694	1,552,918	759,224
2017	1,134,083	1,539,982	405,899
2018	1,431,215	1,187,998	(243,217)
2019 YTD*	1,269,795	355,060	28%

Rave: "to snow removal crews out on this cold morning for providing a breakfast show for my little one. (She thinks they are Rubble from Paw Patrol @) and for clearing our way for school later. Much Appreciation!"

"Thank you to the snow removal in Corinthia today! I was rushing to pack my truck up as we are in the middle of moving and the gentlemen in the plow got out to help me with my last couple of boxes so I could get out of his way!"

Public Services

2018 Fire & Ambulance Services Results



Fire & Ambulance Services	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2018 Budget	Variance
Revenues	4,277,454	3,569,913	3,713,570	3,763,826	3,720,938	42,888
Expenses	8,518,451	8,601,931	9,180,179	9,483,131	9,294,686	(188,445)
Net Surplus (Deficit)	(4,240,997)	(5,032,018)	(5,466,609)	(5,719,306)	(5,573,748)	(145,557)

2018 Enforcement Services Results (Includes RCMP)

Enforcement Services	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2018 Budget	Variance
Revenues	2,607,743	3,525,916	2,152,235	1,681,904	2,027,975	(346,071)
Expenses	6,833,744	8,717,806	7,446,861	7,527,316	8,183,186	655,870
Net Surplus (Deficit)	(4,226,002)	(5,191,890)	(5,294,626)	(5,845,412)	(6,155,211)	309,799

Safe Communities Reserve Balance

\$395K

2018 Actual Results

Budgeted Actual
32 FTE 27 FTE

\$530K favourable
RCMP Contracted Services

2018 Public Transportation Results (City Inclusive of Joint Venture)

Public Transportation	2016 Actual	2017 Actual	2018 Actual	2018 Budget	Variance
Revenues	248,544	301,924	330,196	299,763	30,433
Expenses	1,789,576	1,906,369	2,608,727	2,596,720	(12,007)
Net Surplus (Deficit)	(1,541,033)	(1,604,445)	(2,278,531)	(2,296,957)	18,426



2018 Public Transportation KPI's (City Inclusive of Joint Venture)

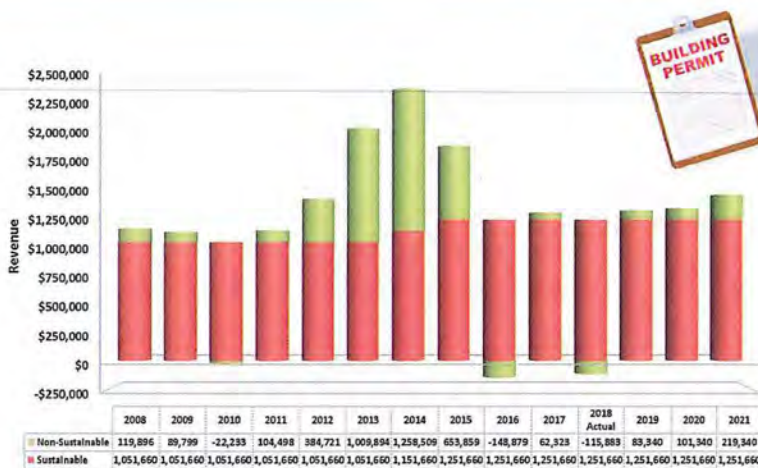
Public Transportation	2016 Actuals	2017 Actuals	2018 Actuals	2018 Budget
Cost Recovery	13.89%	15.84%	12.66%	11.54%
Contribution Per Capita*	\$ 50.53	\$ 51.54	\$ 70.22	\$ 70.79



Existing Routes ≈	Route 10	Route 747/EIA	Total
\$ 53.19	\$ 6.31	\$ 10.72	\$ 70.22

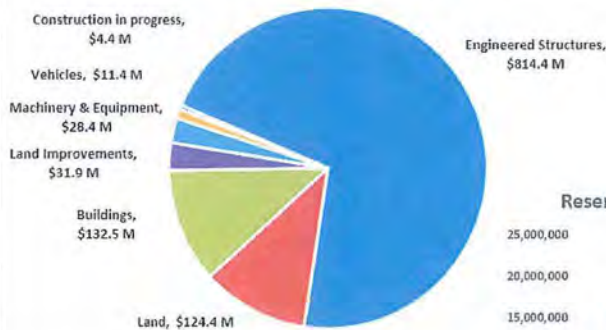
* Based on City of Leduc population only

Permit Revenue - Sustainable and Non Sustainable



Maintaining over \$1 Billion in Capital Assets

Tangible Capital Assets = \$1.15Billion

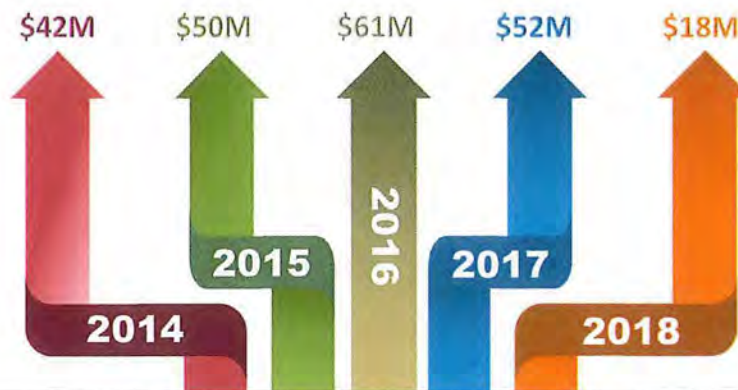


Reserve Transfers as % of Amortization



Contributed Assets: 2014-2018

Total Contributed Assets
\$223M



2018 Operating Reserve Balances

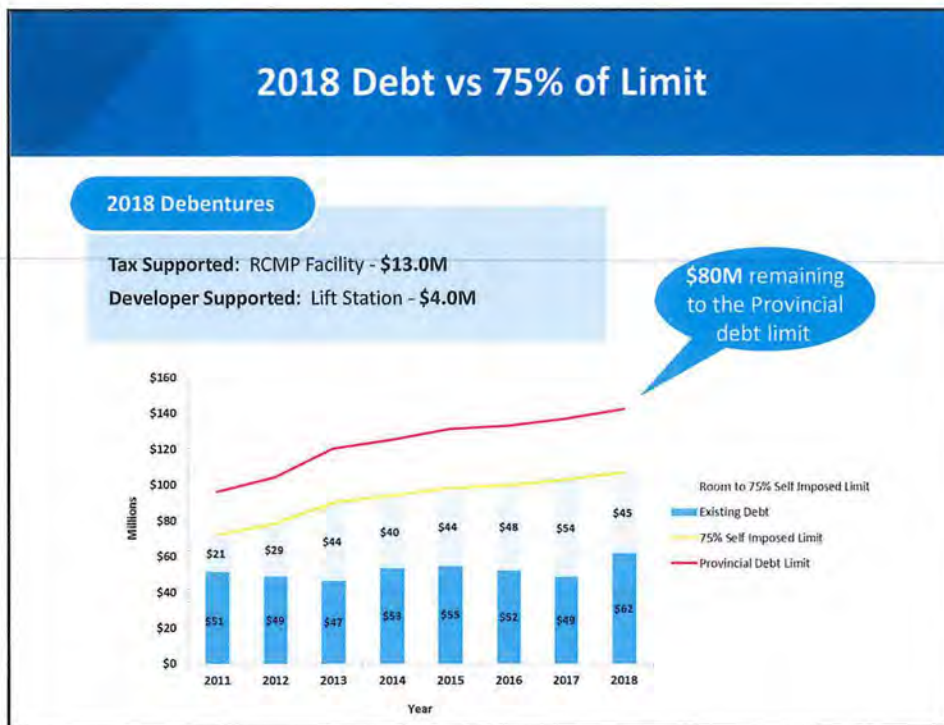
<i>In Thousands</i>	Audited 2018 YE Balance	2018 Committed	Available Balance
Operating Reserves			
General contingency reserve	8,300	5,058	3,242
Mill rate stabilization	1,094	-	1,094
Reserve for celebrations	183	-	183
Reserve for snow removal	1,179	-	1,179
Sports tourism reserve	140	-	140
Reserve for future expenditures - studies	1,299	663	636
Reserve for census and elections	62	-	62
Economic development reserve	50	-	50
Total Operating Reserves	12,308	5,721	6,587

2018 Capital Reserve Balances

<i>In Thousands</i>	Audited 2018 YE Balance	2018 Committed	Available Balance
Reserve for Lede room	6	-	6
Reserve for art acquisition	17	-	17
HPN monument fees	33	-	33
Public transit	47	-	47
Public services capital reserve	562	473	90
Cemeteries reserve	151	50	101
Downtown progress association reserve	107	-	107
Fixed communications reserve	356	239	117
Fire communication reserve	127	-	127
P. S. Equipment replacement reserve	697	521	177
Water reserve	1,650	1,456	194
Sewer reserve	560	302	257
Recreation levy - due to city	698	375	323

2018 Capital Reserve Balances - cont

<i>In Thousands</i>	Audited 2018 YE Balance	2018 Committed	Available Balance
Facilities reserve	1,119	767	352
Safe communities	548	143	405
Information system reserve	1,095	640	455
Waste minimization reserve	521	58	463
Reserve for library	699	-	699
Parks planning capital reserve	1,427	374	1,052
Protective services large equipment reserve	1,292	231	1,061
Cash in lieu of municipal reserve	1,510	52	1,458
Infrastructure investment reserve	2,490	992	1,498
Property sale proceeds reserve	1,562	-	1,562
Storm drainage	2,344	566	1,777
Developer contribution	2,078	-	2,078
Road reserve	3,121	611	2,510
Total Capital Reserves	24,816	7,851	16,965



2018 Results – Mayor Young

	2018 Actual YTD	2018 Budget	2018 Variance
Remuneration/Benefits	88,958	88,746	(212)
Travel & Training	11,798	25,300	13,502
Meetings & Public Relations	11,537	18,500	6,963
Total Expenditures	112,293	132,546	20,253

Note:
 In 2018 Council was budgeted as a whole. At year-end all of Council was within budget.
 In 2019 the budget process will change to budget each Council individually

2018 Results – Councilors

Finstad	2018	2018	2018
	Actual YTD	Budget	Variance
Remuneration/Benefits	47,560	45,743	(1,817)
Travel & Training	9,038	5,200	(3,838)
Meetings & Public Relations	3,981	900	(3,081)
Total Expenditures	60,579	51,843	(8,736)

Beckett	2018	2018	2018
	Actual YTD	Budget	Variance
Remuneration/Benefits	42,769	45,743	2,974
Travel & Training	3,796	5,200	1,404
Meetings & Public Relations	1,568	900	(668)
Total Expenditures	48,134	51,843	3,709

Note:

In 2018 Council was budgeted as a whole. At year-end all of Council was within budget.
In 2019 the budget process will change to budget each Council individually

2018 Results – Councilors

Lazowski	2018	2018	2018
	Actual YTD	Budget	Variance
Remuneration/Benefits	45,740	45,743	3
Travel & Training	3,221	5,200	1,979
Meetings & Public Relations	329	900	571
Total Expenditures	49,289	51,843	2,554

Hamilton	2018	2018	2018
	Actual YTD	Budget	Variance
Remuneration/Benefits	47,883	45,743	(2,140)
Travel & Training	1,400	5,200	3,800
Meetings & Public Relations	357	900	543
Total Expenditures	49,640	51,843	2,203

Note:

In 2018 Council was budgeted as a whole. At year-end all of Council was within budget.
In 2019 the budget process will change to budget each Council individually

2018 Results – Councilors

Tillack	2018 Actual YTD	2018 Budget	2018 Variance
Remuneration/Benefits	48,107	45,743	(2,364)
Travel & Training	4,879	5,200	321
Meetings & Public Relations	256	900	644
Total Expenditures	53,241	51,843	(1,398)

Hansen	2018 Actual YTD	2018 Budget	2018 Variance
Remuneration/Benefits	42,988	45,743	2,755
Travel & Training	4,463	5,200	737
Meetings & Public Relations	753	900	147
Total Expenditures	48,204	51,843	3,639

Note:
 In 2018 Council was budgeted as a whole. At year-end all of Council was within budget.
 In 2019 the budget process will change to budget each Council individually

2018 Organizational Wide Successes

National Curling Championships

GIS Department Ranked 4th by Public Sector Digest

Launch of:

- Live Leduc
- Intellex
- Cityworks

FCSS Award Outstanding Organizations & People in Housing



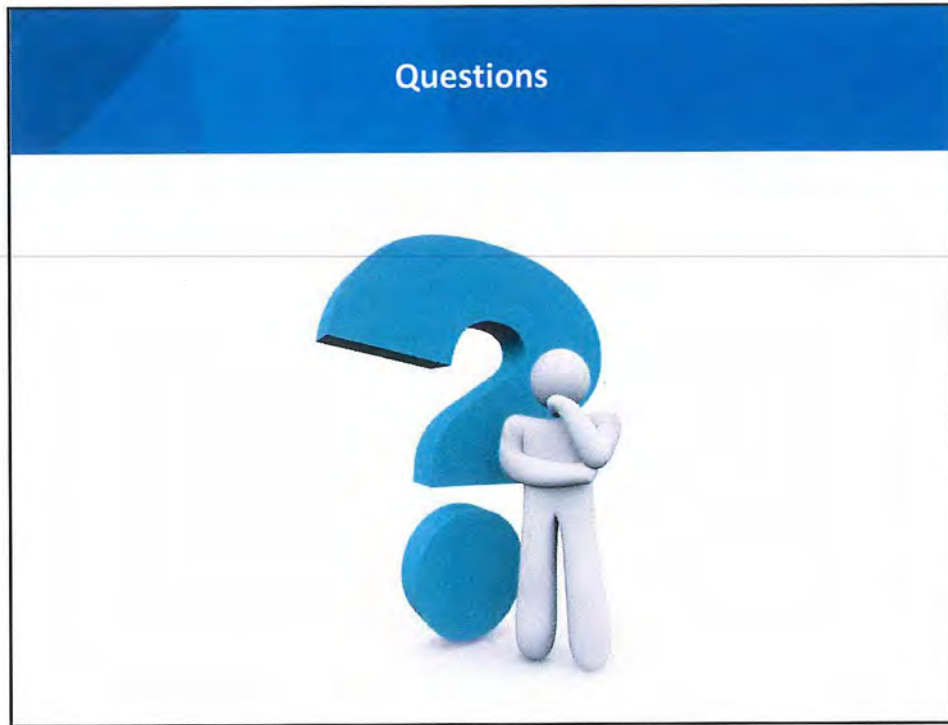
In 2018 Leduc was listed as the
6th Friendliest ☺ Community in Canada!!!

Leduc Transit Hits 94,000 Trips!

