



## EXECUTIVE COMMITTEE

**Monday, September 9, 2019, to commence immediately following the City Council meeting**  
**Council Chambers, (Public)**  
**Scoop Lewry Room (In-Camera)**  
**2nd Floor, City Hall**

**1. CALL TO ORDER**

**2. REPORTS**

- a. City of Moose Jaw Communications Policy, EC-2019-0163
- b. Options for the Introduction of an Infrastructure Levy, EC-2019-0141
- c. 2020 Preliminary Budget Review and Economic Update, EC-2019-0115

**3. CONFIDENTIAL MATTERS**

- a. Confidential Matter, EC-2019-0167

The confidential matter may be considered in closed session pursuant to section 94(2) of *The Cities Act* as it contains information that is within one or more of the exemptions in Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*, in particular section 16(1)(c) and (d).

- b. Confidential Matter, EC-2019-0146

The confidential matter may be considered in closed session pursuant to section 94(2) of *The Cities Act* as it contains information that is within one or more of the exemptions in Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*, in particular section 13, 16 and 17.

c. Confidential Procedural Matter

The confidential procedural matter may be considered in closed session pursuant to section 94(2) of *The Cities Act* as it contains information that is within one or more of the exemptions in Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*, in particular section 15.

4. ADJOURNMENT



# City of Moose Jaw

**COMMUNICATION # EC-2019-0163**

**TITLE: City of Moose Jaw Communications Policy**

**TO: Executive Committee**

**FROM: Department of Communications**

**DATE: August 30, 2019**

**PUBLIC: This is a public document**

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## **RECOMMENDATION**

THAT the Communications Policy be approved substantially in the form attached to this report as Schedule "A".

## **TOPIC AND PURPOSE**

The purpose of this report is to provide Executive Committee with a revised Communications Policy following a public consultation period.

## **BACKGROUND**

While there are some existing Policies that address certain areas of communication (Public Notice Policy and Customer Service Policy), and a 2018 document containing guidelines for two-way communication between City Council and City Administration, the City of Moose Jaw currently does not have an all-encompassing Communications Policy.

## **DISCUSSION**

- The City currently does not have a Communications Policy, and creating this document was established as a priority by the Communications Manager, in consultation with the City Manager.
- The Communications Policy includes guidelines addressing the following areas:
  - Media Relations.
  - Public Engagement strategies.

- Construction Communication protocol.
- Social Media Usage.
- City Council.

### **OPTIONS TO RECOMMENDATION**

- Do not approve the Communications Policy

### **PUBLIC AND/OR STAKEHOLDER INVOLVEMENT**

Following an initial presentation of the Communications Policy to Executive Committee June 24, 2019, direction was provided to consult the public and ask for feedback before the Policy would be reconsidered. Public consultation on the Communications Policy was open from July 16-24 and during that period six (6) responses were collected.

Three of the responses expressed concern with the Media section and suggested the City does not have the right to determine who and who is not a legitimate media outlet. This particular wording was not found in the original Communications Policy, but rather sprang out of Policy discussion when presented to Executive Committee. Also at issue was a line from the Policy that stated, "The City will monitor media coverage and with discretion may seek corrections if we deem the content to be incorrect, one-sided or a misrepresentation."

- Upon consideration of those comments and a review of the statement, that line has been revised to: "The City will monitor media coverage of City Hall-related news items and with discretion may seek corrections if content is found to be factually incorrect or a significant misrepresentation of facts."
- Upon review of the Policy, we have also adjusted language in the "Construction Communication" section to outline a process for communicating with businesses when projects may cause disruption and access issues for customers.

### **COMMUNICATION PLAN**

Should the Communications Policy be approved, the Policy shall be distributed to media outlets in our distribution list used for media releases, posted to the City's website and publicized once available for public viewing online.

### **STRATEGIC PLAN**

The Communications Policy supports all of the City's Strategic Core Values - Community Pride, Sustainable Community Growth, Community Wellness, Community Safety and Progressive Civic Administration - in various ways.

**OTHER CONSIDERATIONS/IMPLICATIONS**

There are no official community plans, bylaw or policy implications, privacy implications, financial implications or other considerations.

**PUBLIC NOTICE**

Public Notice pursuant to the Public Notice Policy is not required.

**PRESENTATION**

VERBAL: x The Communications Manager will be in attendance at the meeting.

**ATTACHMENTS**

- i. Schedule "A" – City of Moose Jaw Communications Policy V2 - 2019
- ii. Schedule "B" – City of Moose Jaw Communications Policy Feedback

**REPORT APPROVAL**

Written by: Craig Hemingway, Communications Manager

Approved by: Jim Puffalt, City Manager

Approved by: Fraser Tolmie, Mayor

*To be completed by the Clerk's Department only.*

Presented to Regular Council or Executive Committee on \_\_\_\_\_.

No. \_\_\_\_\_ Resolution No. \_\_\_\_\_

**Report Approval Details**

Document Title:	City of Moose Jaw Communications Policy - EC-2019-0163.docx
Attachments:	- City of Moose Jaw Communications Policy - V2 2019.pdf - Schedule B Communications Feedback.pdf
Final Approval Date:	Sep 5, 2019

This report and all of its attachments were approved and signed as outlined below:

**No Signature - Task assigned to Tracy Wittke was completed by assistant Maureen Latta**

Tracy Wittke



Jim Puffalt



Fraser Tolmie

# CITY OF MOOSE JAW

## COMMUNICATIONS POLICY

### MISSION STATEMENT:

The City of Moose Jaw strives to provide open, honest communication with residents, businesses, City employees, and visitors. Communication plays an integral role in the success of each City department, both externally and internally. All City of Moose Jaw employees engage in communication practices daily, whether one-on-one with customers/public, with co-workers or with the media.

The Communications Policy provides background information and guidelines for the various forms of communications practices that are, or should be, in place to ensure a high level of communications proficiency.

### EXTERNAL COMMUNICATION

The City of Moose Jaw employs a wide variety of platforms for communicating to the public so we may provide information and education about City programs and services, and transparency about “what we do and why we do it.”

These platforms include:

City Website – [www.MooseJaw.ca](http://www.MooseJaw.ca)

City Social Media Accounts (Facebook, Twitter, Instagram, YouTube)

“Friendly City Insider” Podcast (Produced out of the City Communications Manager Office)

Mail Campaigns

### MEDIA RELATIONS

The City of Moose Jaw needs to let the public know who we are and what we do. That message is often conveyed through the news media. The entire City staff needs to be aware of how we can cooperate with the media to better serve the public.

There are several external media outlets in Moose Jaw that provide coverage of matters related to City Council and City of Moose Jaw operations. Within that group are “traditional” (radio/print/television) and digital (online) platforms operated by companies that own media outlets in other markets across Canada. These outlets include:

Local Radio (800 CHAB, Country 100.7 FM, MIX 103.9 FM)

Local News Websites (Discover Moose Jaw, Moose Jaw Today)

Local Newspaper (Moose Jaw Value Express Weekly Publication)

Local Television (Shaw Cable Airs City Council Meetings)

Additionally, there are independently operated websites that provide coverage of City Council and City of Moose Jaw operations.

### COMMUNICATION GOALS:

- Establish a uniform procedure for working with the media that will help ensure accuracy, City-wide coordination and a timely response to meet media deadlines.
- Maintain a respectful, professional working relationship with the media.