Emergency Management Team Award

GFOA International Budget Award

Expanded Transit Routes



2019 Mill Rate Process

Presented by:
 Jennifer Cannon, Director, Finance
 Gino Damo, Manager, Revenue Services



Budget Approval December 3, 2018

	2019	2020	2021
Base Operational & Capital Requirements	0.83%	2.39%	3.15%
RCMP	1.32%	1.32%	-
Enhanced Transit	0.74%	0.74%	0.74%
Partnership Opportunities	-	-	1.16%
Tax Revenue Increase	2.89%	4.45%	5.05%

Proposed Tax Revenue Increase 2019 to 2021 Multi-Year Tax Strategy

	2019	2020	2021
Base Operational & Capital Requirements	0.83%	2.39%	3.15%
RCMP	1.32%	1.32%	-
Enhanced Transit	0.63%	0.63%	0.74%
Partnership Opportunities	-	-	1.16%
Proposed Tax Revenue Increase	2.78%	4.34%	5.05%
Proposed Target		2.00% to 3.00%	2.00% to 3.00%

← Revised Strategy

Reduction of \$100K for Enhanced Transit

Proposed 2019 % Tax Revenue Increase Municipal Comparators

	City of Edmonton 2.60% increase	City of Fort Saskatchewan 2.80% increase	City of Leduc 2.78% increase
	City of Spruce Grove 3.50% increase		City of St. Albert 0.40% increase
			
	Strathcona County 0.83% increase	Leduc County 1.50% increase	



What the 2019 Budget Brings



- Protective Services Building Expansion
- CP Rail Crossing Upgrades
- Increased focus on arts and culture within Leduc



- Energy Management Initiatives
- Implementing the IT Strategic Plan (supporting open government, open data, smart cities)



- Sport Tourism Events (e.g. Rogers Hometown Hockey)
- 65th Avenue Interchange - Phase 1
- Continued focus on Economic Development



- Leduc Transit-Regional Collaboration
- LED Streetlight Conversion Partnership
- Continued focus on Regional Partnerships

Enhanced Service Levels



Youth Wellness





LRC seniors – Facility Access





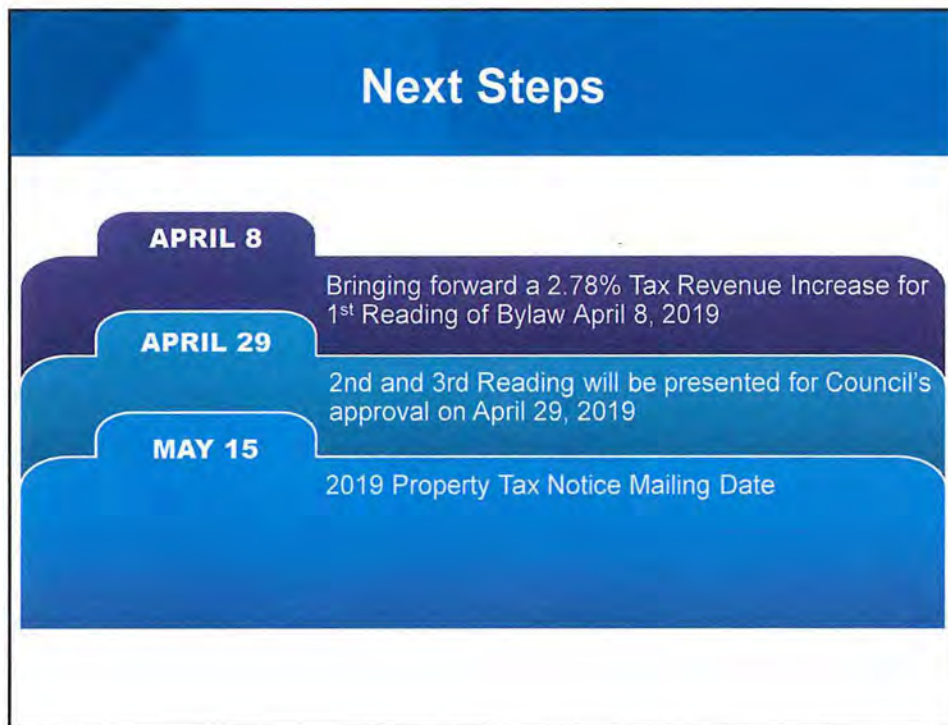
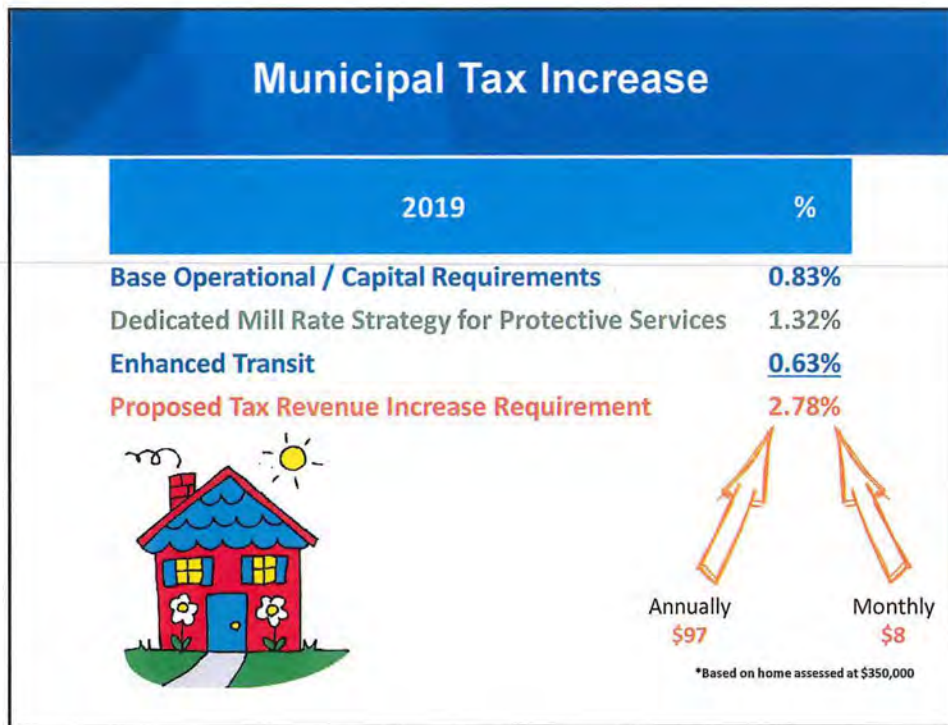
Waste Diversion Pilot Project





Enhanced Client Services







Discussion



Alberta Global Trade Corridor
Advocacy Report, Mayor Bob Young



BACKGROUND

Mayor Bob Young and Brandy Kelly, Government Relations Advisor, travelled to Ottawa on March 19th-21st to raise awareness and generate support for the Alberta Global Trade Corridor project. Mayor Young was attending a Sport Tourism conference in Ottawa already, which made it an ideal time to engage elected officials and policy leads.

The week was an exceptionally busy time on Parliament Hill with the federal budget being delivered on March 19th. Despite that fact, a large number of MPs and political staff committed to meeting with Mayor Young to discuss this important project.

While the budget created few difficulties with meetings and logistics, and ongoing dispute over the testimony of former Justice Minister Jody Wilson-Raybould led to a dispute in the House of Commons. As a result, the opposition forced 30 hours of straight voting which led to some meetings being cancelled. Despite that fact, the meetings that were held generated considerable positive support for the project.





RESULTS

Mayor Young was very well received in each of the meetings we attended.

The office of the Hon. Mary Ng will receive a list of local small businesses and background information on the Leduc Food Processing Centre, where they were very interested in the incubator/ecosystem angle, to promote the trade corridor project with Minister Garneau

The office of the Minister of Infrastructure will be reaching out to their colleagues in the Minister of Transport's office to share background information about Leduc's EOI, and there is a strong personal connection with the Director of Policy for Minister Garneau

Minister Sohi will also be encouraged to speak with Minister Garneau by his Senior Stakeholder Relations Advisor to encourage support for the project.

All Edmonton area Conservative MPs will be co-signing a letter with the Shadow Minister for Transport to showcase bi-partisan support for the trade corridor





MEETINGS

Meetings were held with the following offices:

Jason Easton, Chief of Staff; Simon Robertson, Director of Policy; and Linda Campbell, Western and Northern Advisor to the Hon. Mary Ng, Minister of Small Business and Export Promotion

Matt Jeneroux, MP for Edmonton Riverbend, and Member of the Standing Committee on Transport, Infrastructure and Communities

Kelly Block, MP for Carleton Trail-Eagle Creek, Conservative Shadow Minister for Transport

Mike Lake, MP for Edmonton-Wetaskiwin

Damien O'Brien, Senior Advisor, Stakeholder Relations to the Hon. Amarjeet Sohi, Minister of Natural Resources

Joseph Pickerill, Chief of Staff, to the Hon. Francois Philippe Champagne, Minister of Infrastructure



MEETINGS

Meetings were also scheduled with the following MPs, but were not carried out due to votes:

Hon. Wayne Easter, Chair of the Finance Committee

Randy Hoback, MP for Prince Albert and Member of the Standing Committee on Int'l Trade

Ron Liepert, MP for Calgary Signal Hill

Dane Lloyd, MP for Sturgeon River-Parkland

Ron Liepert and Dane Lloyd will both be making time to meet with Mayor Young in the near future to discuss this project.

Further, we will work to set up conference calls with the MPs who wished to meet that are located too far away for an in-person meeting.

Mayor Young will also be meeting with Randy Boissonnault in Edmonton in the near future.



From: President [<mailto:President@auma.ca>]

Sent: October 15, 2018 11:58 AM

Subject: AUMA Response to Municipal Cannabis Transition Program

Hello Mayors and CAOs,

Earlier today, the provincial government announced the cannabis revenue sharing deal under the Municipal Cannabis Transition Program (MCTP). This deal will hurt all municipalities and places the costs of legalization on the backs of Albertans, while the provincial government pockets the funds collected.

The federal government has been clear that 75 per cent of the Cannabis Excise Tax will go to provinces to share with municipalities according to shared responsibilities. But as today's MCTP outlines, over 215 Alberta municipalities will not receive any funds collected from that excise tax. Only 52 municipalities will be eligible for funding – funding that is inadequate and conditional on a grant application process that includes a reporting process full of red tape.

As a collective, we need to urge the province to come back to the table to create a revenue sharing program that provides municipalities with the necessary and reasonable funding required to manage cannabis legalization.

And we can only do that with your help.

1. Reach out to provincial and federal counterparts today. We have attached a template for you to use to let local MLAs know that because the provincial government did not engage municipalities in meaningful consultation, they failed to fully comprehend the impact legalization will have in our communities. You can also let local MPs know that the federal government entered into this agreement with the expectation that provinces would fairly distribute cannabis funds, but Alberta did not hold up their end of the bargain.
2. AUMA is providing key messages (attached) that can be used in conversations with stakeholders and other community leaders. A unified and shared message across the AUMA membership will amplify our voice. This issue hurts every municipality in Alberta, so the province should hear from every municipality. You can include examples of local costs that will affect your community as well.
3. Hold conversations with your council about a media engagement plan. A column has been provided for your use and we encourage you to share it with your local publications. Consider reaching out to your local media to provide input into the new MCTP arrangement and let them know it's a bad deal for residents in your community. This will ensure Albertans know that the province has left them on the hook to cover the costs of legalization.
4. Social media will be a useful tool in engaging with the province and informing our community members on the negative impacts of this deal. Follow @TheAUMA on Twitter and retweet important information that will be shared over the coming days. Actively share the unified key messages on your own social media channels as well.

In addition to our unified advocacy efforts in the province, AUMA has also reached out to the federal government. I will be sending a letter to Federal Finance Minister Bill Morneau outlining our concerns with the province's failure to appropriately share excise taxes with municipalities and asking for

consideration of options which could include the potential of withholding Alberta's share of the excise tax until an agreement that provides municipalities with the resources needed has been reached.

Members, I know you understand the gravity of the situation and how this deal the province is attempting to force upon us will hurt our communities. Municipalities are being put in an unfair position of choosing between safe communities or increased taxes for our residents as the province downloads the costs of legalization onto us. We are here to collaborate in equal partnership with the province, so let's work together to make sure they hear our voices on this, loud and clearly.

Sincerely,

Barry Morishita | President
Mayor, City of Brooks

C: 403.363.9224 | president@auma.ca

Alberta Municipal Place | 300 8616-51 Ave Edmonton, AB T6E 6E6

Toll Free: 310-AUMA | www.auma.ca



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STRONG COMMUNITIES



BUILD ALBERTA

#abvote

For immediate release

AUMA launches “Strong Communities Build Alberta” campaign for provincial election

(Edmonton, March 20, 2019) – Getting municipal issues front and centre of the election candidates is of primary importance for the Alberta Urban Municipalities Association (AUMA). The three issues AUMA wants addressed by provincial candidates are **equitable infrastructure funding; a fair share of cannabis revenue; and improved resources for policing services.**

“These topics should not be a surprise to anyone who has been paying attention as AUMA has been advocating on these issues for quite some time,” says Barry Morishita, AUMA president. “Municipalities need equitable funding for infrastructure. The City of Calgary and the City of Edmonton have received a long-term funding agreement linked to provincial revenues, now is the time for the rest of Alberta municipalities to get the same type of deal. We also need a commitment for our fair share of cannabis revenue, and we need a new funding model to improve resources for police services.”

AUMA noted that, while it has several activities planned over the next four weeks, the primary focus of the campaign is engaging municipalities to add their voice to the conversation.

“The provincial election is an opportunity to unify our municipal voices so political parties across the spectrum will understand that it is strong communities that build Alberta,” says Morishita. “We are providing our members with tools and resources to help get the three key issues in front of the candidates in their riding and help them understand how important it is to get a commitment to resolve these issues - sooner than later.”

While the parties will be campaigning on what they will do for the province, President Morishita wants to ensure all candidates understand the bigger picture.

“Municipalities are the boots on the ground. It is in our communities where things happen and the only way to build a strong Alberta is to have strong communities.”

More information on the ‘Strong Communities Build Alberta’ campaign can be found on the [AUMA website at auma.ca](http://auma.ca).

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



MEETING DATE: April 8, 2019

SUBMITTED BY: Paul Benedetto, City Manager & Irene Sasyniuk, General Manager, Corporate Services

PREPARED BY: Same as above

REPORT TITLE: City Manager's Office & Corporate Services 2020 Budget Overview

REPORT SUMMARY

This report provides a high level overview of some of the proposed changes to the 2020-2022 Corporate Services operational budget.

Overall the City Manager/Legal Services and Corporate Services budgets will maintain the 2019 budget levels with the exception of the Corporate Information Technology budget where there are increases to align with costs to implement initiatives identified through Council's Strategic Plan, the Corporate Business Plan and the IT Strategic Plan.

BACKGROUND

PREVIOUS COUNCIL/COMMITTEE ACTION:

Four previous discussions were held with Council regarding how to improve the City's budgeting process:

- 1) #2018-CoW-089 - 2020 Preplanning Budget Workshop – December 10, 2019
- 2) #2018-CoW-096 - 2020 Preplanning Budget Workshop Follow-up – January 14, 2019
- 3) #2019-CR-011 – 10 Year Capital Plan Sequencing – February 25, 2019
- 4) #2019-CoW-022 - 2020 Budget Financial Overview - March 18, 2019

KEY ISSUES:

Changes (increases or decreases) to the City's base budget are typically triggered by the following factors:

- Strategic and Corporate priorities
- Growth pressures
- Change in legislation
- Ratepayer expectations
- Inflation
- Enhanced efficiencies
- Regional Initiatives
- Other, i.e. contractual obligations, organizational needs, transferring responsibilities from other levels of government, regional requirements, etc.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



CAPITAL GRANT REVENUE

Municipal Sustainability Initiative (MSI) Grant Funding in Jeopardy

The City's Revenue Registry has identified the MSI Grant revenue as one of the most vulnerable/risky revenues the City receives. This vulnerability stems from the fact that this is a Provincial grant that currently has no long-term commitment. This funding is a significant source of revenue for our 10-year capital program. In 2018 the City's allocation was \$5.1M, which included an operating component of \$237k.

During the Alberta Urban Municipalities Association (AUMA) Spring Caucus held March 27 and 28, 2019, there was indication that the MSI could be significantly reduced – possibly by more than 20%. If this were the case, this would reduce our capital program by approximately \$1M/year and \$10M over the 10-year time frame.

Federal Gas Tax Fund (GTF) Grant One-Time Funding Increase

On March 19, 2019, as part of his latest budget, Finance Minister Bill Morneau announced the gas tax fund would receive a one-time, \$2.2 billion boost this year — essentially doubling what's available to Canadian municipalities for infrastructure projects.

This one-time boost in funding would result in extra capital funding of approximately \$1.7M for the City of Leduc. The exact timeline for receiving the funding is contingent on the passage of the Budget Implementation Act, which under the normal legislative process would take place by the end of June. The Federation of Canadian Municipalities (FCM) understands that the funding will flow to municipalities per the existing process after Budget 2019 is passed. FCM will continue to provide the latest information to our members.

CITY MANAGER'S OFFICE (CMO)

The City Manager's office (CMO) is a unique department in that its primary focus is to support and facilitate the council-administrative interface. As such, each of the functions and service levels within the CMO is predominantly knowledge-based, focused on meeting legislative requirements and providing advisory and strategic services to Council, the executive team and, where necessary, to other business units. This includes responsibility for strategic position and our overall participation in regional initiatives. In simple terms, it means our outcomes are less literal/tactile than other departments. It also means that the work is, by nature, less predictable and subject to fluctuation. This considered, the financial impacts have been handled within existing budgets with resourcing added or moved within the organization as a need has arisen. The CMO continues to deliver on its service levels with no significant projected increases in 2020.

Efficiencies include:

- Moving the facilitation of the strategic plan review in house (\$15K)

Discretionary budgeting includes:

- Ottawa-based federal advocacy and grant application support—this service level depends greatly on need, opportunity and timing. Provision is currently made annually in contracted services to address this. (\$25K)

OFFICE OF THE CITY CLERK

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



The Office of the City Clerk is a service provider to Council, Administration and residents. In order to meet the ever changing needs of residents and municipal government:

Meeting Management System

2019 will see the implementation of the first Meeting Management System. As part of the Meeting Management System, live streaming of Council meetings is scheduled for implementation in 2020. The cost for equipment upgrades in Council Chambers is approximately \$40,000. Council could make the decision to postpone the upgrades to Council Chambers and as a result postpone, live streaming of Council meetings.

Electronic Records Document Management System

A new Electronic Records Document Management System (ERMDS) has been budgeted for 2020 in the amount of \$300,000. The current system was purchased in 1999 and is no longer meeting the needs of the City. The implementation of the new ERMDS could be postponed to 2021 or later as this will need to be sequenced with the new ERP system to allow for internal capacity constraints. However, it is important to bear in mind that good corporate records are vital to the municipality and for disaster recovery. If capacity allows, it is recommended that implementation of a new ERMDS not be delayed beyond 2021.

Annual Municipal Census

The cost of paying census workers has decreased with the introduction of the online census. The current budget of \$35,000 for census workers will be reduced to \$15,000 to align with actual costs.

Doing an annual census is a decision of Council and not rooted in legislation. The cost of the 2018 census was \$52,266. The census ensures we maximize grant opportunities that utilize population in their calculations. Residents use services such as schools, roads, recreational facilities, emergency services, police services and libraries all of which benefit from grant funds. Even with an increase in population of only 2%, the census pays for itself in increasing per capita based Provincial and Federal funding. Given our ongoing population increases we do not believe it would be a sound recommendation to City Council to suspend the annual census at this time.

LEGAL SERVICES

Overall, Legal Services is maintaining the 2019 budget levels.

Contracted Services is a pressure point due to the unpredictable nature of some of the issues the City deals with. Looking at the trends to contracted services over the last 3 years, the budgeted amount (\$154k) did not change significantly and the actuals (\$146k) were under budget, however the gap between budgeted and actuals is closing. This is consistent with a growing organization dealing with greater and greater complexity. We have internal counsel to handle the core business matters and nuanced details and relationships of the City's business. However, internal counsel will need to coordinate with outside law firms for specific specialized matters (i.e. litigation, tribunals, land).

CORPORATE SERVICES

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



New Enterprise Resource Planning (ERP) System

Replacing the City's Financial and Human Resource software platforms will be one of the largest projects undertaken by Administration in many years. The current system is over 20 years old and does not meet the needs of Administration, Council or our ratepayers. This is a transformative project that is being initiated in 2019 and will be a multi-year change management project affecting the entire organization. Administration is currently in the process of determining requirements to ensure the scope of the project is fully understood and resourced. A budget has been allocated to this project based on high level estimates. However, when the project charter is fully developed this year, there may be further budgetary requests for 2020 and beyond.

FINANCE DEPARTMENT

Assessment Services / Split the Tax & Assessment Notices in 2020

This is an area where we expect to see a decrease in contracted dollars. Accurate Assessment is the new service provider. Savings of \$40k were realized through the competitive Request for Proposal process. A portion of these savings will be utilized to cover additional costs to enable the City to split the tax and assessment notice. This has been very successful in other municipalities and helps to create a stable tax roll in the spring. It is advantageous for the rate payer because it provides clarity and lets them understand how their assessment plays a part in the determination of taxes. This means that the assessment notice would be mailed in January with the complaint period ending late February or early March. Tax notices would be mailed in May. The tax notices would be expanded to clearly show the municipal tax and the provincial tax.

Audit Services

Audit Services went through a competitive Request for Proposal process in 2018. As a result, an annual savings of 12% or \$10,000 was realized in this area.

Bank Service Fees

This is an area has seen a steady increase year over year. The increase is a result of more customers who are using online banking and the addition of the availability of online permit payments through City View. An additional \$15k will be required in the 2020 budget (2019 budget \$135k, 2020 adjusted to \$150k) as the 2018 actual cost was \$146k. This highlights the need to capture these costs within the rates (i.e. permitting rates). Permitting fee payments is an example where increased costs are incurred due to having to pay a 2.5% fee when credit card payments are made online. Therefore, a \$50k permit fee payment costs the City \$1,250. This fee is currently not included in the permit fee.

Utilities – Monthly Billing Business Case

Administration has been considering moving from bi-monthly to monthly utility billing for a number of years. It was our intent to bring forward a business case (as this is an increased level of service) this year for implementation in 2020. However, as additional resources would be required to provide the enhanced level of service and due to overall fiscal pressures, unless directed otherwise by Council, Administration will suspend the preparation of this business case.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



Efficiencies for finance:

- Regular issuance of RFP's (over the last several years we issued RFP's for auditors, assessment, investments, budget survey and have realized savings for all of these contracts)
- Continued focus on promoting e-billing
- Refined financial analysis processes to reduce time requirements in the areas of budgeting and special project requests

COMMUNICATIONS & MARKETING SERVICES (CMS)

Other than contract services, CMS is holding the line on all expenses to align with the 2019 budgets. Contract services has been tightened up to only reflect the Chamber of Commerce contracts (Visitor Information Centre and the Parade Float). However, there may be additional funds required for specific projects such as the intranet (project initiated in 2019) or other projects related to strategic and corporate goals or emerging items, i.e. 65th Avenue construction, new Accord initiatives, etc.

A focus for enhanced efficiencies will be to determine how to further integrate cross-departmental communications and engagement strategies to minimize resource requirements and costs. The completion of the engagement framework in 2019 will provide valuable insights in this area.

HUMAN RESOURCES & OH&S

Overall, the Human Resource and OH&S budget will not increase over 2019. In order to achieve this, adjustments have been made in both areas as we have also lost revenue in the form of the WCB rebates (approximately \$40,000 per year).

Council had a number of questions regarding our OH&S Program during the 2019 budget deliberations as additional resources were required for 2019 and 2020 (2-year term position) to address the need for additional training and revisions to policies to be compliant with new legislation. As noted below under Pressure Points, new legislation is a key driver of work at the current time. It is our hope that once our systems are updated to meet legislative compliance that the additional workload will subside.

An overview of the Occupational Health Safety and Wellness Program is attached to assist with an understanding of the full scope of our program delivery.

Corporate Training

Our initial proposal for the 2020 and 2021 budgets was to increase the Corporate Training envelope from \$150,000 to \$165,000 to allow for expansion of this very successful program. However, to align with the fiscal reality, this has been trimmed back to \$145,000 for both years. This aligns with the actual funding that was utilized for the past three years and will still allow for a robust corporate training program. Statistics for our Corporate Training and OH&S training are as follows:

2015: Professional Development (PD) – 300 Participants over 29 courses; OHS – 263 Participants over 52 courses

2016: PD – 550 Participants over 22 courses; OHS – 305 Participants over 58 courses (online and in-class)

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



2017: PD – 465 Participants over 29 courses; OHS – 457 Participants over 94 courses (online and in-class)

2018: PD – 448 Participants over 30 courses and a number of targeted training sessions; OHS - 870 Participants over 103 courses (online and in-class). New for 2018: 12 Substance Abuse Prevention (SAP) training sessions for our new SAP policy and developed the SAP video for continued education.

Turnover and Recruitment Statistics

- 2018 turnover rate 1.87%
- 2018 number of competitions 100, with an additional 24 that were not “full competitions” (for example, a term position may have been filled with an existing casual, etc.) 32 competitions have been processed as of mid-February 2019.

Pressure Points

- a. Keeping up with legislative changes such as:
 - the Fair and Family Friendly Workplaces Act which resulted in changes to the Alberta Employment Standards and hence, a number of changes to our policies, procedures and processes within the organization
 - Changes to the Alberta Labour Code, OHS legislation, CORE audit, WCB legislation and legalization of cannabis by the federal government
- b. Abilities Management – increased case management – although Administration has enhanced the service level in this area over the past few years, sick leave and number of files continue to increase:
 - Increase in the number of non-occupational cases (2018 - lost hours up 61% over 2017; has increased over 260% since 2016)
 - Increase in sick leave (2018 - increase 21% over 2017; has increased 64% over 2016)

A breakdown of the absence categories reveals a number of key causes, although often camouflaged by the “medical reasons” umbrella term offered by attending physicians. Principal among them are surgeries – (more than six weeks’ absence on average); mental health / psychological leaves; care of family members (particularly under the compassionate care requirements of the Fair and Family Friendly Workplace Act); personal reasons (custody disputes; divorce; bankruptcy; non-medical family problems); workplace stress and fatigue; severe illness leaves including cancer, heart / stroke episodes and rheumatoid arthritis.

Some of the factors that may be contributing to the above increases could include the current economy; heavy workload demands; the need for enhanced proficiency and skill levels of “people-managers” to manage interventions and deal proactively with emerging symptoms; lack of organizational capacity to case manage and monitor developing situations and aging software systems that make it difficult to report on attendance management concerns.

- c. Other
 - Addition of MacLab and an additional union
 - Over 100 competitions in 2018, many with very high volumes of applications

Areas of efficiency

- Acquiring and implementing an Applicant Tracking System, which will save time and create efficiencies for hiring supervisors, as well as saving time and creating efficiencies within HR
- Offering on-line training options (more cost effective, and allows employee flexibility in terms of when they can do the training)

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



- Refinements to the performance management process and the related merit process – simplified the process for staff and supervisors

CORPORATE INFORMATION TECHNOLOGY (CIT) SERVICES

Since the primary function of information technology is to enable business strategies and objectives, significant changes in the CIT budget are primarily driven by the initiatives in the Corporate Business Plan and the projects in the 10 Year Capital Plan.

The following are 2020/21 CIT budget impacts based on these plans. The addition of business cases or changes to these plans would trigger discussions to identify any IT implications to enable such.

Contract Services: A thorough review of the software maintenance contracts budget has been undertaken. As such, this budget line will be decreased by approximately \$50,000. However, currently we are anticipating an additional \$100,000 requirement in contract services for 2020 and another \$76,000 in 2021 to support/implement a number of initiatives identified in Council's Strategic Plan, the Corporate Business Plan and the IT Strategic Plan. Examples of some of these initiatives include:

- Open Data Strategy
- Smart Cities Strategy
- Citizen Reporting Tool (call/incident management)
- Application Rationalization
- Enterprise Architecture

All of the above initiatives are currently being reviewed and prioritized to determine whether we actually have the capacity and resources required to complete them in 2020 to 2022. Other initiatives to note are:

1. Microsoft Office 365 (MS 0365)

- 1.1. Migration Timeline: The Enterprise Agreement with Microsoft signed in 2018 runs from 2019-2021. Therefore, a full migration to Office 365 is not needed until at least the end of 2021. Since Microsoft has been extending the deadline for on-premise licensing (what we have now), this deadline may be extended.
- 1.2. License Costs: MS O365 license costs are frequently changing. Given the current costs, a full migration to MS O365 would be \$100,000 – \$200,000 per year in licensing costs. This large cost range is due to the complexity of licensing levels and bundles. We are working with consultants to determine the appropriate levels and bundles for the City.
- 1.3. eScribe Single Sign On: The first specific requirement for Microsoft cloud services in 2019 is single sign on for 100 eScribe (Meeting Management) users at a cost of approximately \$9,300 per year.

ATTACHMENTS:

Occupational Health Safety and Wellness Program Overview

RECOMMENDATION

This report is provided for Council's information.