### POLICY:

- The City shall respond to all media requests.
- The City will monitor media coverage and with discretion may seek corrections if content is found to be factually incorrect or a significant misrepresentation of facts.
- Media shall direct all interview and/or information requests to the Communications Manager, who will then facilitate arranging interviews and/or answers to media questions.
- If media contacts a department immediately, media shall be directed to the Communications Manager for further follow-up.
- The Communications Manager shall be notified by the interviewee after a media interview takes place. The notification to the Communications Manager can be via e-mail, text or phone call, whatever is easiest for the interviewee.
- Where deemed necessary the Communications Manager shall work with respective City Staff on matters related to dealing with media.
- The Mayor shall typically be the City Council spokesperson when discussing decisions of Council, though City Council Members may respond to media inquiries at their own discretion.
- Responding to media inquiries at fires and other emergency and/or public safety situations may be handled differently in order to suit the specific nature of each incident. The responses typically must come from the scene and from the designated spokesperson at that scene. In the case of Fire and Police the spokesperson is typically determined by the person in charge of the scene. Power outages or problems involving Water/Wastewater are also included in this exception. The Communications Manager should be notified in those instances where there is media coverage and will come to the scene when warranted.



## PUBLIC NOTICE

It is the City's goal to provide notice to the public reflecting any new program or service, of any changes to existing programs or services or any matter affecting the lives of Moose Jaw residents and/or businesses. There are numerous other circumstances where the City is obligated to provide public notice. These circumstances are noted in the City Administration Bylaw No. 5175, which contains the following relevant sections:

### **3. MATTERS FOR WHICH NOTICE MUST BE GIVEN**

- 3.1 Public notice in accordance with this policy shall be given before Council initially considers the following matters:
- (a) prohibiting or limiting the number of businesses of a particular type in an area of the City or specifying separation distances between businesses of a particular type;
  - (b) permanently closing or blocking off a street, lane or walkway;
  - (c) permanently modifying an intersection with the use of physical barriers;
  - (d) permanently closing a median opening;
  - (e) borrowing money, lending money or guaranteeing the repayment of a loan;
  - (f) moving capital moneys to an operating budget or reserve;
  - (g) imposing a special tax or determining the use to which excess revenue from a special tax is to be put;
  - (h) establishing an investment policy;
  - (i) selling or leasing land for less than fair market value and without a public offering;
  - (j) selling or leasing park lands and dedicated lands except where the land is covered by public notice provisions in an Act other than *The Cities Act*;

- (k) establishing a purchasing policy;
- (l) establishing a business improvement district;
- (m) setting remuneration for council or committee members;
- (n) increasing or decreasing the number of councillors on Council;
- (o) appointing a wards commission and dividing the City into wards;
- (p) amending or repealing a bylaw for which public notice was a requirement at the time the bylaw was passed;
- (q) any matter where holding a public hearing is required under *The Cities Act* or any other Act;
- (r) discussing a matter at a public meeting held as a result of a petition signed by the required number of electors; and
- (s) an amendment or repeal of a bylaw or resolution when the resolution or bylaw was passed as a result of a vote of the electors.

#### **4. NOTICE TO THE GENERAL PUBLIC AND AFFECTED PARTIES**

4.1 Notice shall be given to the general public for all matters set out in section 3.1 in accordance with this section:

- (a) notice of the matter shall be published in a local newspaper circulated in the City at least seven (7) clear days prior to the meeting at which Council will initially consider the matter; and
- (b) notice of the matter shall be posted at City Hall at least seven (7) clear days prior to the meeting at which Council will initially consider the matter; and
- (c) notice of the matter shall be posted on the City's web site at least seven (7) clear days prior to the meeting at which Council will initially consider the matter.

4.2 In addition to the general notice requirements of section 4.1, **additional** notice shall be given in accordance with subsection 4.3 to all affected parties when Council is initially considering the following matters:

- (a) prohibiting or limiting the number of businesses of a particular type in an area of the City or specifying separation distances between businesses of a particular type;
- (b) permanently closing or blocking off a street, lane or walkway;
- (c) permanently modifying an intersection with the use of physical barriers;
- (d) permanently closing a median opening;
- (e) imposing a special tax or determining the use to which excess revenue from a special tax is to be put; and
- (f) establishing a business improvement district.

4.3 **Additional** notice of the matters listed in subsection 4.2 shall be given using either of the following methods:

- (a) by mailing notice of the matter to all affected parties by ordinary mail which is to be postmarked no later than seven (7) clear days prior to the Council meeting at which the matter will initially be considered; **or**
- (b) by leaving notice of the matter in a mail receptacle at the address of the affected party at least seven (7) clear days prior to the Council meeting at which the matter will initially be considered.

## 5. **NOTICE OF FURTHER DEALINGS RESPECTING A MATTER**

5.1 Subject to subsection 5.2, the notice requirements provided for in this policy shall only be applied when Council initially considers a matter. For purposes of clarity, unless otherwise directed by Council and subject only to subsection 5.2, no notice, including notice to affected parties, will be given of any subsequent meeting of Council at which the matter will be considered.

5.2 The City Clerk shall provide at least four (4) hours notice to any interested party of any further proceedings by or before City Council involving a matter for which such party has expressed an interest.

## **6. DISCRETION OF COUNCIL**

- 6.1 The notice requirements set forth in this policy are minimum requirements and are not intended to limit City Council's discretion to provide additional notice, utilizing different or additional methods or repeating notice, as may be deemed appropriate by City Council.

## **7. RESPONSIBILITIES OF CITY CLERK**

- 7.1 The City Clerk shall be responsible to City Council for ensuring compliance with this policy and may, in his/her absolute discretion:
- (a) refuse to place any item on the agenda of City Council, where there has been substantive non-compliance with the notice requirements of this Policy; or
  - (b) where there have been deficiencies in meeting the notice requirements provided for in this Bylaw, place any item on the agenda of City Council, with a caution to members of City Council that the matter should be tabled pending full compliance with the notice requirements set forth in this Policy.

## **PUBLIC ENGAGEMENT**

At all times the City of Moose Jaw welcomes resident feedback and provides the following platforms for residents or businesses to communicate with City Administration and/or City Council:

- The "Contact Us" link on the home page of MooseJaw.ca provides telephone numbers and email addresses to all City departments
- The 'City Council' page of MooseJaw.ca lists the public phone numbers and email addresses of the Mayor and City Council
- City Hall is open to the public Monday through Friday, 8:15a.m.-5:00 p.m. year-round, with the exception of Statutory holidays.
- Residents are welcome to speak during the "Open Forum" held during regular meetings of City Council. In addition, any resident wishing to make a presentation to Council may do so by registering with the City Clerk's Office.

- Facebook Messenger. Questions and/or comments sent to the City of Moose Jaw account on Facebook Messenger will receive a response within **two business days** from the time the inquiry was submitted. The City of Moose Jaw does not engage\* in Facebook conversations generated by posts on the City of Moose Jaw account.

\*Some exceptions may apply during emergency situations.

The City of Moose Jaw often solicits feedback on Civic matters and will forward that information for City Council's use in their decision-making process. Tools used to solicit that feedback include:

- Media Releases
- Social Media
- Public online surveys
- Targeted online and/or phone surveys
- Open House-style information sessions
- City staff bringing information displays to public events

## POLICY

When a new Bylaw, or amendment(s) to an existing Bylaw is being considered, the City will utilize one or more of the above tools to solicit resident and/or business feedback. Feedback will then be presented to City Council for consideration. Feedback tools may also be used to engage residents regarding other City initiatives. Use of said tools will be at the discretion of the Strategic Leadership Team.

## CONSTRUCTION COMMUNICATION

When the City of Moose Jaw undertakes construction/infrastructure projects (either planned or to address infrastructure failure) it is imperative to communicate any disruption of service to all who may be affected, including:

- Property owners
- Business owners
- Residents

## COMMUNICATIONS GOAL:

The City has several Communications tactics available to deliver pertinent messages about construction/repairs and any related disruption(s). These tactics include:

- Delivery of notices to all properties in the construction zone who may experience

- a disruption to their daily lives
- Media Release detailing the project
- Information posted to the City's website and social media accounts
- Electronic billboards on the perimeter of the construction zone

## POLICY:

- Any or all of the above tactics shall be utilized as part of a Communications strategy for each project, with the Communications Manager and Engineering Dept./Municipal Operations determining the optimum approach based on the expected community impact of the project.
- When construction is planned, notices to residents shall be delivered between 24-72 hours prior to construction beginning.
- When the construction is in response to an infrastructure failure (water main break, etc.), notices to affected properties shall be delivered within two (2) hours of the incident being recognized by City of Moose Jaw crews.\*
- ***\*There may be instances where it may take more than two hours for crews to isolate and determine the extent of the failure. In all cases, notice shall be provided "as soon as possible" to affected properties.***
- When capital construction projects (i.e. water main replacement, road repair/reconstruction) are scheduled, business owners shall be hand-delivered notices regarding the pending project a minimum of one month from the expected construction start date.
- Information provided will relate to overall scope of the project, potential disruptions and providing customer/delivery access. At that time an estimated construction start date shall be provided. Once a construction date has been finalized, updated notices shall be delivered a minimum of one week prior.
- Business owners shall be provided with contact information of the Project Manager and Communications Manager to address ongoing questions or concerns.
- Where construction impacts access to area businesses, communications messaging shall indicate that "businesses remain open" throughout the project and, where applicable, maps be produced showing how customers may access the respective business(es) during construction.
- Regular updates shall be posted to the City website/social media accounts/local media regarding any changes to traffic accommodation plans, project timelines, etc.

## EMERGENCY COMMUNICATION

It is imperative that the City of Moose Jaw provide timely, effective communication before, and during, an emergency. An "emergency" may be defined as any situation that may threaten the life, health, property or environment of Moose Jaw residents.

## POLICY:

When an emergency situation is identified, the City of Moose Jaw's Communication Department will work with the City's Emergency Measures Organization (EMO) to alert residents and detail the safety measures being enacted.

The City of Moose Jaw will use the following platforms to communicate information related to the emergency:

- Local radio stations (800 CHAB, MIX 103.9 FM and Country 100.7 FM)
- SaskAlert app
- City website ([www.MooseJaw.ca](http://www.MooseJaw.ca))
- City social media accounts (Facebook, Twitter and Instagram)

For more details on the City's EMO and the ways in which you can prepare for an emergency situation, you can visit the following page on MooseJaw.ca:  
<https://moosejaw.ca/fire-department/emo>

## SOCIAL MEDIA/CITY WEBSITE

The City of Moose Jaw's web site, [www.MooseJaw.ca](http://www.MooseJaw.ca), has increasingly become a tool of choice for residents, City employees and non-residents, both nationally and internationally, to find information about the City of Moose Jaw. The City also has the following social media accounts:

- Twitter
- Facebook
- Instagram
- Linked In
- YouTube

The City uses its social media platforms to drive users back to MooseJaw.ca, while also utilizing social media to:

- Promote at least one "good news" story per week (i.e. positive content related to City policy, programs or personnel)
- Inform residents of any safety concerns within the community
- Update residents on the latest projects/construction that could impact their daily routine
- Capture and promote initiatives in City parks and facilities
- Showcase City employees in a positive light, whether performing their jobs OR as part of the community
- Recruit potential employees

## POLICY:

- The Communications Manager will determine what information is highlighted on the City's home page.
- The Communications Manager will work with department heads and the City Manager to determine what information will be posted to the City's website.
- Linking to an outside news source to promote City of Moose Jaw-related information is prohibited. Exceptions to this would be in the case of a co-sponsored event.
- Information posted to the Internet should include a contact name with a phone number and an e-mail address. This contact person shall respond to requests for additional information in a timely manner.
- The Communications Manager is responsible for determining what graphics standards might be appropriate for the City's website
- The Communications Manager will be accurate, consistent and timely with information that is to be published on the City's website and ensure that the information published is accessible by all people regardless of their respective level of technology.
- The Communications Manager is responsible for all social media content that is published. There are instances where the IT department may post News Releases on the City's Facebook/Twitter feeds. Additionally, two Parks & Rec employees have been empowered to create Instagram content on behalf of the City. The Communications Manager monitors their activity and provides feedback.
- The Communications Manager will ensure posts are in alignment with the City's Strategic Plan and Employee Social Media Policy

## FRIENDLY CITY INSIDER PODCAST

The "Friendly City Insider Podcast" is a bi-weekly audio podcast, hosted by the Communications Manager.

## COMMUNICATION GOAL:

- The goal of the podcast is to provide detailed information on City initiatives, events and programs, and to have that information delivered within the proper context.

## POLICY:



- The Communications Manager Director will establish protocols to allow all City departments an opportunity to provide content for the podcast.
- The podcast will be uploaded to the audio hosting site “SoundCloud”, with each episode also hosted on MooseJaw.ca and promoted through the City's social media platforms.
- The podcast content should reflect the objectives within the City of Moose Jaw's Strategic Plan.

## CITY COUNCIL MEETINGS

Moose Jaw City Council meetings are held on the second and fourth Mondays of each month, with exceptions made in the case of Statutory holidays. Meetings traditionally begin at 5:30 p.m. and are immediately followed by meetings of Executive Committee. Both meetings are hosted in Council Chambers at City Hall and are open to the public. The Communications Manager handles on-site media relations and serves a “gatekeeper” role by ensuring that all media requests are responded to by the most appropriate and informed City Staff representative.

### COMMUNICATION GOAL:

- Ensure City response to agenda items that will get media coverage through an awareness of issues. Promote unnoticed "good news" issues for the City.

### POLICY:

- The Communications Manager will work with department heads and the City Manager to identify agenda items for potential advance publicity.
- The Communications Manager will work with department heads to identify agenda items that will require research and ensure that any needed background material is made available to representatives of the media and the general public. The City Manager is the key spokesperson and shall be briefed when media require response to specific agenda items.
  - The Communications Manager shall issue a media release containing a detailed list of all City Council decisions and/or resolutions within three (3) days of the most recent Council and Executive meeting. An archive of these media releases shall be posted on the City Council page on [www.MooseJaw.ca](http://www.MooseJaw.ca).

- City Council and Executive Committee meetings are available to watch live via a streaming link found on the 'City Council' page on MooseJaw.ca and are also televised to Shaw Cable customers in Moose Jaw.
- Video recordings and Minutes of City Council meetings are archived and made available to the public via MooseJaw.ca within three days of that week's meeting.

## ADVISORY COMMITTEES

The City of Moose Jaw has several Boards, Committees and Commissions, each of which is comprised of representatives from some or all of the following groups: local citizenry, members of Administration and Council. These groups assist Council in their decision-making process in various ways.

## COMMUNICATION GOAL:

The City of Moose Jaw will assist Boards, Committees and Commissions (BCC) with communicating pertinent information to Moose Jaw residents in situations where it is deemed necessary.

## POLICY:

BCC may either request assistance from the City's Communications department directly, or a Communications strategy may be part of a larger recommendation to Council. Should Council approve said recommendation, the Communications department would create a Communications strategy for the initiative.

The City shall not create separate social media accounts for BCC. If social media communication for any BCC is deemed necessary for an initiative, the respective group may engage the Communications department for assistance in promoting the message through official City of Moose Jaw social media channels.

## CUSTOMER SERVICE

**August 1, 2018, the City of Moose Jaw adopted a policy regarding Customer Service,** designed to provide City Administration with guidelines regarding the appropriate procedures and timelines for communications with members of the public (citizens) of the City of Moose Jaw.

This guideline is intended to enhance communications and customer service between Administration and citizens as well as among City employees. As well, to minimize time

spent researching issues and requests that did not meet minimum response times and require further investigation.

**SCOPE:** This policy applies to all Departments of the City of Moose Jaw.

## **DEFINITION:**

**Departments:** Human Resource Services Department, Parks and Recreation Department, Engineering Services Department, Planning and Development Services Department, Information Technology Department, Financial Services Department, City Clerk/Solicitor's Department, Communications, Fire Department

**Inquiry:** A question from an external customer which requires investigation, follow-up, and a response to the customer at a later point in time. These shall be logged and tracked using this procedure.