Others Who Have Reviewed this Report

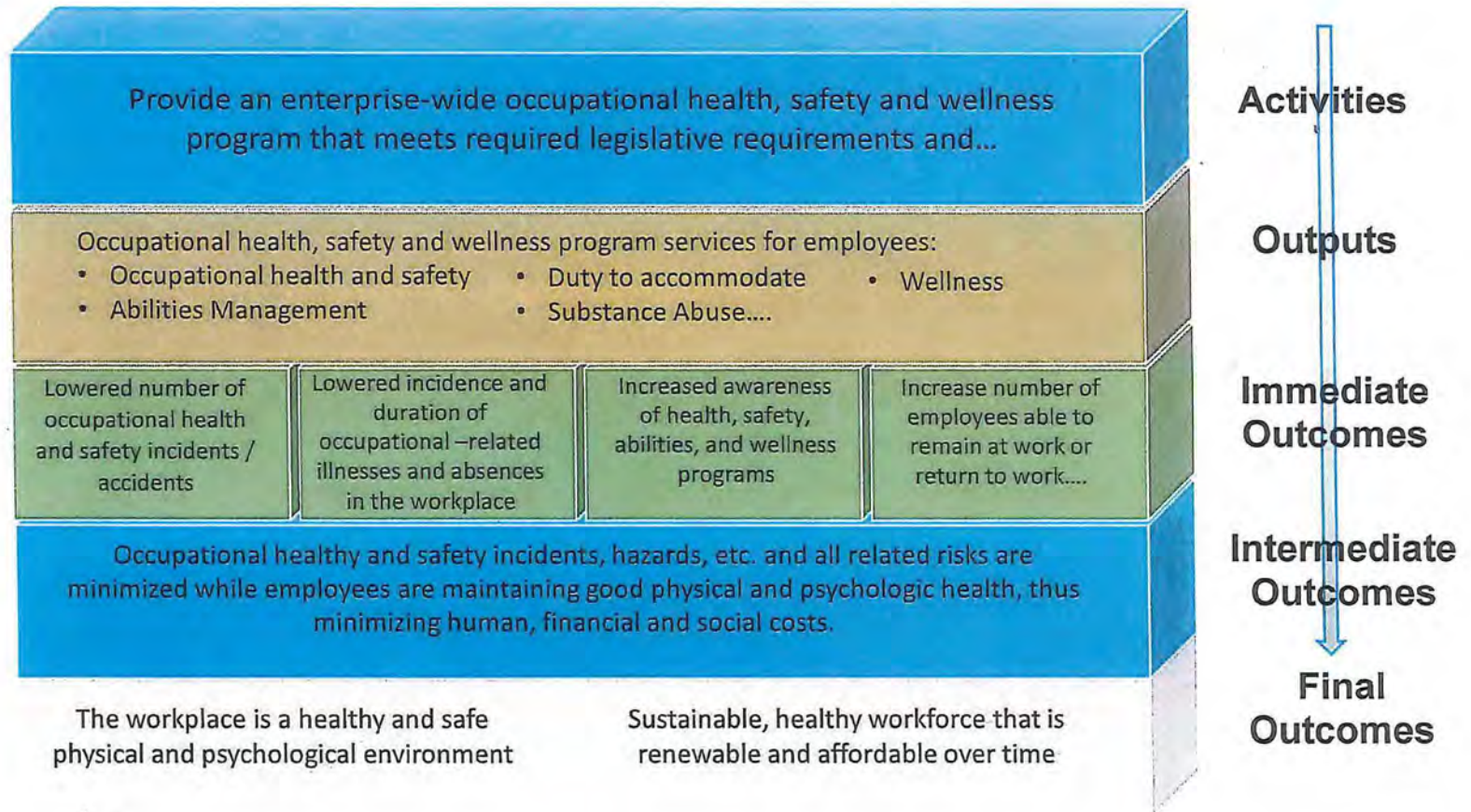
P. Benedetto, City Manager / I. Sasyniuk, General Manager, Corporate Services / D. Melvie, General Manager, Community & Protective Services / M. Pieters, General Manager, Infrastructure & Planning / Jennifer Cannon, Director, Finance

Occupational Health Safety and Wellness

530 employees
(up to 615 at peak times)
8 locations



Logic Model Application for Occupational Health, Safety and Wellness Program



Responsibilities and Activities Item	% of Time Allocations		
	Manager	Advisor	Advisor (term)
Business Unit Support -oversight of program -strategic leadership -ensure program development, implementation, delivery and support	35		
Client Services/Resources -ensure program leadership and delivery -counsel, advice, educate, etc. -OHS committee involvement, EOC involvement -act as SME when and as required	30		
Promotion and Adherence of the OHS Management System -support and assistance to all programs -audit participation (internal and external) -communication -hosting of events (NAOSH) -data collection and analysis, etc.	25		
Staying Current with OHS Legislation, PIR, Best Practice -participate with external stakeholder and SMEs -follow trends -ensure compliance	10		
OHS Software -assist with development, implementation and maintenance of OHS software (Intelex) -support employees on all aspects of the system -carry out analysis and reporting		25	25
Abilities Management, WCB, OIS and SAP -manage of cases and all related processes -work directly with WCB -implement and maintain OIS program and deal directly with OIS physicians -implement and maintain modified work program -act as DER for SAP program -implement and maintain physical demand analysis and cognitive demands analysis for all positions -coordinate drug and alcohol testing -produce and analyze statistical analysis and trend reporting		25	25
OHS Training and Education -establish schedule and track OHS training -assist with annual events (NAOSH) -coordinate and assist with the creation, development and communication of health, safety and wellness correspondence (Topic of the Monday) -support all employees – education and awareness relative to compliance with policies and legislation		20	20
OHS Management Systems -support and assist with program and service development, implementation and maintenance -assist with the all aspects of the OHS Management System -participate in internal and external OHS Management System audits -promote health, safety and wellness awareness throughout the organization -produce and analyze statistical analysis and trend reporting		15	15
Client Service/Resource -provide support and participate in emergency response drills, incident investigation, inspections, OHS Committees, etc. -provide support to all employees regarding OHS inquiries -coordinate and assist with the orientation of new employees -respond to safety inquiries, complaints, issues, etc. -represent the City at external OHS events, meetings, etc.		15	15

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



MEETING DATE: April 8, 2019

SUBMITTED BY: Irene Sasyniuk, G.M. Corporate Services and Mike Pieters, G.M. Infrastructure and Planning

PREPARED BY: Irene Sasyniuk, G.M. Corporate Services

REPORT TITLE: Update on Condominium Tax Enquiries

REPORT SUMMARY

To provide Council with an update relative to ongoing public enquiries and the City's subsequent response regarding requests for condominium tax reductions.

BACKGROUND

KEY ISSUE(S) / CONTEXT:

Since March 2018, Administration has received enquiries on several occasions from condominium owners. Most recently, on March 12, 2019 an email was received from Dianne Bergevin that was addressed to Councillor Hamilton referencing the possibility of waiving the education portion of taxes for seniors and/or instituting a 10% tax reduction for condominium owners (see attached). The impacts of the two options are as follows:

Impacts of Condominium owners not paying the provincial education taxes:

- Currently condominium owners within the City of Leduc pay \$1.1 M of the educational requirement. It is a requirement of the Province that all properties pay their portion of the education property taxes. The request for the cancellation of the educational property taxes cannot be considered as all other home owners would have to pay a higher amount to cover the reduction for condominium owners. The result is that an average home valued at \$350k would see an annual increase of approximately \$110 year to compensate for this.

Reduce condominium (municipal) property taxes by 10%:

- Condominiums would have to be setup with a separate mill rate (this is not recommended, as outlined below).
- Currently condominium owners pay \$3.3 M in municipal taxes.
- The removal of this would mean that all other home owners would have to pay a higher amount to cover the reduction for condominium owners. The request for a 10% reduction in property taxes cannot be considered. An average home valued at \$350k would see an annual increase of aprox. \$30 per year to compensate for the reduction for condominium owners.

A number of other requests were received throughout 2018 and addressed previously in Report # 2018-CoW-045 - Condominium Tax Update which was presented at the June 25, 2018 Committee of the Whole meeting. Within this report clarity was provided via the following key messages:

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



1. Administration conducted a comprehensive review and best practice research involving more than 20 Alberta municipalities and the findings show that communities without a separate mill rate for condo owners actually provide a greater benefit for said owners and condo boards.
2. Seven of the 23 municipalities contacted have a separate mill rate for condominiums, or multi-family dwellings, where the mill rate is higher than the residential mill rate. Those seven include Cold Lake, Drayton Valley, Edmonton, Lethbridge, Medicine Hat, Red Deer and Spruce Grove.
3. In Alberta, the current property tax framework shows no correlation between the services provided and taxation levied on properties. In actuality, taxes are based upon assessed value of the property and not on the use or availability of the services.
4. All City of Leduc taxpayers, including condominium owners, receive the same level of service across the board, which includes Family and Community Support Services, parks and recreation, police and fire protection. Condominium owners have the added benefit of falling within the residential mill rate as it provides a more equitable balance throughout all residential properties.

In addition to this, the City of Leduc has taken additional steps to ensure a high level of service as well as fair and equitable assessment for all condominium owners:

1. The City will take over the inspection of all fire hydrants for condominium owners if Council approves a motion to cover the costs, as recommended in this report.
2. The assessment approach has been refined to reflect market value within particular condo areas of the City (rather than grouping all condos together). This enables the assessment to be more reflective of the real estate market within particular neighborhoods. This will be in effect for the 2019 taxation year.
3. The City is collecting contact information for all Condo Board representatives in Leduc to enhance continued engagement.

PREVIOUS COUNCIL/COMMITTEE ACTION:

For Council Committee:

March 12, 2018 – Committee of the Whole Report – Condominium Mill Rate Review

Based upon enquiries from condominium residents requesting investigation of a separate mill rate for condominiums, Administration initiated a comprehensive review of 23 various municipalities across Alberta. During this review, Administration was unable to find any municipality that classifies a condominium that is considered a primary residence in a separate mill rate class.

Administration presented financial analysis identifying the impact of creating a separate mill rate for condominiums that confirmed that the City of Leduc's current assessment structure allows market conditions and other influencing factors to be spread out equitably amongst the entire residential assessment base (which includes condominiums) and provides overall stability.

This has been conveyed to Council through the following information provided in the reports listed below:

June 25, 2018 – Committee of the Whole Report - Condominium Tax Update

- Provided clarity on the March 12, 2018 Committee of the Whole Report
- Verified overall assessment range
- Provincial representative engagement clarified

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



- Confirmed assessments completed by contracted City Assessor
- Provided clarity on the services provided by the City of Leduc to condominiums; and
- Provided key messages to be relayed to condominium owners (included above)

October 15, 2018 – Committee of the Whole Report – City Services to Condominiums

Subsequent to a meeting with condominium owners on July 3, 2018 to discuss a perceived inadequacy of service provision, Council directed Administration to look into the concerns expressed by condominium owners at this meeting and report back to Council. The October 25th report (attached) addressed the following items that were raised at the meeting:

1. Condominium Board contact information list/database
2. Street lights
3. Outside lights on individual units
4. Water meter minimum charges for meters only used in summer for lawn care
5. Fire hydrants inspections
6. Blue bag and waste pickup
7. Snow removal
8. Snow disposal
9. Road maintenance

March 18, 2019 – Committee of the Whole Report - Private Hydrant Inspection Service

This report provided information to Council regarding the expansion of the City's annual hydrant inspection program. The program now includes Spring and Fall inspection services for all privately owned hydrants at no additional cost to the property owner. This inclusion was based upon a request from Council to Administration to review the feasibility of expanding the City's hydrant inspection program to include private hydrants located in condominiums and apartments with no additional charges administered for the inspections. As an outcome of this review, it was determined that the benefits to the community from expanding the hydrant inspections program to include private hydrants including commercial/industrial properties outweighed any loss of revenue from the collection of inspection fees.

The primary benefit of including private hydrants in the City's hydrant inspection program is increased safety for the community to both life and property. The Fire Department will have accurate operational information as well as familiarity with the location of all hydrants located within the City.

ATTACHMENTS:

- Report Number 2018-CoW-001 – Condominium Mill Rate Review – March 12, 2018
- Report Number 2018-CoW-045 – Condominium Tax Update – June 25, 2018
- Report Number 2018-CoW-054 – City Services to Condominiums – October 15, 2018
- Report Number 2019-CoW-020 – Private Hydrant Inspection Services – March 19, 2019
- Email addressed to Councillor Hamilton from Dianne Bergevin dated March 12, 2019

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



RECOMMENDATION

That Council directs Administration to bring forward a report to a regular meeting of Council outlining the above queries and subsequent information provided along with the following proposed motions for Council's consideration:

- 1) That Council approve the expansion of the City's hydrant inspection program to include private hydrants located in condominiums and apartments with no additional charges administered for the inspections. Funding to cover lost revenue of \$13,600 for 2019 will come from the Water Reserve with the ongoing cost to be imbedded in operational budgets on a go forward basis.
- 2) That Council deny the request to reduce condominium property taxes by 10% and the request to waive the Provincial Education taxes for condominium owners as all other homeowners within the City would incur substantial increases to their taxes to offset these reductions.
- 3) That Council retain the current mill rate structure for property taxes for multi-family properties, including condominiums, as this is a stable and equitable practice that benefits condominium owners and is based on a sound financial analysis as previously presented to Council on March 12th, 2018, in Report # 2018-CoW-001 – Condominium Mill Rate Review (attached).

Others Who Have Reviewed this Report

P. Benedetto, City Manager / I. Sasyniuk, General Manager, Corporate Services / D. Brock, Acting General Manager, Community & Protective Services / M. Pieters, General Manager, Infrastructure & Planning / Jennifer Cannon, Director, Finance

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



MEETING DATE: March 12, 2018

SUBMITTED BY: Jennifer Cannon, Director Finance

PREPARED BY: Gino Damo, Manager Revenue Services

REPORT TITLE: Condominium Mill Rate Review

REPORT SUMMARY

The City of Leduc has received inquiries from condominium residents with respect to having a separate mill rate for condominiums. In response to these inquiries Administration has reviewed numerous municipalities across Alberta. Based on the findings Administration is recommending that the City remain status quo as this is a stable and equitable practice for condominium owners.

BACKGROUND

PREVIOUS COUNCIL/COMMITTEE ACTION:

May 2, 2005- (Committee-of-the-Whole), Administration presented a financial analysis identifying the impact of a separate mill rate based on information submitted by the Fair Assessment of Condominium Taxes Committee. The City of Leduc's tax rate remained status quo at this time.

KEY ISSUES:

At this time the current practice is that condominiums fall within the residential taxation base; resulting in the same mill rate. Condominiums are treated the same as other residential properties in that the City provides municipal services to the municipal street front of all properties. The City does not access private residential property to provide services or maintenance of infrastructure. All services that the City provides such as FCSS, Parks and Recreation, Police, and Fire Protection are provided for each and every resident of the City on an equal access basis. However, garbage collection is handled differently, condominiums are not charged an environmental fee as they are private and it is paid through their condo fees; whereas all residential properties are charged the environmental fee.

The City of Leduc has received inquiries from condominium residents regarding looking into the feasibility of having a separate mill rate for condominiums. As a result of these inquiries Administration initiated a comprehensive review of various municipalities across Alberta. The table below identifies the municipalities that were reviewed. As part of this review the 2017 Property Tax Bylaws were studied and in an effort to obtain a heightened understanding, many of these municipalities were contacted for further explanation of existing mill rate structure, definitions, property classification, and past condominium mill rate considerations.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



- | | | |
|-------------------|---------------------|---------------------|
| • Edmonton | • Calgary | • Medicine Hat |
| • Cold Lake | • Airdrie | • Strathcona County |
| • Drayton Valley | • Fort Saskatchewan | • Grande Prairie |
| • Olds | • St. Albert | • Slave Lake |
| • Red Deer | • Spruce Grove | • Wetaskiwin |
| • City of Camrose | • Devon | • Beaumont |
| • Hinton | • Lloydminster | • Lethbridge |
| • Stony Plain | • Strathmore | |

Comparative Review

During this review Administration was unable to find any municipality that classifies a condominium (that is considered a primary residence) in a separate mill rate class. To clarify, this means that any condominium that is considered a primary residence is classified within the residential assessment classification; which is the current practice of the City of Leduc.

However, it was found that 7 of the 23 municipalities that were scanned had a separate mill rate for multi-family dwellings and this mill rate is higher than the residential mill rate. This separate mill rate has been labelled differently depending on the municipality, but it generally goes by the following: multi-family, multiple family, other residential, or multi-residential.