### **PROCEDURES (for internal customer service):**

The Communications Manager shall distribute an update to City employees following meetings of City Council, for the purpose of sharing information and enhancing internal communications.

This update shall include items approved and general interest so that staff can provide answers to inquiries over the phone.

### **PROCEDURES (for external customer service):**

Individual Departments, exclusive of the Engineering Department that have an existing system in place, shall create and maintain a spreadsheet intended for tracking inquiries from the public until a city-wide system is in place.

Details of the spreadsheet to include: date inquiry was received, contact information from citizen that submitted the inquiry, general nature of the inquiry, employee inquiry has been delegated to, date responded to and the resolution. The City Manager shall have access to the spreadsheets upon request.

**Switchboard Staff (Finance):** For inquiries that relate to another Department, Switchboard is not required to track these. Instead, they shall be sent to the appropriate Department for that Department to track and respond to.

### Inquiry Tracking:

- If an inquiry is answered at the time of the request, that inquiry is not required to be tracked. (Eg. A customer asks a question about their water bill and Finance is able to provide a response to the customer without having to get back to them, the inquiry does not need to be tracked.)
- If an inquiry requires further background research/information and the customer does not receive an answer at the time of the request, these types of inquiries need to be tracked and followed up on.
  - Exception: Inquiries that are responded to within the same day of the request are not required to be tracked. Treasury staff within the Finance Department fall under this exception.
  -

Departments are required to follow the guidelines below when dealing with communications/inquiries (phone calls, emails, etc.) from members of the public:

- When an inquiry is received from a member of the public, each individual Department shall record all pertinent information regarding inquiries received into a spreadsheet, such as date inquiry was received, contact information from citizen that submitted the inquiry, general nature of the inquiry, employee inquiry has been delegated to, date responded to and the resolution. In the absence of a city-wide system to track inquiries from the public, each Department is to create a spreadsheet to track inquiries until a system is in place.
- Individual Departments shall provide the City Manager's Office with access to its inquiry tracking spreadsheet upon request.
- All inquiries from the public are to be responded to within **two business days** from the time the inquiry was submitted. If an inquiry requires background research in order to respond appropriately, the appropriate employee of the Department shall notify the person as soon as possible that the inquiry was received, further background research is required and that a response will be provided with an estimated date. The Department shall then proceed to research the answer and provide a response. Departments are to ensure that tracking/follow up of inquiries is followed through in accordance with this policy.
  - a. Each Department, for quality control, shall print and review a report weekly to ensure communication guidelines have been met and no inquiries have been missed.

- b. Each Department will provide a monthly report to the City Manager detailing the number of inquiries, responses within the standard, responses outside the standard and the reasons why.
- Should an inquiry be submitted and the Department responsible cannot provide an answer or may require City Manager approval, the Director is to then submit the inquiry to the City Manager and the City Manager's Executive Assistant in order to provide a response.
- The City Manager's Executive Assistant shall record all pertinent information regarding inquiries received (to the City Manager's/Mayor's Offices). Individual Departments are to record all pertinent information regarding inquiries that relate specifically to the Department.

Employees shall abide by these guidelines when dealing with any inquiry made by a member of the public.

## INTERNAL COMMUNICATION

This section provides a brief description of the various vehicles of internal communication currently utilized by the City of Moose Jaw for disseminating information to staff and members of City Council, including the Mayor.

### COMMUNICATION GOAL:

- To effectively communicate City policies, procedures and other relevant information to employees.

The City of Moose Jaw currently utilizes multiple tools to communicate with staff:

- Email
- In-person/Staff meetings
- Human Resources Training sessions
- Raspberry Pi message screen at City Complex
- Employee Newsletter
- Mailed correspondence

### POLICY:

- Department heads are responsible for delivering information contained in emails to any appropriate staff that do not have access to email.

- Sessions should be face-to-face on a regular basis, no less than annually for entire departments and monthly for division staff. Meetings open to City employees only.
- The Communications Manager to regularly update the Raspberry Pi screen information to display relevant information
- The Human Resources department will identify and provide training sessions on matters deemed relevant to the physical and mental wellbeing of employees
- The Communications Manager creates and distributes an Employee Newsletter each quarter. Content for the Employee Newsletter can be generated by any City employee, with all content suggestions being emailed to the Communications Manager for consideration. The Communications Manager will consult with Department Heads prior to publishing each edition to ensure content is accurate and properly vetted.

## **GUIDELINES FOR TWO-WAY COMMUNICATION WITH CITY COUNCIL**

### **COMMUNICATION GOAL:**

City Council, on behalf of their constituents and in the interests of their position are required to seek information between Council meetings. This information is designed to provide City Administration with guidelines regarding the appropriate procedures and timelines for communications with City Council. This guideline is intended to enhance communications between and provide information to Council in a timely fashion. This guideline will also establish a systematic process to managing and responding to requests for information.

### **DEFINITIONS:**

Director: an employee of the City of Moose Jaw as follows: (Director of Human Resource Services, Director of Parks and Recreation, Director of Engineering Services, Director of Planning and Development Services, Director of Information Technology, Director of Financial Services, City Clerk/Solicitor, Communications Manager, Fire Chief.)

Emergency/Priority Status of Inquiry: If there's no indication of the priority of the inquiry, the City Manager or the Executive Assistant shall determine the urgency and communicate this to the Director.

## POLICY:

Directors are required to follow the guidelines below when dealing with communications/inquiries (phone calls, emails, etc.) from members of City Council:

- Members of City Council will communicate inquiries (via email or text where possible) through the City Manager and copy to the City Manager's Executive Assistant. Based upon the current system and process, Council can assume that the email was received, viewed and forwarded as there is triple redundancy in the system.
- Council will attempt to get as much pertinent data as possible to assist Administration in researching an inquiry such as:
  1. When, including times of calls or inquiries
  2. Where
  3. Unit #'s if a vehicle
  4. If they have called and not received a response
- Members of City Council, as an option, can refer customers to contact the City Manager or appropriate departments to discuss an inquiry if the customer has not done so already.
- The City Manager/Executive Assistant will review all inquiries and forward to the Directors (when necessary) for appropriate responses to Council. The Director shall provide the City Manager and Executive Assistant with the response and the City Manager or Executive Assistant will provide the response to Council.
- All inquiries from City Council are to be responded to within **two business days** from the time the inquiry was submitted. If an inquiry requires background research in order to respond appropriately, the City Manager/Executive Assistant shall notify Council as soon as possible that the inquiry was received, further background research is required and that a response will be provided with an estimated date. The Director shall then proceed to research the answer and provide a response as soon as possible to the City Manager and Executive Assistant.
- If an inquiry is submitted to a Director without being communicated to the City Manager, the Director is to forward the inquiry to the City Manager.
- The Executive Assistant shall record all pertinent information regarding inquiries received, such as dates received and responded to for quality control and accountability purposes.

Directors shall abide by these guidelines when dealing with any inquiry made by a member of Council.

## CONCLUSION

This Communication Plan is intended to be a “living” document and will be revised as needed and kept up to date by the Communications Manager, in consultation with the Strategic Management Team.



**Maureen Latta**

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**From:** Len&Marj [mailto:Len&Marj@moosejaw.com]  
**Sent:** July-16-19 5:50 PM  
**To:** Craig Hemingway  
**Subject:** communication

---

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Hi ; I find this document a sad commentary on the situation Moose Jaw has gotten itself into when trying to gets its point across to the public , but when a resident has to resort to the Freedom of Information legislation to obtain documents which reveal improper procedures can you blame people being suspicious & resorting to backdoor information.

Len Kroeker

It is difficult to get a man to understand something when his salary depends upon his not understanding it-  
Upton Sinclair

**Maureen Latta**

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**From:** Deb Froehlich  
**Sent:** July-17-19 8:06 AM  
**To:** Craig Hemingway  
**Subject:** Communication

---

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Mr. Hemmingway  
In my opinion communication to citizens of the city should all be responded to in a timely manner. Of course in order of priority.  
Public safety should be somewhat of a priority. With street maintenance closely behind.  
I wrote a letter to the engineers regarding a crosswalk on 9th Avenue SW and Grandview for the safety of school children crossing and not only was nothing done, I received no communication regarding my concerns. The increase in traffic and number of semis using this route is becoming increasingly dangerous. That I believe should not happen?  
I realize there are numerous complaints received but again prioritizing the issues concerned is important. The city does otherwise a good job on social media of information transfer.  
Thank you  
Deb Froehlich

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**Maureen Latta**

---

**From:** Sommer Smith  
**Sent:** July-21-19 8:14 AM  
**To:** Craig Hemingway  
**Subject:** Communications Policy Feedback

---

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Hello,

I just read the proposed communications policy and as requested would like to provide my feedback. Overall the policy seems fine, however there are a couple portions that I do have a problem with, which is:

"The City will monitor media coverage and with discretion may seek corrections if we deem the content to be incorrect, one-sided or a misrepresentation."

I don't believe that the city has a right to decide who is considered media and I also don't believe the city should have a right to choose whether information provided by the media is "incorrect" and needs to be corrected as this could be used as a form of censorship/cover up by the city to hide information from the citizens and this is wrong.

Thank you for your time.

**Maureen Latta**

---

**From:** Kyle Lichtenwald <...>  
**Sent:** July-21-19 9:06 AM  
**To:** Craig Hemingway; Fraser Tolmie; Crystal Froese; Dawn Lunning; Chris Warren; Brian Swanson; Scott McMann  
**Subject:** Communication Policy

---

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Good morning all, I am writing with concerns about a portion of the proposed communications policy.

It is the following section that is particularly troubling.

"The City will monitor media coverage and with discretion may seek corrections if we deem the content to be incorrect, one-sided or a misrepresentation."

You're all good people who I highly respect for your contributions to our fair city, however, I don't believe that the city has a right to decide who is considered media and I also don't believe the city should have a right to choose whether information provided by the media is "incorrect" and needs to be corrected. What are the consequences if the media outlet doesn't make the desired correction? I am afraid that this could be used as a form of censorship/cover up by the city to hide information from the citizens and this is wrong.

Please remove this particular line from the policy.

Thank you for your service and considering this concern.

Sincerely,

Kyle Lichtenwald

**Maureen Latta**

---

**From:** Matt Brewer  
**Sent:** July-21-19 10:48 AM  
**To:** Craig Hemingway  
**Subject:** Feedback on communication bill

---

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Hey Craig,

Just giving my opinion on the communication bill.

Very much not ok with the City deciding who is a "news outlet". That should not be for council to decide.

I also think the city should put out a poll when looking for feedback not make them email in.

Thanks.

Matt Brewer

**Maureen Latta**

---

**From:** Ken Wright  
**Sent:** July-28-19 4:32 AM  
**To:** Craig Hemingway  
**Subject:** City of Moose Jaw New Communications Policy

-----  
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 -----

WOW , I'm impressed. Next comment IT's ABOUT TIME maybe some of the confusion and aggression between council and the citizens will be lessened. No doubt in my mind this is a step in the right direction (a big one) I'm just plain excited about the opportunities the plan presents ;

Some issues with the plan;

It's far too long and detailed as written perhaps two plans may be needed one for the general public and one for the various departments at City Hall .The Residents plan should focus on the issues that they can affect basically

- A) Councils annual objectives with quarterly or semi annual reports on status. Includes funding
- B) Budget plans annual with quarterly updates. Special report on contingency funds by dept. and total

Tell us what you plan to do with some pertinent details , how much we plan on spending and where the money is coming from (current accounts) or loans.

There are lots of other issues that could be part of anything going to the taxpayers but as bare bones its simple what are our strategic goals for next year and how are we going to fund them? I would also suggest that this information should be no more than one page and mailed out to ensure each resident gets the information kind of like an EXECUTIVE SUMMARY. You can add details if you like but put them on separate pages.

Nice to see council is acknowledging what they can do and can't do based on the provisions laid out for them , lets see how well this works ....

Regards

K.j.(Ken Wright)



# City of Moose Jaw

## COMMUNICATION # EC-2019-0141

**TITLE:** Options for the Introduction of an Infrastructure Levy

**TO:** Executive Committee

**FROM:** Department of Financial Services

**DATE:** August 7, 2019

**PUBLIC:** PUBLIC DOCUMENT

### **RECOMMENDATION**

THAT City Council approve an Infrastructure Levy of \$100.00 per taxable property per year or \$ 8.33 per month for all property classes except for the multi-unit residential property class which will have an Infrastructure Levy of \$100.00 on each unit of the multi-unit residential property per year or \$ 8.33 per month; and

THAT the Infrastructure Levy extends to each mobile home in mobile home parks through an agreement with mobile park owners; and further

THAT the Infrastructure Levy be held in a separate Capital Fund and only utilized to fund transportation related infrastructure rehabilitation including road rehabilitation related to the Cast Iron Watermain Program.

### **TOPIC AND PURPOSE**

The purpose of this report is to provide several options related to a potential Infrastructure Levy.

### **BACKGROUND**

The City of Moose Jaw has had ongoing discussions for several years in respect to the potential of implementing an Infrastructure Levy. The City of Moose Jaw, like all other municipalities in Canada, faces inadequate funding for infrastructure rehabilitation. In Moose Jaw the creation of new infrastructure has been the focus since its establishment, but the City is now into the latter stages of the life cycle of a large portion of its infrastructure including water lines, sewer lines, landfill, roadways, sidewalks, bridges and structures.

Current levels of funding are not adequate to repair and rehabilitate much of Moose Jaw's municipal infrastructure. Federal and Provincial Governments have proven to be unreliable sources of funding for infrastructure rehabilitation. Federal and Provincial grant funding tends to come in spurts around Provincial and Federal elections. The exception to this sporadic funding has been the Federal Gas Tax funding which has proven to be a stable source of infrastructure funding.

In 2017, City Council at a regular meeting held on April 24, 2017, considered a report on watermain funding and passed the following motion in respect to Watermain Funding and more specifically transitioning the Hospital Levy into an Infrastructure Levy.

*"THAT the 2016 Cast Iron Watermain Budget not be carried over to 2017; and*

*THAT the 2.25% allocation of Municipal Taxation in 2017 be reduced to 1.65% and be directed on an ongoing basis to the Cast Iron Watermain Replacement Program; and further*

*THAT the source of funding for the remainder of the annual \$5,850,000 (to be inflation adjusted annually) come from the transition of the Hospital Levy into an Infrastructure Levy to be levied on water utility customers based upon meter size starting in 2019."*

During 2019 Budget deliberations, Council received a further report on a potential Infrastructure Levy utilizing the Water Utility as a basis for the levy. In response to that report, City Council passed the following motion:

*"THAT Administration provide a report to Council with options for the introduction of an Infrastructure Levy in advance of the 2020 Budget process."*

## **DISCUSSION**

The first step in reviewing the need for an Infrastructure Levy is to analyse the need for this type of funding. In reviewing the 2019 to 2023 Capital Plans, it is clear that both the General Capital Reserve and the Waterworks Utility portions of the Capital Budget are in need of significant additional infrastructure funding. See attachment #1 General Capital Reserve Budget and attachment #2 Waterworks Capital Budget/Financial Model.

The previous funding models developed in terms of an Infrastructure Levy anticipated a levy of approximately \$100 per property per year or \$ 8.33 per month which will generate approximately \$1,600,000 annually for infrastructure renewal.

Recent announcements of a doubling of the Gas Tax funding in 2019 and the Federal ICIP program will provide a benefit in 2020/21 primarily to the Waterworks Utility. It is hoped that this funding may lessen or eliminate the need for further borrowing by the utility. However, given the sporadic nature of Federal/Provincial funding, there is still the need for an Infrastructure Levy.