The below table illustrates the 7 municipalities with differing mill rates

<i>Municipality</i>	<i>2017 Residential Mill Rate</i>	<i>2017 Multi Family Residential Rate</i>
Cold Lake	6.764	7.511
Drayton Valley	5.695	11.437
Edmonton	6.007	6.971
Lethbridge	8.025	11.834
Medicine Hat	6.414	7.980
Red Deer	6.352	6.696
Spruce Grove	5.565	8.489

In an effort to understand why the separate mill rate is higher than the residential mill rate, Administration reviewed the definitions of each of these classifications and the impetus behind this decision to create this separate mill rate. Through discussion with each of these municipalities it was determined that the separate mill rate was for multi-family units that were held by one owner with multiple properties; essentially considered an investment property and not for primary use. The triggering point of whether or not it falls within the residential mill rate or the higher multi-family mill rate differs somewhat for each municipality and is typically determined through ownership (land titles) and exceeding a predetermined minimum number of dwellings. The intent of the higher mill rate classification is for properties that are income generating.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM

Separating the Condominium Mill Rate

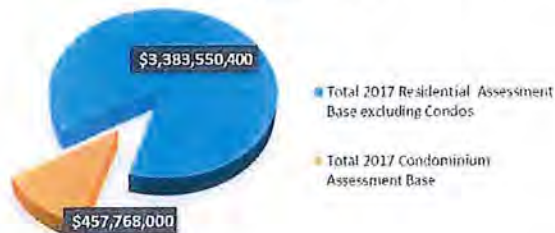
Administration also reviewed the feasibility of separating the condominiums into a separate mill rate. It is important to understand that in order to have a separate mill rate, the condominium assessment base would need to be detached from the overall residential assessment base. At this time the City of Leduc has an overall residential assessment base in the amount of \$3.8 billion (2017), as shown in the chart below.

What does the 2017 Taxable Residential Assessment Base look like?

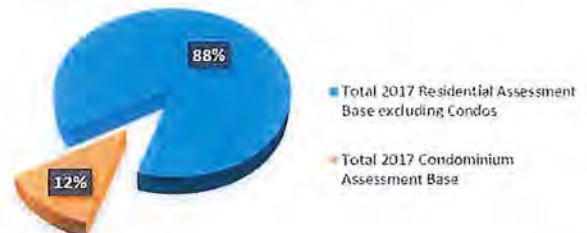


Within the residential assessment base condominiums comprise 12% or \$458 million, as shown in the chart below.

2017 Residential Assessment Base
\$ Condominiums



2017 Residential Assessment Base
% Condominiums



Drawing upon discussions with the comparative municipalities, along with Administration's knowledge of assessment and taxation, separating condominiums into a separate mill rate class will create instability. At this time, condominiums fall within the residential classification and this large assessment base (\$3.8 billion) insulates the small condominium sub-class (\$458 million) from market unpredictability and other influencing factors. Separating the condominium classification will result in increased volatility to this separate classification. To further explain, in a year where the condominium assessment base contracts as a result of market conditions, this will result in a significant mill rate increase if the condominium assessment base is separated. The reason why this would occur is because this separate class is no longer insulated from the larger residential assessment base. If the same contraction to the condominium assessment base occurred within the residential assessment base a minimal mill rate increase will result due to the size of the overall residential tax base it is encompassed within.

The City of Leduc's current assessment structure allows market conditions and other influencing factors to be spread out equitably amongst the entire residential assessment base (which includes condominiums) and provides overall stability.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



Concluding Remarks

Through this review of various municipalities, the following important key points emerged:

- Condominium apartments or townhouses that pay condo fees and are individually owned are levied the residential mill rate for all the municipalities.
- Separating condominiums into a separate and smaller assessment class will make condominiums susceptible to market conditions and lose their insulating environment.

RECOMMENDATION

This review reaffirms that keeping the condominiums within the residential assessment class supports a continued stable and equitable practice that benefits condominium owners. Administration recommends that we keep the current property assessment and mill rate structure status the same.

Others Who Have Reviewed this Report

P. Benedetto, City Manager / I. Sasyniuk, General Manager, Corporate Services / J. Cannon, Director, Finance

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



MEETING DATE: June 25, 2018

SUBMITTED BY: Jennifer Cannon, Director, Finance; Shawn Olson, Director, Engineering; Rick Sereda, Director, Public Services

PREPARED BY: Gino Damo, Manager, Revenue Services

REPORT TITLE: Condominium Tax Update

REPORT SUMMARY

Administration would like to provide Council an update with respect to the condominium tax inquiries.

BACKGROUND

PREVIOUS COUNCIL/COMMITTEE ACTION:

Committee-of-the-Whole- March 12, 2018- Condominium Mill Rate Review report and presentation.

KEY ISSUES:

Introduction

Since March 12, 2018, Administration has received inquiries on several occasions from condominium owners. Administration has responded to these inquiries with the following:

1. Provided clarity on the March 12, 2018 Report

- Indicated Administration conducted a review of 23 municipalities across Alberta and no municipalities had a lower tax rate for condominiums.
- Articulated that municipalities with a separate mill rate for multi-family class are investment properties and not for primary use and for these reasons, are in fact a higher rate.
- Mentioned advantages of condominiums being included in the residential assessment class include:
 - Market conditions and other influencing factors are spread out equitably amongst the entire residential assessment base which includes condominiums creating an insulating environment.
 - Provides overall stability for condominiums.
- Clarified that the March 12, 2018 meeting was a public meeting rather than an in-camera meeting.

2. Verified Overall Assessment Range

- Addressed the fact that assessment in the City of Leduc is provincially legislated.
- Affirmed that the condominium assessment class meets the quality standard +/-5% range as verified in the recent 2018 Provincial Review.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



3. Provincial representative engagement

In an effort to provide education on the overall legislative requirements, Administration reached out to Municipal Affairs to request a provincial representative to participate in an information session with the condominium owners regarding provincial assessment legislation. Unfortunately, Municipal Affairs does not address taxpayers in person.

4. Confirmed assessment with contracted City Assessor

Administration spoke to the contracted City Assessor where there were concerns from condominium owners and verified that these condominium owners' dwellings were assessed correctly. The Assessor confirmed that the condominiums were assessed correctly.

5. Provided clarity on the services provided by the City of Leduc to condominiums

City services such as FCSS, parks and recreation, police and fire protection are provided for each and every resident of the City on an equal access basis. Waste collection is handled differently as the City recognizes that condominiums pay for private waste collection, as a result condominiums do not pay the city an environmental fee.

Communications Strategy

Key Messages to relay to Condominium Owners

1. Administration conducted a comprehensive review and best practice research involving more than 20 Alberta municipalities and the findings show that communities without a separate mill rate for condo owners actually provide a greater benefit for said owners and condo boards.
2. Seven of the 23 municipalities contacted have a separate mill rate for condominiums, or multi-family dwellings, where the mill rate is higher than the residential mill rate. Those seven include Cold Lake, Drayton Valley, Edmonton, Lethbridge, Medicine Hat, Red Deer and Spruce Grove.
3. In Alberta, the current property tax framework shows no correlation between the services provided and taxation levied on properties. In actuality, taxes are based upon assessed value of the property and not on the use or availability of the services.
4. All City of Leduc taxpayers, including condominium owners, receive the same level of service across the board, which includes Family and Community Support Services, parks and recreation, police and fire protection. Condominium owners have the added benefit of falling within the residential mill rate as it provides a more equitable balance throughout all residential properties.

Communication Tactics

The following tactics will be utilized to relay the communication key messages:

- Website
- City Voice - July edition
- Facebook Workplace
- Twitter
- Social media

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



➤ Info graphics

Assessment and Taxation Framework

The property tax framework in Alberta is built around the fact that there is no correlation between services provided and the level of taxation levied on property. To provide further context, property tax is allocated based upon assessed value of the property and not on the use or availability of the services.

The City of Leduc's contracted assessor assesses all properties in the community resulting in an assessment value. This assessment value is applied to the approved mill rate to calculate the amount of property taxes owing. For the residential assessment class, the City has historically utilized a uniform rate (single rate of taxation) across all property types - this is in large part due to the fact that the City has not differentiated services to the property line between single family and multi-family residences.

Servicing Condominiums

Current Practice

At this time the current practice is that condominiums are treated the same as other residential properties in that the City provides municipal services up to the property line of all properties. The City does not access private residential property to provide services such as waste collection or road clearing or maintenance of infrastructure. All services that the City provides such as FCSS, Parks and Recreation, Police, and Fire Protection are provided for each and every resident of the City on an equal access basis. However, waste collection is handled differently, condominiums are not charged an environmental fee as they are private and it is paid through their condo fees; whereas all residential properties are charged the environmental fee.

The City of Leduc Engineering department also provides a higher level of service such as assisting with Substantial Completion inspections for parking lots within private developments including condominiums. This service is equivalent to providing driveway inspections, which the City does not currently conduct.

The City of Leduc offers private developments including condominiums the service to inspect fire hydrants in the spring for \$100 per hydrant and in the fall for \$50 per hydrant. The spring check includes testing the pressure of the hydrant. The fall check is ensuring the hydrant is ready for the winter. Keep in mind that this service is not provided to all private developments as these services are only provided by request only and major repairs and replacements are still the responsibility of the private development.

Consideration for Changes in Service

The City of Leduc has received inquiries from condominium owners to provide additional services above and beyond what is currently being provided. These services include waste collection and road maintenance at this time. Providing these services brings forward some concerns such as some condominiums do not have the necessary turning radius or adequate turn-around facilities for large vehicles or equipment such as waste trucks or snow clearing equipment therefore requiring the City to purchase new equipment.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



Another concern in providing these services is the fact that private property such as condominiums are not required to meet City of Leduc Engineering standards therefore many do not meet standards; as a result, inadequate road bases are being done in parking lots which can potentially lead to City and/or contractor vehicles or equipment causing damage to these parking lots. The City of Leduc Engineering department typically reviews and provides comments to condominiums in regards to following the Engineering standards for their developments however given that it is private property, there is no way to enforce these standards.

If the City of Leduc is to consider providing additional services to condominiums without taking on additional liability, at a minimum these condominiums should have to meet City standards. This could be attained for future developments if the City started mandating that City standards are followed, however this is largely unattainable for existing developments without removing and replacing existing services and roads. Further evaluations from a liability standpoint will need to occur between providing services to public and private properties.

In terms of waste collection, if the City approves the additional environmental assistance that is being requested through budget, one of the actions of the Environmental Sustainability department is to start working with condominium associations on waste management to determine what options are available. There is no one size fits all solution for condominiums as many do not have appropriate turning radius for waste collection trucks and as previously mentioned, not all have adequate road base for the trucks to drive on. This would be an ongoing exercise that will require much consultation and site specific solutions.

Financial Implications

Providing additional services such as road clearing will lead to a requirement to increase the operational budget. There is also the consideration that there will need to be an investment into equipment that can navigate through the smaller road access within condominiums. As these additional services are not currently budgeted a separate business case will need to be brought forward to Council as this is an enhancement to service levels.

Another important note to make is if the City provides waste collection as a service, the environmental fee of \$22.50 per month will be applied to all condominium owners through their utility bills.

Best Practice Measure

As a best practice measure, Administration reached out to Strathcona County inquiring on how they offer fire hydrant inspection services to private developments. In the past, similar to the City of Leduc, Strathcona County would offer the fire hydrant inspection services at a cost to the condominiums on a request only basis. In 2016, as a result of feedback and request from condominium owners, the County offered fire hydrant inspection services to all condominiums and absorbed the costs associated with conducting these services however major hydrant repairs and replacements are still the responsibility of the condominiums. At this time, Strathcona County does not offer any other services to condominiums other than the fire hydrant inspection service.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



ATTACHMENTS:

- Committee of the Whole March 12, 2018 Condominium Mill Rate Review Report

RECOMMENDATION

Administration presents this report to Council as information only.

Others Who Have Reviewed this Report

P. Benedetto, City Manager / B. Loewen, City Solicitor / I. Sasyniuk, General Manager, Corporate Services / M. Pieters, General Manager, Infrastructure & Planning / G. Damo, Acting Director, Finance

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



MEETING DATE: March 12, 2018

SUBMITTED BY: Jennifer Cannon, Director Finance

PREPARED BY: Gino Damo, Manager Revenue Services

REPORT TITLE: Condominium Mill Rate Review

REPORT SUMMARY

The City of Leduc has received inquiries from condominium residents with respect to having a separate mill rate for condominiums. In response to these inquiries Administration has reviewed numerous municipalities across Alberta. Based on the findings Administration is recommending that the City remain status quo as this is a stable and equitable practice for condominium owners.

BACKGROUND

PREVIOUS COUNCIL/COMMITTEE ACTION:

May 2, 2005- (Committee-of-the-Whole), Administration presented a financial analysis identifying the impact of a separate mill rate based on information submitted by the Fair Assessment of Condominium Taxes Committee. The City of Leduc's tax rate remained status quo at this time.

KEY ISSUES:

At this time the current practice is that condominiums fall within the residential taxation base; resulting in the same mill rate. Condominiums are treated the same as other residential properties in that the City provides municipal services to the municipal street front of all properties. The City does not access private residential property to provide services or maintenance of infrastructure. All services that the City provides such as FCSS, Parks and Recreation, Police, and Fire Protection are provided for each and every resident of the City on an equal access basis. However, garbage collection is handled differently, condominiums are not charged an environmental fee as they are private and it is paid through their condo fees; whereas all residential properties are charged the environmental fee.

The City of Leduc has received inquiries from condominium residents regarding looking into the feasibility of having a separate mill rate for condominiums. As a result of these inquiries Administration initiated a comprehensive review of various municipalities across Alberta. The table below identifies the municipalities that were reviewed. As part of this review the 2017 Property Tax Bylaws were studied and in an effort to obtain a heightened understanding, many of these municipalities were contacted for further explanation of existing mill rate structure, definitions, property classification, and past condominium mill rate considerations.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



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|-------------------|---------------------|---------------------|
| ◦ Edmonton | ◦ Calgary | ◦ Medicine Hat |
| ◦ Cold Lake | ◦ Airdrie | ◦ Strathcona County |
| ◦ Drayton Valley | ◦ Fort Saskatchewan | ◦ Grande Prairie |
| ◦ Olds | ◦ St. Albert | ◦ Slave Lake |
| ◦ Red Deer | ◦ Spruce Grove | ◦ Wetaskiwin |
| ◦ City of Camrose | ◦ Devon | ◦ Beaumont |
| ◦ Hinton | ◦ Lloydminster | ◦ Lethbridge |
| ◦ Stony Plain | ◦ Strathmore | |

Comparative Review

During this review Administration was unable to find any municipality that classifies a condominium (that is considered a primary residence) in a separate mill rate class. To clarify, this means that any condominium that is considered a primary residence is classified within the residential assessment classification; which is the current practice of the City of Leduc.

However, it was found that 7 of the 23 municipalities that were scanned had a separate mill rate for multi-family dwellings and this mill rate is higher than the residential mill rate. This separate mill rate has been labelled differently depending on the municipality, but it generally goes by the following: multi-family, multiple family, other residential, or multi-residential.