The General Capital Reserve has a \$17.6 million dollar deficit over five years which originates primarily in the Transportation area of this budget.



In reviewing other Cities in Saskatchewan, there are two forms of Infrastructure Levy in place. The first is a base tax applied to the various property classes. The table below summarizes some of the communities with this type of levy.

<b>Comparison of Base Tax Infrastructure Levies Saskatchewan Cities</b>			
	<b>Type</b>	<b>Residential</b>	<b>Commercial</b>
<b>Humboldt</b>	Roadway Rehabilitation	65	70 to 1750
	Infrastructure Tax	130	135 to 3375
<b>Matensville</b>	Wastewater Levy	75	75
	Recreation Levy	100	100
<b>North Battleford</b>	Underground and Asphalt Levy	\$4.36 a front foot	\$4.36 a front foot
	Recreation Facilities	187.46	1.41 mills
<b>Prince Albert</b>	Roadways Levy	189	500 to 14,500
	Infrastructure Tax	60	125 to 4,700
<b>Yorkton</b>	Recreation Levy	100	100

The second type of Infrastructure Levy is one specific to a utility in which the utility levies a monthly or volume--based levy on users to help support the infrastructure renewal of that utility. The table below summarizes some communities with this type of levy.

<b>Comparison of Utility based Infrastructure Levies Saskatchewan Cities</b>			
	<b>Type</b>	<b>Residential</b>	<b>Commercial</b>
<b>Estevan</b>	Drainage Levy	21.05 bi monthly	21.05 bi monthly
	Water Infrastructure	20.00 bi monthly	20.00 bi monthly
<b>Humboldt</b>	Storm Infrastructure Fee	NA	NA
<b>Melville</b>	Infrastructure Levy	23.12 monthly	23.12 monthly
<b>North Battleford</b>	Water Undergrounds	10.67 to 864.27	10.67 to 864.27
	based on meter size per month		
	Sewer Undergrounds	13.30 to 1370.52	13.30 to 1370.52
<b>Prince Albert</b>	based on meter size per month		
	Water Capital Works	25.00 to 350.00	25.00 to 350.00
	based on meter size per month		
	Sewer Capital Works	22.00 to 308.00	22.00 to 308.00
<b>Saskatoon</b>	based on meter size per month		
	Infrastructure Consumption Charge	3.169 per 100 Cu.ft	2.631 per 100 Cu.ft

In reviewing options for implementing a levy, City Administration would recommend to City Council to adopt a levy based upon a base tax as it has the flexibility to be utilized for a wide range of infrastructure needs. A utility-based levy on the other hand is more restrictive and generally just utilized for that utility's capital needs. By going with a broad-based Infrastructure Levy, it will be possible for Council to direct it to the area most in need of funding.

City Administration would also recommend a flat \$100 levy (Base Tax) or \$ 8.33 per month for all property classes. The treatment of commercial properties the same as residential will help lessen the property tax gap that exists between commercial and residential properties. Also, all citizens utilize the transportation infrastructure so a flat rate for all reflects this usage.

An alternative to a levy is simply to increase municipal taxation and utility rates to generate the additional monies needed to fund the City's infrastructure needs. Those increases would be:

- Municipal Tax increase of approximately 5.5% would generate \$1,600,000 for infrastructure renewal.
- Water Utility rate increase of approximately 16%.

In reviewing all the options, City Administration would recommend that City Council adopt a base tax of \$100 per taxable property levied or \$ 8.33 per month on the same basis as the previous Hospital Levy. This will generate approximately \$1,600,000 annually which City Administration would recommend be directed to the Transportation section of the General Capital Reserve portion of the Capital Budget; and that the funds be directed to fund Transportation related infrastructure rehabilitation including road rehabilitation related to the Cast Iron Watermain Program. By including Cast Iron Watermain road repair it will allow for some of the funding to be used to alleviate funding issues in the Waterworks Utility.

### **OPTIONS TO RECOMMENDATION**

1. City Council refer this report to City Council budget deliberations.
2. City Council recommend an alternative amount for the levy.
3. City Council implement a Utility based levy.
4. City Council increase taxation or water rates to generate the required funding.

### **PUBLIC AND/OR STAKEHOLDER INVOLVEMENT**

This is a public communication as have been the previous communications on this matter. Citizens or groups are invited to make their viewpoints known to City Council.

### **COMMUNICATION PLAN**

Once Council has made a decision on the type of levy to pursue, it will come back before Council to be approved either as part of the Mill Rate Bylaw or Utility Bylaw. This will allow the public another opportunity to express their views on the matter at that time.

### **STRATEGIC PLAN**

The ability to fund strategic initiatives such as infrastructure renewal is necessary for rehabilitation of these assets to move forward.

**BYLAW OR POLICY IMPLICATIONS**

Decisions made in respect to a levy will ultimately come back to Council in bylaw form for approval.

**FINANCIAL IMPLICATIONS**

The suggested implementation of an Infrastructure Levy in 2020 would generate approximately \$1,600,000 annually which would go towards Transportation related infrastructure renewal.

**PRESENTATION**

VERBAL: The Director of Financial Services will be in attendance to present an overview of the report.

**ATTACHMENTS**

1. 2019 to 2023 General Capital Reserve Budget.
2. 2019 to 2023 Waterworks Utility Budget and Financial Model.
3. December 4, 2018 report from the Financial Services Department re: Utility rate Review.

**REPORT APPROVAL**

Written by: Brian Acker, B.Comm., CPA, CMA, Director of Financial Services  
 Reviewed by: Tracy Wittke, Assistant City Clerk  
 Approved by: Jim Puffalt, City Manager  
 Approved by: Fraser Tolmie, Mayor

*Mayor's Comments:*

*The hospital levy had a start and end date to coincide with the construction of the new hospital. If an infrastructure levy is introduced which was part of the 2016 Cast Iron Referendum, then there should also be a start and end date to coincide with designated projects.*

*To be completed by the Clerk's Department only.*

Presented to Regular Council or Executive Committee on \_\_\_\_\_.

No. \_\_\_\_\_ Resolution No. \_\_\_\_\_

## Report Approval Details

Document Title:	Options for the Introduction of an Infrastructure Levy - EC-2019-0141.docx
Attachments:	<ul style="list-style-type: none"> <li>- ATTACHMENT 1 - 2019 to 2023 General Capital Reserve Budget.pdf</li> <li>- ATTACHMENT 2 - 2019 to 2023 Waterworks Utility Budget and Financial Model.docx</li> <li>- ATTACHMENT 3 - December 4 2018 report from the Financial Services Department re Utility Rate Review.pdf</li> </ul>
Final Approval Date:	Aug 15, 2019

This report and all of its attachments were approved and signed as outlined below:



**Tracy Wittke - Aug 12, 2019 - 2:59 PM**



**Jim Puffalt - Aug 14, 2019 - 7:17 AM**





**Fraser Tolmie - Aug 15, 2019 - 12:26 PM**

ATTACHMENT #1 - 2019 to 2023 General Capital Reserve Budget**GENERAL CAPITAL RESERVE SUMMARY  
2019 - 2023**