The below table illustrates the 7 municipalities with differing mill rates

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Red Deer	6.352	6.696
Spruce Grove	5.565	8.489

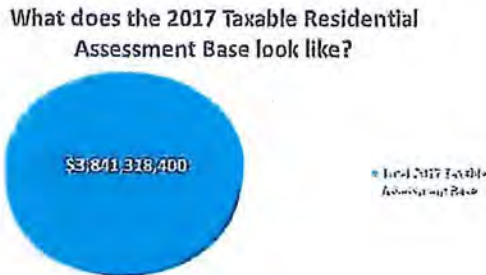
In an effort to understand why the separate mill rate is higher than the residential mill rate, Administration reviewed the definitions of each of these classifications and the impetus behind this decision to create this separate mill rate. Through discussion with each of these municipalities it was determined that the separate mill rate was for multi-family units that were held by one owner with multiple properties; essentially considered an investment property and not for primary use. The triggering point of whether or not it falls within the residential mill rate or the higher multi-family mill rate differs somewhat for each municipality and is typically determined through ownership (land titles) and exceeding a predetermined minimum number of dwellings. The intent of the higher mill rate classification is for properties that are income generating.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



Separating the Condominium Mill Rate

Administration also reviewed the feasibility of separating the condominiums into a separate mill rate. It is important to understand that in order to have a separate mill rate, the condominium assessment base would need to be detached from the overall residential assessment base. At this time the City of Leduc has an overall residential assessment base in the amount of \$3.8 billion (2017), as shown in the chart below.

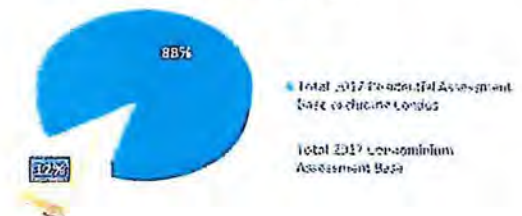


Within the residential assessment base condominiums comprise 12% or \$458 million, as shown in the chart below.

2017 Residential Assessment Base
\$ Condominiums



2017 Residential Assessment Base
% Condominiums



Drawing upon discussions with the comparative municipalities, along with Administrations knowledge of assessment and taxation, separating condominiums into a separate mill rate class will create instability. At this time, condominiums fall within the residential classification and this large assessment base (\$3.8 billion) insulates the small condominium sub-class (\$458 million) from market unpredictability and other influencing factors. Separating the condominium classification will result in increased volatility to this separate classification. To further explain, in a year where the condominium assessment base contracts as a result of market conditions, this will result in a significant mill rate increase if the condominium assessment base is separated. The reason why this would occur is because this separate class is no longer insulated from the larger residential assessment base. If the same contraction to the condominium assessment base occurred within the residential assessment base a minimal mill rate increase will result due to the size of the overall residential tax base it is encompassed within.

The City of Leduc's current assessment structure allows market conditions and other influencing factors to be spread out equitably amongst the entire residential assessment base (which includes condominiums) and provides overall stability.

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



Concluding Remarks

Through this review of various municipalities, the following important key points emerged:

- Condominium apartments or townhouses that pay condo fees and are individually owned are levied the residential mill rate for all the municipalities.
- Separating condominiums into a separate and smaller assessment class will make condominiums susceptible to market conditions and lose their insulating environment.

RECOMMENDATION

This review reaffirms that keeping the condominiums within the residential assessment class supports a continued stable and equitable practice that benefits condominium owners. Administration recommends that we keep the current property assessment and mill rate structure status the same.

Others Who Have Reviewed this Report

P. Benedetto, City Manager / I. Sasyniuk, General Manager, Corporate Services / J. Cannon, Director, Finance

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



MEETING DATE: October 15, 2018

SUBMITTED BY: Mike Pieters, General Manager, Infrastructure & Planning

PREPARED BY: Mike Pieters, General Manager, Infrastructure & Planning

REPORT TITLE: City Services to Condominiums

REPORT SUMMARY

On July 3, 2018, City of Leduc Council and administration attended a meeting with condominium owners to discuss City services to condominium properties that, in the opinion of owners, do not receive adequate services. Council has directed administration to look into the concerns raised at the meeting and to report back to Council.

BACKGROUND

PREVIOUS COUNCIL/COMMITTEE ACTION:

March 12, 2018. Committee of the Whole – VII b) Condominium Mill Rate Review. It was decided to leave the condominium mill rate status quo.

KEY ISSUES:

Condominium owners state that they are not receiving some city services that they are entitled to as taxpayers. City of Leduc provides services such as snow removal and road maintenance on public properties. Utility services and roads are provided to the property line of private properties which includes condominiums. Condominium complexes collect fees from the owners of the units to cover the cost of maintenance, repairs, and security of buildings and common areas. The amount of the fee is determined by the association and usually represents a proportionate share of total expenses based on the size of the condominium unit.

The following is extracted from a report provided by City of St. Albert administration to their Council on February 13, 2012.

"The property tax system in Alberta is such that there is no correlation between services provided and the level of taxation levied on property. The system is based on the "Ad Valorem" principle, being that the tax burden is allocated based upon assessed value of the property - not on the use or availability of services.

Using the ad valorem principle, the City assesses all properties in the community and applies the approved mill rate to calculate the amount of property taxes owing. For the residential assessment class, the City has historically utilized a uniform rate (single rate of taxation) across all property types - this is in large part due to the fact that the City has not differentiated services to the property line between single family and multi family residences.

Yet property owners, in general, often believe that they are unfairly taxed as a result of paying for services they do not utilize. In particular, owners of residential condominiums suggest that they do not receive an equivalent level of service and that this should be reflected in a preferential property tax rate. Common arguments include that the condominium owners do not receive some of the services that other properties do, including services inside of their condominium property such as snow removal, maintenance, and other items.

As noted above, the property tax system in Alberta is such that there is no correlation between services provided and the level of taxation levied on property. Unlike user fees, tax rates are equally set to provide a general level of

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



service for all ratepayers. Property taxes are not a fee for service, and owners take the responsibility to provide and maintain infrastructure on their private property.

While municipal services are generally available to all citizens, individuals may choose not to, or be unable to, utilize a specific service. An example of this may be public transit whereby the City provides for the service, funded from the general population in order to maintain its affordability to those who require it and support economic activity, but various residents may not access it directly. Another example is the education system for which all properties contribute through their property taxes, whether or not the property houses children who access the system. Again, it would be prohibitively expensive if only the taxpayers with children in school contributed to the education tax, and the argument could be made that all residents benefit from the system directly and indirectly over time.

Furthermore, the services that the municipality provides (public road maintenance, emergency services, public transit, recreation facilities and services, cultural facilities and services, administrative services, libraries, etc.) offers a quality of life to the whole community. These services are available to condominium properties in the same way that they are available to single family properties or others.”

A copy of this document is attached to this report.

With respect to the items raised at the meeting:

1. Condominium Board Contact Information – The City has communicated via advertisements in The Leduc Rep and through social media in order to develop a comprehensive contact list for condominium boards. Carol Doucette, Administrative Assistant at Public Services will maintain a contact list as requested. Condominium Boards will need to contact her to update information when changes occur.
2. Streetlights – The City has an agreement with Fortis to maintain streetlights for public roads. It was requested that the City take over the care of streetlights on condominium properties. If streetlights aren't up to standard a grant is being requested to bring them up to standard.
 - a. Fortis advised that they can transfer billing of Fortis Approved Street Lighting in condo developments to the municipality easily. In the event that they are non standard, Fortis would require the lighting to be upgraded at the municipality's or condo owner's cost and then the monthly billing could be redirected to the City. If streetlights aren't up to standard a grant is being requested to bring them up to standard.
 - b. City Administration reviewed the request and do not recommend either the grant or taking over the care of lights. The lights are located on private property and to assume responsibility for a select group of private properties would be unfair to other properties, such as industrial or commercial businesses, who are required to pay for lighting on their private roads and parking lots.
3. Outside lights on the individual units – A question was raised as to whether a grant could be provided to replace these. Administration does not recommend this as this is a service level that is not provided to other residents in the City. If exterior lighting improvements are required, the condo board should implement.
4. Water meter minimum charges for meters only used in summer for lawn care - The Suntree Point representative indicated that they have 18 meters that are charged all year long but only utilized in summer for lawn care, and are also concerned that they had to pay for wastewater when the water was being used for lawn care. Utilities billing confirmed that the only charges for these meters are for July and August. Wastewater fees are charged on a per

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



m³ of water by the commission therefore these costs are passed on to the consumer. All other months show \$0 billing.

5. Fire Hydrants inspections – Condominiums are required to inspect their hydrants semi-annually. Currently there are 67 private residential hydrants of which the City inspects 58 at a cost of \$50/inspection. The amount of revenue that the City receives for providing this service is \$5800. The additional 9 hydrants could be accommodated within current resourcing. If council determines that the fees for this service be waived, an adjustment could be made during the budget process to reflect the loss of revenue.
6. Blue bag and waste pickup - A question was raised as to whether the City could provide waste and blue bag pickup at no cost to the condominium owners. Administration does not recommend waste and blue bag pickup at no cost to condo owners as this is a service level provided to other residents on a fee for service basis. If we were to provide this service, administration recommends the owners would be required to pay the same environmental fee as other residents. At the meeting one of the condo owners indicated they are paying \$12.50 for private service and wouldn't want to pay more than that; environmental fees are currently \$ 22.50 going up to \$23.50 in 2019. Condo owners can use the eco-station services the same as any other resident. At this time, even if the condo owners wished to have pick-up services, each site would have to be looked at on a case-by-case basis to determine how to pick up waste and blue bags as infrastructure generally is not designed for this type of traffic.
7. Snow removal - A question was raised as to whether the City could provide snow removal to all condominium owners. The infrastructure standards for roads are different and there is risk of damage to equipment and infrastructure. Administration does not recommend undertaking this even if a waiver would be signed for a number of reasons:
 - a. Risk of damage to equipment and operator along with associated downtime if repairs are required;
 - b. The City has resources to clean the public roadways and other spaces. If these are diverted to private properties either the service levels would have to be lowered or additional resources would be required to meet current service level;
 - c. Administration would not be able to provide rationale for providing this service to private residential condo properties but not other private residential, commercial or industrial properties. The maintenance of infrastructure throughout the city stops at the property line of private properties.
 - d. Significant resources would be required to co-ordinate movement of vehicles to allow for clearance. No authority to move or ticket vehicles on private property if they fail to move them.
 - e. City would probably require an increase in smaller equipment such as bobcats due to tighter spaces.
8. Snow disposal - A concern was raised that it is very costly for the condominium owners to pay for snow removal as the snow has to be trucked to Edmonton. Mayor Young advised that he has been in discussions with the Rodeo Association with regard to options to dump snow on their land located by the Antique Society. This will be explored further by the City to determine if this may be an option.

The City sometimes uses temporary non-designed sites for snow which is not contaminated. These sites are handled separately. As the condo sites may use salts and such, they should be disposing of their snow at engineered snow storage facilities as per Alberta Environment Parks (AEP) snow disposal guidelines. This would preclude them utilizing the Leduc County land proposed.

9. Road Maintenance- A question was raised as to whether the condominiums could "piggyback" off our contractors in order to receive better rates. The City has concerns with this. There are issues with liability and timing and quality of work which may make it unrealistic for the City to undertake this work. The only way to take advantage of the rates the City receives for paving works would be to include those projects in the larger capital project tenders. The City receives favorable rates due to the large volume of work being put out in a single tender. The pitfalls of including the condo association roads in our tender include;

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



- a. Ownership of the condo site – the condo association would have to turn the paved surface over to the city for the duration of the project. The City, through its contractor would then be liable for all work on the site. This is an unnecessary liability to the City as it has no way of knowing what condition the site was originally built to.
- b. Difficulty collecting additional money in the event there are cost overruns. On occasion, contractors run into unexpected conditions and the scope of work increases, therefore increasing costs. Coordination through the condo association to approve change orders would cause projects delays as well as create a situation of adversity with the City and condominium association when more money is required with limited notice.
- c. The standards the City of Leduc uses would be applicable to the condo sites and may represent a higher level of service (thicker asphalt, testing requirements, etc.) than the condo association wants to build, which could actually increase their costs. To include the work in the City's tender package would also require the condo association to utilize the City's Engineering consultant to design the improvements and conduct geotechnical investigations where required.
- d. Timing issues associated with requirements in advance of construction. In order to pave a site, the condo association would have to enter into a legal agreement with the city, provide funding and notice 2 years prior to construction so that a design could be done, and update anticipated costs 1-year prior.
- e. As the contract is through the City of Leduc, all future warranty concerns would have to be handled by the City. This may also lead to unrealistic expectations of warranty work outside the 2-year warranty period that contractors provide.
- f. Working with smaller entities like condo associations may actually increase city rates as contractors' spike prices due to the added difficulty of working with these 3rd party entities.

City administration appreciates the time taken by the participants in the July 3, 2018 meeting to express their concerns to Council.

ATTACHMENTS:

City of St. Albert Standing Committee on Finance Agenda Report – Condominium Taxes dated February 13, 2012

Ad placed in The Leduc Rep

RECOMMENDATION

This report is provided to Committee of the Whole for their information.

Others Who Have Reviewed this Report

P. Benedetto, City Manager / B. Loewen, City Solicitor / I. Sasyniuk, General Manager, Corporate Services / M. Pieters, General Manager, Infrastructure & Planning / J. Cannon, Director, Finance

STANDING COMMITTEE ON FINANCE

AGENDA REPORT

Subject: CONDOMINIUM TAXES

Recommendation(s):

That the report entitled "Condominium Taxes", dated February 13, 2012, be received as information.

Legislative History:

On November 19, 2007, Council passed the following motion:

(C624-2007)

That Administration provide to Council by December 24, 2007 a report as to the treatment of condominium taxation compared to other forms of property taxation with respect to the question of "Are Condominium taxes fair?" The report must include:

- a. property taxation in Alberta;
- b. Council's authority;
- c. trends in this regard in Alberta;
- d. survey information;
- e. programs and services information;
- f. residential property tax;
- g. condominium property tax (residential and non-residential condos); and
- h. recommended changes, if any

On December 17, 2007, Council passed the following motion:

(C675-2007)

That the Agenda Report entitled "Condominium Taxes" dated December 17, 2007, be received and that the City continue with a single tax rate for all residential properties.

At the February 14, 2011 meeting of the Standing Committee on Finance, during discussion of the 2011 Workplan, the issue of Condominium Taxes was added to the 2012 Workplan.

Report:

The property tax system in Alberta is such that there is no correlation between services provided and the level of taxation levied on property. The system is based on the "Ad Valorem" principle, being that the tax burden is allocated based upon assessed value of the property - not on the use or availability of services.

Using the ad valorem principle, the City assesses all properties in the community and applies the approved mill rate to calculate the amount of property taxes owing. For the residential assessment class, the City has historically utilized a uniform rate (single rate of taxation) across all property types - this is in large part due to the fact that the City has not differentiated services to the property line between single family and multi family residences.

Yet property owners, in general, often believe that they are unfairly taxed as a result of paying for services they do not utilize. In particular, owners of residential condominiums suggest that they do not receive an equivalent level of service and that this should be reflected in a preferential property

tax rate. Common arguments include that the condominium owners do not receive some of the services that other properties do, including services inside of their condominium property such as snow removal, maintenance, and other items. A map of condominium locations in St. Albert is provided (**Attachment 1**).

Taxation Philosophy

As noted above, the property tax system in Alberta is such that there is no correlation between services provided and the level of taxation levied on property. Unlike user fees, tax rates are equally set to provide a general level of service for all ratepayers. Property taxes are not a fee for service, and owners take the responsibility to provide and maintain infrastructure on their private property.

While municipal services are generally available to all citizens, individuals may choose not to, or be unable to, utilize a specific service. An example of this may be public transit whereby the City provides for the service, funded from the general population in order to maintain its affordability to those who require it and support economic activity, but various residents may not access it directly. Another example is the education system for which all properties contribute through their property taxes, whether or not the property houses children who access the system. Again, it would be prohibitively expensive if only the taxpayers with children in school contributed to the education tax, and the argument could be made that all residents benefit from the system directly and indirectly over time.

Furthermore, the services that the municipality provides (public road maintenance, emergency services, public transit, recreation facilities and services, cultural facilities and services, administrative services, libraries, etc.) provide a quality of life to the whole community. These services are available to condominium properties in the same way that they are available to single family properties or others. A listing of many of the services that the City provides, based on the percentage of \$1.00 of property tax that the service costs, was provided during Council's recent budget presentations. This listing may provide a useful example of the many services that a municipality provides, available to all residents (see below).

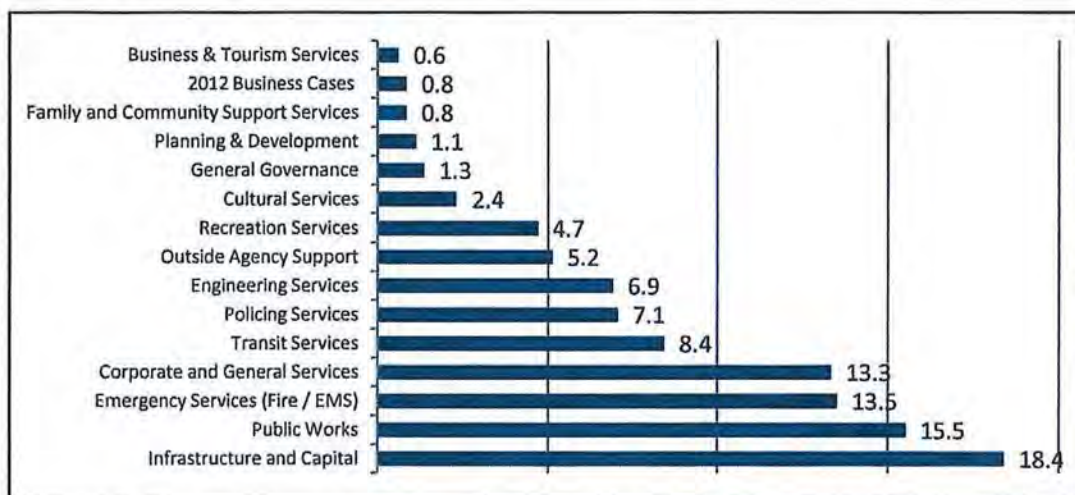


Figure 1 - Cost of Services Provided by the City of St. Albert (% of \$1.00 in taxation)

The nature of the ad valorem principle also leads to a different rate of property taxation per resident. For example, a \$450,000 property with only two residents pays more property taxes than a \$300,000 property with five residents, despite the fact that the more valuable property may use significantly less municipal services overall. In the same respect, condominiums are typically assessed lower than single family residential properties and therefore contribute less tax revenue.

This results in a higher tax burden on single family residential ratepayers, who pay for the same access to infrastructure, programs and services. For example, in 2011 the City of St. Albert had:

- 94 condominium complexes with 4340 units for a total assessed value of \$1,084,218,000. The average assessment value for condominiums is \$250,000, which equates to an average municipal property tax bill of \$1,742 for 2011.
- 16,733 single-family detached dwelling units, for a total assessed value of \$6,883,694,000. The average assessment value for single-family units is \$411,000, which equates to an average municipal property tax bill of \$2,864 for 2011.

This average net difference resulted in the average condominium homeowner paying \$1,122 less in municipal property taxes in 2011, despite enjoying the same access to community infrastructure and services as single-family homeowners.

Trends in Alberta

Administration conducted a survey of 19 other municipalities in Alberta (**Attachment 2**), which suggests that no municipality in the group had a separate tax rate for condominiums. While the City of Spruce Grove and Town of Beaumont recently offered a preferential rate for condominiums, these communities removed that provision in 2009.

While none of the municipalities offer a preferential tax rate to condominiums, seven of the communities (including the City of Edmonton) currently tax rental apartments and vacant multi-family residential lands at a higher rate. Taxing multi-family properties at a higher rate is somewhat common both in Alberta and across Canada. The surveyed municipalities advised that this approach was taken for a variety of reasons, including:

- to reflect that these properties are quasi-commercial in nature, and are operated as investment properties, and thus in many respects are more akin to a commercial entity;
- to reflect that income producing properties offer the owner(s) an opportunity to expense the property tax; and
- to reflect that these properties tend to place greater demands on services such as public transit and fire protection – again, these costs are subsidized by single family residential ratepayers.

Financial Implications:

A decision to change the condominium tax rate would have no effect on the City's revenue capacity, as any change in property tax rates targeted at one property group would result in a shifting of the tax burden to the remaining assessment sub-classes.

For example, a reduction in condominium tax rates would increase tax rates for other residential properties – essentially, single family properties would face higher taxes to subsidize a decrease in condominium taxes.

Legal Implications:

The *Municipal Government Act* (MGA) has provisions that give local governments the authority to enact differing tax rates for various classes of assessment as follows:

- Firstly, a Council may by bylaw divide Class 1-Residential into sub-classes on any basis it considers appropriate [MGA s. 297(2)(a)].
- Secondly, a Council must establish a tax rate for each assessment class or sub-class and the tax rate may be different for each assessment class or sub-class referred to in section 297 [MGA s.354(2) and MGA s. 354(3)].

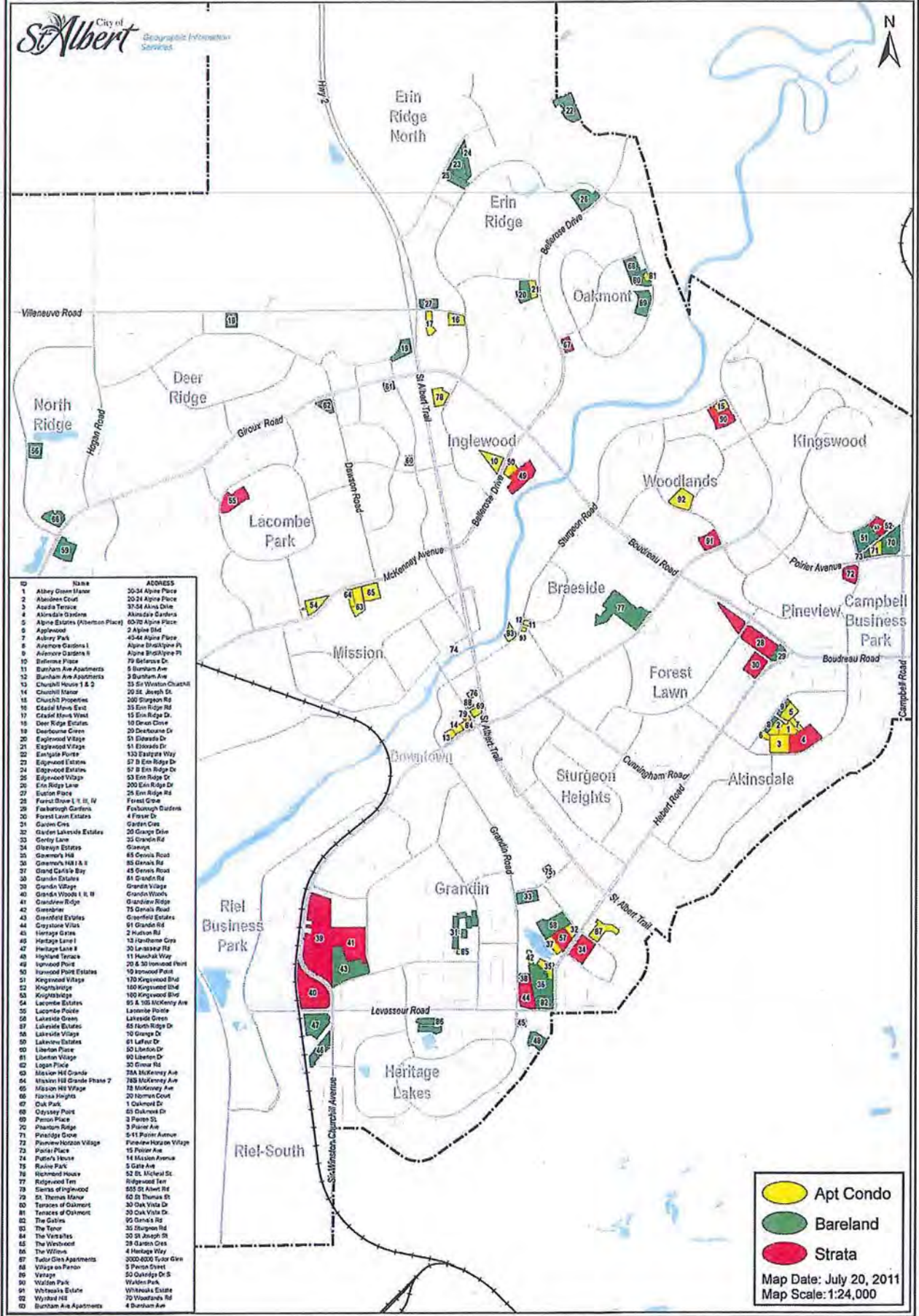
These sections of the legislation effectively allow local governments the flexibility to provide for a different rate for Condominium properties. For example, Council could approve a bylaw that breaks the residential class into sub classes; however, all properties having the same characteristics must be treated the same.

Attachments:

1. 2011 Map of St. Albert's Condominium Locations
2. 2011 Tax Rate Survey

Report Date	January 16, 2012
Originating Department	Assessment and Taxation Services / City Manager's Office
City Manager Review	Chris Jardine (acting)

St. Albert Condominium Housing



**2011 Residential Tax Rate Comparison
St. Albert and Selected Alberta Municipalities**

Municipality	A Separate Tax Rate for Condominiums?	B Separate Tax Rate for Rental Apartments?	C Separate Tax Rate for Vacant Res Land?	D Separate Tax Rate for Farmland?
St Albert <i>Bylaw 17-2011</i>	No	No	No	No
Leduc <i>Bylaw 766-2011</i>	No	No	No	No
Fort Saskatchewan <i>Bylaw C10-11</i>	No	No	No	No
Stony Plain <i>Bylaw 2428-2011</i>	No	No	No	No
Strathcona County <i>Bylaw 23-2011</i>	No	No	No	No
Parkland County <i>Bylaw 12-2011</i>	No	No	No	No
Airdrie <i>Bylaw B-15/2011</i>	No	No	No	No
Camrose <i>Bylaw 2677/11</i>	No	No	No	No
Okotoks <i>Bylaw 05/11</i>	No	No	No	No
Wetaskiwin <i>Bylaw 1799/11</i>	No	No	No	No
Beaumont <i>Bylaw 760/10</i>	No	No	No	No
Spruce Grove <i>Bylaw C-784-11</i>	No	Yes <i>Higher rate used</i>	Yes (Multi-Fam only) <i>Higher rate used</i>	No
Grande Prairie <i>Bylaw C-1258</i>	No	Yes <i>Higher rate used</i>	Yes (Multi-Fam only) <i>Higher rate used</i>	No
Lethbridge <i>Bylaw 5693</i>	No	Yes <i>Higher rate used</i>	Yes (Multi-Fam only) <i>Higher rate used</i>	No
Wood Buffalo <i>Bylaw 2011-012</i>	No	Yes <i>Higher rate used</i>	Yes (Multi-Fam only) <i>Higher rate used</i>	No
Edmonton <i>Bylaw 15602</i>	No	Yes <i>Higher rate used</i>	Yes (Multi-Fam only) <i>Higher rate used</i>	Yes <i>Higher rate used</i>
Red Deer <i>Bylaw 3470-2011</i>	No	Yes <i>Higher rate used</i>	Yes (Multi-Fam only) <i>Lower rate used</i>	Yes <i>Higher rate used</i>
Medicine Hat <i>Bylaw 4038</i>	No	Yes <i>Higher rate used</i>	Yes (Multi-Fam only) <i>Higher rate used</i>	Yes <i>Higher rate used</i>
Sturgeon County <i>Bylaw 1245-2011</i>	No	No	Varies <i>Higher rate used</i>	Yes <i>Higher rate used</i>
Calgary <i>Bylaw 15M-2011</i>	No	No	No	Yes <i>Higher rate used</i>



CONDO BOARDS

WE NEED YOU!

We're collecting contact information to make sure you're part of future communications and engagement.

Contact us to make sure you're included.

condo@leduc.ca | 780.980.7177



COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



MEETING DATE: March 18, 2019

SUBMITTED BY: Rick Sereda - Director Public Services / George Clancy – Fire Chief

PREPARED BY: Rick Sereda, Director Public Services

REPORT TITLE: Private Hydrant Inspection Service

REPORT SUMMARY

The purpose of this report is to provide information to Council regarding the expansion of the City's annual hydrant inspection program. The program is to now include Spring and Fall inspection services for all privately owned hydrants at no additional cost to the property owner.

BACKGROUND

PREVIOUS COUNCIL/COMMITTEE ACTION:

Currently the City's Utility Services and Fire Department are responsible for the inspection and care of all 1,165 municipally owned fire hydrants. Beginning in 2018, the Fire Department assumed the responsibility of annually inspecting the hydrants in the Spring and Fall while the Utility Services Department oversees the inspection reports and conducts all necessary repairs. Privately owned hydrants are not included in the City's inspection program unless requested by the property owner with a corresponding inspection fee which is collected by the City. Presently 136 of 199 private hydrants are included in the City's inspection program with an annual generated revenue of \$13,600. By proceeding with the 63 additional no cost inspections the City will forgo this revenue in lieu of increased Public safety. Any repairs required to private hydrants as a result of the inspections are the responsibility of the property owner at their own cost.

In 2018, Administration was asked by Council to review the feasibility of expanding its hydrant inspection program to include private hydrants located in condominiums and apartments with no additional charges administered for the inspections. From this review, it was determined that the benefits to the community of expanding the hydrant inspection program to include all private hydrants including commercial/industrial properties outweighed any revenue loss from the collection of inspection fees.

Administration will be including private hydrants in its annual inspection program beginning in the Spring of 2019. Subsequently, property owners with private hydrants will be notified to the changes of the City's hydrant inspection program including the waiving of the City's inspection fee. Administration will also state in its notification that although the City will not be collecting any inspection fee, any hydrant repairs required as a result of the inspection will be the full responsibility of the property owner.

KEY ISSUES:

The primary benefit of including private hydrants in the City's hydrant inspection program is increased safety for the Community in both life and property. The Fire Department will have accurate operational information as well as familiarity with the location of all hydrants located within the City.