	2018	2019	2020	2021	2022	2023	Total
Carry over from previous year	\$ 7,010,116	\$ 6,675,897	\$ 1,822,417	\$ (7,502,054)	\$ (10,969,081)	\$ (14,468,418)	
SPC Funds Available	\$ 2,818,667	\$ 2,814,524	\$ 2,913,032	\$ 3,014,988	\$ 3,120,513	\$ 3,229,731	\$ 15,092,788
Hospital Levy	\$ 1,620,000	\$ 257,000	\$ -	\$ -	\$ -	\$ -	\$ 257,000
Taxation Revenue	\$ 3,069,761	\$ 3,583,283	\$ 3,506,860	\$ 3,640,805	\$ 3,750,029	\$ 3,862,530	\$ 18,343,506
Capital Expenditure Fund Interest	\$ 1,315,000	\$ 1,295,000	\$ 1,150,000	\$ 1,450,000	\$ 1,400,000	\$ 1,500,000	\$ 6,795,000
Land Sale Proceeds	\$ 1,530,000	\$ 910,000	\$ 910,000	\$ 1,125,000	\$ 880,000	\$ 880,000	\$ 4,705,000
Parks Dedication Reserve	\$ 82,500	\$ 20,000	\$ 98,500	\$ 39,000	\$ 39,500	\$ 40,000	\$ 237,000
Traffic Safety Reserve Cont	\$ 1,093,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated Surplus	\$ 1,613,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SaskEnergy Mun. Surcharge	\$ -	\$ 912,500	\$ 930,750	\$ 949,365	\$ 968,352	\$ 987,719	\$ 4,748,686
Fundraising Contributions	\$ 206,989	\$ 296,989	\$ 329,495	\$ -	\$ -	\$ -	\$ 626,484
Transfer to Waterworks	\$ (2,193,874)	\$ (2,691,492)	\$ (2,668,666)	\$ (2,748,726)	\$ (2,831,188)	\$ (2,916,123)	\$ (13,856,194)
Uncompleted Works	\$ (5,531,900)	\$ (3,672,747)	\$ -	\$ -	\$ -	\$ -	
<b>Capital Funding Available</b>	<b>\$ 12,634,137</b>	<b>\$ 10,400,954</b>	<b>\$ 8,992,388</b>	<b>\$ (31,622)</b>	<b>\$ (3,641,874)</b>	<b>\$ (6,884,561)</b>	<b>\$ 36,949,271</b>
Transportation	\$ 6,030,800	\$ 4,468,962	\$ 12,706,200	\$ 7,464,000	\$ 7,336,930	\$ 7,661,000	\$ 39,637,092
Parks and Recreation	\$ 1,642,115	\$ 1,093,130	\$ 1,072,995	\$ 1,300,885	\$ 1,244,010	\$ 798,153	\$ 5,509,173
Other Services	\$ 3,914,222	\$ 2,546,445	\$ 1,875,247	\$ 1,452,574	\$ 1,445,604	\$ 1,430,620	\$ 8,750,490
Police Services	\$ 50,000	\$ 65,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 265,000
Fire Services	\$ 89,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Downtown Facility & FieldHouse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Sewers	\$ 800,000	\$ 405,000	\$ 790,000	\$ 670,000	\$ 750,000	\$ 840,000	\$ 3,455,000
Total Funding Required	\$ 12,526,137	\$ 8,578,537	\$ 16,494,442	\$ 10,937,459	\$ 10,826,544	\$ 10,779,773	\$ 57,616,755
<b>Surplus/Shortfall</b>	<b>\$ 108,000</b>	<b>\$ 1,822,417</b>	<b>\$ (7,502,054)</b>	<b>\$ (10,969,081)</b>	<b>\$ (14,468,418)</b>	<b>\$ (17,664,334)</b>	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Final Surplus/Shortfall</b>	<b>\$ 108,000</b>	<b>\$ 1,822,417</b>	<b>\$ (7,502,054)</b>	<b>\$ (10,969,081)</b>	<b>\$ (14,468,418)</b>	<b>\$ (17,664,334)</b>	

**Attachment #2 2019 to 2023 Waterworks Utility Budget and Financial Model****WATER UTILITY RESERVE  
2019 - 2023**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Opening Balance	\$8,793,648	\$18,071,573	(\$7,919,519)	\$29,018	(\$1,028,477)	(\$1,174,050)	
Contributions during the year	\$6,587,995	\$7,960,506	\$10,125,207	\$11,333,462	\$12,154,384	\$13,186,779	\$54,760,338
Loan Proceeds	\$30,000,000	\$0	\$20,000,000	\$0	\$0	\$0	\$20,000,000
less Water Works Projects	\$35,408,000	\$20,885,349	\$22,176,670	\$12,390,957	\$12,299,957	\$13,099,957	\$80,852,890
less Uncompleted Works	\$20,557,830	\$13,066,249	\$0	\$0	\$0	\$0	
<b>Year End Balance</b>	<b>(\$10,584,187)</b>	<b>(\$7,919,519)</b>	<b>\$29,018</b>	<b>(\$1,028,477)</b>	<b>(\$1,174,050)</b>	<b>(\$1,087,228)</b>	

<div>  <div> <b>City of Moose Jaw</b>  <b>Waterworks Utility</b>  <b>2019 to 2023 Financial Model</b> </div>  </div>						
<b>Waterworks Utility - Forecast</b>						
Revised February 12th, 2019	2018	2019	2020	2021	2022	2023
<b>Operating Budget Model</b>						
<b>Revenues:</b>						
General Service	\$ 10,600,000	\$ 11,174,300	\$ 12,325,935	\$ 13,989,937	\$ 15,123,122	\$ 16,348,094
Utility Billing Penalties	58,277	60,387	65,278	74,091	80,092	86,580
Connection Fees	62,235	62,940	63,000	65,000	67,000	70,000
Water Depots	35,075	28,390	30,690	34,833	37,654	40,704
House Connections	300,000	300,000	315,000	330,750	347,288	364,652
Miscellaneous Revenue	1,092	1,000	1,000	1,000	1,000	1,000
Water Meter Revenue	17,000	20,000	21,000	22,000	23,000	24,000
<b>Total Revenues</b>	<b>\$ 11,073,679</b>	<b>\$ 11,647,017</b>	<b>\$ 12,821,903</b>	<b>\$ 14,517,610</b>	<b>\$ 15,679,155</b>	<b>\$ 16,935,030</b>
<b>Expenditures:</b>						
Production	\$ 2,971,446	\$ 3,047,945	\$ 3,279,790	\$ 3,752,742	\$ 4,044,169	\$ 4,266,440
Distribution	4,018,372	4,032,213	4,128,986	4,228,082	4,329,556	4,433,465
Administration	1,361,636	1,500,084	1,556,961	1,640,761	1,748,248	1,829,777
<b>Total Expenditures</b>	<b>\$ 8,351,454</b>	<b>\$ 8,580,242</b>	<b>\$ 8,965,737</b>	<b>\$ 9,621,584</b>	<b>\$ 10,121,972</b>	<b>\$ 10,529,682</b>
<b>Reserve Contribution</b>	<b>\$ 2,722,225</b>	<b>\$ 3,066,775</b>	<b>\$ 3,856,166</b>	<b>\$ 4,896,026</b>	<b>\$ 5,557,183</b>	<b>\$ 6,405,348</b>
<b>Reserve Cashflow Model</b>	2018	2019	2020	2021	2022	2023
Opening Balance of Reserve	\$ 8,326,765	\$ 18,071,573	\$ (7,919,519)	\$ 29,018	\$ (1,028,477)	\$ (1,174,051)
Reserve Contribution	2,722,225	3,066,775	3,856,166	4,896,026	5,557,183	6,405,348
Interest Revenue	237,585	119,287	(102,577)	(14,242)	(34,139)	(37,876)
Borrowing Proceeds	30,000,000	-	20,000,000	-	-	-
Gas Tax Funding	2,033,041	2,082,952	2,082,952	2,082,952	2,082,952	2,082,952
Borrowing Repayment	(508,103)	(2,575,349)	(4,423,670)	(4,424,957)	(4,424,957)	(4,424,957)
Tax Funding	2,706,874	2,691,492	2,668,666	2,748,726	2,831,188	2,916,123
Infrastructure Levy	-	-	1,620,000	1,620,000	1,717,200	1,820,232
Carry Forwards	-	(13,066,249)	-	-	-	-
Capital Expenditures	(27,446,814)	(18,310,000)	(17,753,000)	(7,966,000)	(7,875,000)	(8,675,000)
<b>Closing Balance of Reserve</b>	<b>\$ 18,071,573</b>	<b>\$ (7,919,519)</b>	<b>\$ 29,018</b>	<b>\$ (1,028,477)</b>	<b>\$ (1,174,051)</b>	<b>\$ (1,087,229)</b>
<b>Forecast Rates:</b>	2018	2019	2020	2021	2022	2023
<b>Projected Key Rates</b>						
Anticipated Cost Increases	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Production Cost Increases	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Approved Rate Structure	9.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proposed Rate Structure	0.0%	6.0%	9.0%	15.0%	9.0%	9.0%
Conservation Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
<b>Average Cost Example</b>	2018	2019	2020	2021	2022	2023
75M3 per Qtr 15 - 20mm Meter	\$ 181.89	\$ 192.81	\$ 210.16	\$ 241.68	\$ 263.44	\$ 287.14
25M3 per Mnth 15 - 20mm Meter	\$ 60.63	\$ 64.27	\$ 70.05	\$ 80.56	\$ 87.81	\$ 95.71
Infrastructure Levy-15-20mm/Mnth	\$ -	\$ 8.33	\$ 8.33	\$ 8.33	\$ 8.83	\$ 9.36