ATTACHMENTS:

1. All Hydrants PDF
2. All Private Hydrants PDS

COMMITTEE-OF-THE-WHOLE INFORMATION ITEM



RECOMMENDATION

That Committee review the information as provided and that Administration proceed with the expanded hydrant inspection service to include all private hydrants at no additional cost to the property owner.

Others Who Have Reviewed this Report

P. Benedetto, City Manager / B. Loewen, City Solicitor / I. Sasyniuk, General Manager, Corporate Services / D. Melvie, General Manager, Community & Protective Services / M. Pieters, General Manager, Infrastructure & Planning / Jennifer Cannon, Director, Finance





From: Dianne Bergevin
Sent: Tuesday, March 12, 2019 11:22 PM
To: Mike Lake; Bill Hamilton; Shaye Anderson
Cc: Dianne Bergevin
Subject: Meeting re condos

I would like to have a meeting with representatives from the 3 levels of government regarding the reduced provision of services to condos as compared to single family dwellings.

The issue is that we pay the same property taxes of about \$4000 a year per unit, and pay additional condo fees which are about \$150 extra per month to pay for services that the city provides to single family dwellings but not to condos- eg streetlights, road maintenance, fire hydrant service, snow/grass removal.

We dont have a yard but shared grass. We are paying more and receive less service.

This issue will only increase as the seniors population increases, seniors moving into condos due to aging and medical needs, and many seniors living alone on one income.

When I contacted your offices, you suggested that we work with the City of Leduc first. We formed a representative group of condo owners last year and worked with the City to explore options. The result of all the discussions was the City was only able to waive fire hydrant checks and encouraged us to contact Fortis re LED streetlights.

The responses I received from provincial and federal levels was that we can apply for loans, defer taxes and apply for grants. That is not what we are asking for.

What we would like is to look at what is possible to equalize services and taxes. For example, some provinces like BC waive the Education portion of taxes for seniors. A 10% reduction in taxes could be instituted for condo owners which would be equivalent to the extra fees we pay for services that are not provided.

Please reply to all as to your availability to discuss this issue, and to come prepared with some possible solutions.

Thank you,
Dianne Bergevin

COMMITTEE MEMBERS DISCUSSION ITEM



MEETING DATE: April 8, 2019

SUBMITTED BY: Glen Finstad

TITLE OF DISCUSSION ITEM: Extended Producer Responsibility (“EPR”)

DISCUSSION SUMMARY

Recommended Motion:

That Administration Cooperate with other Alberta municipalities, AUMA, producers and recyclers of packaging and paper products, and the Province of Alberta to develop a baseline that can inform the design of a provincial EPR program by researching:

- The benefits, challenges, and risks of an EPR program in Alberta for these groups and their constituents;
- The current recycling systems and supply chains across the province, and potential impacts of an EPR program in Alberta; and

That Administration report back through Council no later than 2019 October.

DISCUSSION BACKGROUND

KEY ISSUES:

Extended producer responsibility (EPR) is an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle.

On October 29, 2009, the Council of Ministers (CCME) approved a [Canada-wide Action Plan for Extended Producer Responsibility](#) (CAP-EPR) and a [Canada-wide Strategy for Sustainable Packaging](#).

CCME is continuing work on the Canada-wide Action Plan for Extended Producer Responsibility including:

- Working with stakeholders to achieve greater consistency on key elements of EPR programs: product lists for EPR materials, definitions, program monitoring and reporting metrics, and auditing protocols
- In collaboration with industry, identifying opportunities and sharing best practices for implementing EPR in northern and remote areas
- Gathering information on the management of construction, renovation and demolition waste.

Faced with increasing amounts of waste, many governments have reviewed available policy options and concluded that placing the responsibility for the post-consumer phase of certain goods on producers could be an option. Extended Producer Responsibility (EPR) is a policy approach under which producers are given a significant responsibility – financial and/or physical – for the treatment or disposal of post-consumer products. Assigning such responsibility could in principle provide incentives to prevent wastes at the source, promote product design for the environment and support the achievement of public recycling and materials management goals. Within the Organization for Economic Cooperation and Development (OECD) the trend is towards the extension of EPR to new products, product groups and waste streams such as electrical appliances and electronics.

COMMITTEE MEMBERS DISCUSSION ITEM

OECD has been doing much work on EPR, previously under the auspices of the *Working Party on National Environmental Policies*, currently under the auspices of the *Working Party on Resource Productivity and Waste*.

In British Columbia, **Extended Producer Responsibility (EPR)** (formerly referred to as Industry Product Stewardship) is an environmental policy approach in which the producer's responsibility for reducing environmental impact and managing the product is extended across the whole life cycle of the product, from selection of materials and design to its end-of-life. (Ministry of Environment).

EPR involves a Closed Loop approach to materials management, whereby product waste is recovered when the consumer discards it and is reused as a raw material to produce a new product or packaging material, consuming considerably less energy than it takes to manufacture from scratch. This approach replaces traditional linear thinking and is based on the concept that manufacturers, suppliers, retailers and the consumer all share in end-of-life product management.

We are asking Leduc City Council support the efforts of AUMA, City of Calgary, Edmonton Region Waste Advisory Committee, and many other communities to support pursuing province-wide support of EPR.

Attached to this report is the formal request of ERWAC dated Sept, 2018, as well as the Request for Decision by AUMA dated December, 2018.



REQUEST FOR DECISION

DATE:

December 6, 2018

TOPIC:

Collaboration on Extended Producer Responsibility

RECOMMENDATION:

THAT the AUMA Executive Committee recommend that the AUMA Board allocate \$25,000 from the 2018 budget to support the research of the Extended Producer Responsibility project being considered by the City of Calgary; and

Furthermore, assist the City of Calgary communicating this Notice of Motion to AUMA members and implementing this research initiative.

BACKGROUND:

During the 2018 AUMA Convention and the Recycling Council of Alberta Conference, the Minister of Environment and Parks indicated that municipalities need to build grassroots support for an Extended Producer Responsibility (EPR) paper and packaging program. Her statements were echoed by her staff at different meetings explaining that the province is interested in developing EPR programs, but for the provincial government to move forward, the push must come from the bottom up, instead of the top down.

The City of Calgary has been an advocate for an EPR paper and packaging program. At the March 2018 Municipal Leaders' Caucus, it presented a Request for Decision (RFD) advocating the Government of Alberta develop and implement EPR. The RFD received unanimous support from municipalities in attendance. The city wants to continue building ground-up support; it is considering a Notice of Motion in January or February 2019. The proposed motion would direct the city administration to work with Alberta municipalities, AUMA, producers and recyclers of paper and packaging products to develop a baseline of paper and packaging waste data that can inform the design of a provincial EPR program. Furthermore, the research will seek to understand the opportunities, benefits, challenges and risks of an EPR model in Alberta, and the potential impacts of an EPR program on the current recycling system and supply chains across the province. The draft motion attached directs the administration to report back no later than October 2019.

City staff and the Calgary AUMA representative, Councillor Peter Demong, have both approached AUMA staff and the AUMA Board on how we can best collaborate on this recycling Notice of Motion initiative. At the November 16 AUMA Executive Committee meeting, Councillor Demong



led a discussion on how AUMA can support its members on EPR research. The draft motion was shared with the AUMA Sustainability and Environment Committee via email after the November 22 Sustainability and Environment committee meeting. Overall, the committee members welcome the idea.

ANALYSIS:

The initiative aligns with AUMA's current advocacy on EPR and recycling and AUMA's letter writing campaign to modernize Alberta's recycling regulatory framework. To date, AUMA has received 27 letters calling on the Minister of Environment and Parks to expand the current recycling program and create an EPR paper and packaging program. This research will bring clarity to our ongoing discussion on EPR models and add important data that Alberta municipalities can use to develop a solution for an EPR paper and packaging program in Alberta.

AUMA has continued to hear from Alberta Environment and Parks that it understands the benefits an EPR paper and packaging program can bring to Alberta; however, it is concerned that the program will add additional costs to businesses, which is a common misunderstanding. When BC and Saskatchewan launched their paper and packaging programs, the Canadian Federation of Independent Business (CFIB) in both provinces claimed that EPR would add higher costs to businesses. However, CFIB's research was only based on the opinions of its members, not an empirical study. The proposal to collect baseline measurements data and our partnership with the Canadian Stewardship Services Alliance (CSSA) will help inform the design of an appropriate EPR framework for Alberta. The data could also be used to estimate the potential costs for businesses in the province. CSSA is a national Producer Responsibility Organization that manages producer's obligations in provincial EPR paper and packaging programs in BC, Saskatchewan, Manitoba, and Ontario. CSSA members are major producers and retailers, including Unilever Canada, Wal-Mart, Loblaw Companies, etc.

FINANCIAL & RESOURCES:

AUMA will allocate \$25,000 from the 2018 budget to support this initiative.

IMPLEMENTATION & MONITORING:

AUMA administration has started the discussion with AUMA members on how best to collaborate on this research project. The funding is contingent on Calgary's approval of the Notice of Motion and our members' support. AUMA administration plans to bring further updates to the January 2019 AUMA Board and Sustainability and Environment Committee meetings.

ENCLOSURES:

1. Draft Recycling Notice of Motion

September 17, 2018

Dear Mayor and Members of Council,

Re: Extended Producer Responsibility and Regulations for Designated Materials in Alberta

The Edmonton Region Waste Advisory Committee wants your support to encourage the Government of Alberta to establish an Extended Producer Responsibility (EPR) policy and program approach in Alberta.

EPR shifts the financial responsibility of recycling toward the producer and away from municipalities and taxpayers, while providing incentives to producers to incorporate environmental considerations in the design of their products.

We are convinced that EPR can provide opportunities to shift the funding and if municipalities choose, the operational responsibility for recycling, recycling collection, processing and materials marketing to the producer, resulting in potentially significant cost savings for municipalities.

EPR incentivizes producers to make and sell products that are more durable, reusable and recyclable. As a result, significant progress can be made to divert waste away from landfills which supports the sustainability objectives of our community. EPR will foster harmonization and waste diversion programs across the province which contributes to the Government of Alberta's waste diversion and climate change goals.

EPR also supports the creation of sustainable jobs, reduces waste management costs for local governments and tax payers, reduces GHG emissions, increases social awareness of recycling and creates social consciousness about consumption.

In 2009, all Canada's provinces, committed through CCME to working towards the development of EPR framework legislation and/or regulations for the implementation of EPR programs for a designated list of priority products and materials. Since then, every province, with the exception of Alberta and the Territories, has developed and implemented EPR legislation for various materials. Many provinces have implemented EPR for printed paper and packaging (PPP) materials. Alberta is the only province west of Quebec where PPP programs remain wholly funded by municipal taxpayers. It is time for the provincial government to act in collaboration with municipalities and private industry to implement a progressive EPR program in this province.

We have provided additional information (attached) about EPR. We have also included key messages for the regulations for designated materials (attached). Municipalities are currently subsidizing the costs of these programs to recycle materials such as oil, paint, tires, electronics, household hazardous waste.

If you would like more information, please feel free to connect with your Elected Official on the Committee.

Sincerely,
Edmonton Region Waste Advisory Committee

Extended Producer Responsibility Key Messages

Background

Extended Producer Responsibility (EPR) is an environmental policy approach in which the producer of a product is responsible for that product through the post-consumer stage of its life cycle. EPR shifts the responsibility and costs of recycling from municipalities to producers. This incentivizes producers to reduce waste associated with their products and packaging, and to create products that are readily reusable or recyclable.

All other provinces in Canada have initiated or implemented EPR programs.

In 2009, the Minister of Environment of Alberta committed the province to the [CCME "Canada-Wide Action Plan for Extended Producer Responsibility"](#). There has been no progress in Alberta.

Issue/Challenge

- Recycling programs and the associated costs and risks (e.g. current Global recycling markets) of collecting, processing and marketing materials is currently the responsibility of municipalities
- All other provinces in Canada have initiated or implemented EPR programs. Alberta has not progressed in the CCME "Canada-Wide Action Plan for Extended Producer Responsibility".

Benefits of EPR

- Shift the financial responsibility from municipalities and tax payers to the producer for recycling
- Incentivizes producers to reduce waste associated with their products and packaging
- Encourage producers to create products that are readily reusable or recyclable
- Producers have built the cost of recycling into products that are sold across Canada. Alberta's consumers are already paying the cost of these EPR programs through the purchase of these products, on top of paying their municipal taxes or utility fees to manage these programs
- Standardization of recycling streams for all municipalities
- Designs a system that ensures efficiency and higher-grade materials that are:
 - More widely acceptable on the world market
 - Better deal with investments in technology, innovation in packaging/products and market development

Other Resources

Recycling Council of Alberta:

- “The China Market: A New Reality” Workshop Notes (April 3, 2018):
<https://recycle.ab.ca/workshop/workshop-the-china-market-a-new-reality/>
- Chinese Market Restrictions FAQs:
<https://recycle.ab.ca/wp-content/uploads/2018/01/ChineseMarketRestrictionsFAQs.pdf>
- Municipal Extended Producer Responsibility Workshop Notes (September 12, 2017):
https://recycle.ab.ca/wp-content/uploads/2017/07/2017EPR_WorkshopNotes.pdf
- Example of EPR Programs for paper and packaging in Canada:

How EPR Program Design Affects Municipalities				
Prov.	Muni role (material management)	Producer Cost Obligation	Producer Funding (2016)	Collected (2016 tonnes)
AB	collect, process & market	0 %	\$0 \$0 /capita	comparable stat n/a
BC	1) opt out -status quo; <u>or</u> 2) opt in -collect at \$ rate; <u>or</u> 3) opt in –no role –i.e., Recycle BC collects, processes & markets	up to 100% (all costs)	\$74 million \$15.88 /capita	185,477 41 kg /capita
SK	collect, process & market	up to 75% (agreed to costs)	\$5.6 million \$5.06 /capita	36,675 44 kg /capita
MB	collect, process & market	up to 80% (agreed to costs)	\$16.3 million \$12.72 /capita	82,184 72 kg /capita
ON current	collect, process & market	up to 50% (agreed to costs)	\$121.6 million \$9.04 /capita	comparable stat n/a
QU	collect, process & market	up to 100% (agreed to costs)	\$150 million \$18.37 /capita	776 000 ⁽²⁰¹⁵⁾ 94 kg /capita

Regulation Update for Designated Materials Key Messages

Background

There are designated materials (e.g. oil, paint, tires, electronics, household hazardous waste and beverage containers) that are provincially regulated and administered by stewardship organizations.

These provincial programs have not kept pace with market costs, resulting in excess financial stress on municipalities through taxes or utility fees, to provide recycling collections, processing or disposal.

Proposed Changes to Regulation

- Consolidate Alberta's existing recycling regulations under one regulation – the Designated Materials Recycling Regulation;
- Remove specified maximum environmental fees from regulation while still ensuring consumer protection from excessive fees;
- Expand the electronics program to include small appliances, audio/visual equipment, telecommunications equipment and power tools; and
- Expand the used oil materials recycling program to include automotive anti-freeze/coolant containers and diesel exhaust fluid containers.

Other Resources

Alberta Environment and Parks:

- Regulated Recycling Programs:
<http://aep.alberta.ca/waste/reduction-recycling/regulated-recycling-programs.aspx>
- Regulatory Amendments:
<http://aep.alberta.ca/waste/reduction-recycling/regulatory-amendments.aspx>