# City of Moose Jaw

## LETTER OF COMMUNICATION

**TITLE:** Utility Rate Review

**TO:** Budget Committee

**FROM:** Department of Financial Services

**DATE:** December 4, 2018

**PUBLIC:** This is a public document

**IN-CAMERA:**

### RECOMMENDATION

THAT the Waterworks and Sanitary Sewer Utility Rate Schedule be amended to reflect a 6% rate increase effective April 1, 2019; and

THAT effective April 1, 2019, a Waterworks Infrastructure Levy be established based upon a variable monthly levy based upon meter size. That infrastructure Levy will be:

Meter Size	Monthly Levy
15 - 20 mm	\$8.33
21 - 30 mm	\$16.67
31 - 40 mm	\$33.33
41 - 50 mm	\$66.67
51 - 75 mm	\$133.00
76 - 100 mm	\$267.00
101 - 150 mm	\$533.00
151 - 200 mm	\$1,067.00
greater than 200mm	\$2,133.00

and further;

THAT City Administration be directed to amend Bylaw No. 5152 The Sewer and Water Utility Bylaw.



## **TOPIC AND PURPOSE**

The purpose of this report is to provide Budget Committee with the results of an analysis of Water and Sewer Utility rates.

## **BACKGROUND**

The City of Moose Jaw provides water and sanitary sewer services to the citizens and businesses of the community via two separate utilities. The Waterworks Utility is set up to be a self-funded utility that provides potable water to the citizens and businesses of the City of Moose Jaw. Likewise, the Sanitary Sewer Utility is also self-funded and provides sanitary sewer disposal services to the citizens and businesses of Moose Jaw.

On April 24, 2017, City Council passed the following motion in respect to Watermain Funding and more specifically transitioning the Hospital Levy into an Infrastructure Levy.

"THAT the 2016 Cast Iron Watermain Budget not be carried over to 2017; and

THAT the 2.25% allocation of Municipal Taxation in 2017 be reduced to 1.65% and be directed on an ongoing basis to the Cast Iron Watermain Replacement Program; and further

THAT the source of funding for the remainder of the annual \$5,850,000 (to be inflation adjusted annually) come from the transition of the Hospital Levy into an Infrastructure Levy to be levied on water utility customers based upon meter size starting in 2019."

## **Waterworks Utility**

The Waterworks Utility's Operating Expenditures are funded from the revenue generated from utility rate charges to its customers. The excess of utility rate revenues, once operating expenditures have been satisfied, is contributed as a reserve charge to be utilized to fund its capital needs. It is estimated that the Waterworks Utility will generate approximately \$2,492,475 in 2019 towards these capital needs.

### **City of Moose Jaw Budget Summary of Revenues & Expenditures For Waterworks**

Description	2018 Projection	2018 Budget	2019 Budget	2019 - 2018 INC (DCR)	% Change
GENERAL SERVICE	10,600,000	10,015,565	10,600,000	584,435	5.8%
UTILITY BILLING PENALTIES	58,277	42,438	60,387	17,949	42.3%
CONNECTION FEES	62,235	65,025	62,940	(2,085)	(3.2)%
WATER DEPOTS	35,075	27,361	28,390	1,029	3.8%
HOUSE CONNECTIONS	300,000	250,000	300,000	50,000	20.0%
MISCELLANEOUS REVENUE	1,092	5,700	1,000	(4,700)	(82.5)%
WATER METER REVENUE	17,000	29,000	20,000	(9,000)	(31.0)%
<b>REVENUES</b>	<b>11,073,679</b>	<b>10,435,089</b>	<b>11,072,717</b>	<b>637,628</b>	<b>6.1%</b>
PRODUCTION	2,971,446	3,118,271	3,047,945	(70,326)	(2.3)%
DISTRIBUTION	4,018,372	3,933,184	4,032,213	99,029	2.5%
ADMINISTRATION	1,361,636	1,337,706	1,500,084	162,378	12.1%
RESERVE CHARGE	2,722,225	2,045,928	2,492,475	446,547	21.8%
<b>EXPENDITURES</b>	<b>11,073,679</b>	<b>10,435,089</b>	<b>11,072,717</b>	<b>637,628</b>	<b>6.1%</b>

The Waterworks Utility is also the recipient of the City's Gas Tax funding which will total an estimated \$2,082,952 in 2019. In addition to this funding, the City currently redirects municipal taxation to the utility to partially fund the cast iron watermain replacement program. This appropriation of tax revenues totals \$2,836,492. In summary, for 2019 the following are the anticipated funding sources for the utilities capital needs:

Utility Rate Charges	\$2,492,475
Gas Tax Funding	\$2,082,952
Municipal Taxation	<u>\$2,836,492</u>
Total Funds for Capital Needs	<u>\$7,411,919</u>

The capital needs of the Waterworks Utility are estimated to be \$119,654,432 over the next five years.

### Sanitary Sewer Utility

The Sanitary Sewer Utility is estimated to generate \$3,833,354 in 2019 as a reserve charge which will be utilized to fund current borrowings and future capital needs. The Sanitary Sewer Utility is a self-funded utility which means it relies on the revenue generated from utility rate charges and grant funding to fully fund its operations and capital needs.

### City of Moose Jaw Budget Summary of Revenues & Expenditures For Sanitary Sewer

Description	2018 Projection	2018 Budget	2019 Budget	2019 - 2018 INC (DCR)	% Change
GENERAL SERVICE	7,670,000	7,636,647	7,670,000	33,353	0.4%
SEWER BLOCKS	450	4,663	806	(3,857)	(82.7)%
UTILITY BILLING PENALTIES	44,998	40,127	46,217	6,090	15.2%
SEPTAGE FEES	34,793	21,171	26,811	5,640	26.6%
HOUSE CONNECTIONS	400,000	275,000	400,000	125,000	45.5%
<b>REVENUES</b>	<b>8,150,241</b>	<b>7,977,608</b>	<b>8,143,834</b>	<b>166,226</b>	<b>2.1%</b>
ADMINISTRATION	1,000,542	994,790	1,038,449	43,659	4.4%
RESERVE CHARGE	3,876,344	3,694,414	3,833,354	138,940	3.8%
SEWAGE TREATMENT	2,043,742	2,119,753	2,083,785	(35,968)	(1.7)%
SANITARY SEWERS	1,229,613	1,168,651	1,188,246	19,595	1.7%
<b>EXPENDITURES</b>	<b>8,150,241</b>	<b>7,977,608</b>	<b>8,143,834</b>	<b>166,226</b>	<b>2.1%</b>

The Sanitary Sewer Utility has planned capital expenditures over the next five years of \$32,314,133.

The table below shows the City of Moose Jaw's Water and Sewer rate increases since 2005:

### ***Historical Review of Utility Rate Increases***

<b><u>Water</u></b>	<b><u>Sewer</u></b>	
2005	2.00%	2.00% *
2006	2.00%	2.00% *
2007	5.00%	10.00%
2008	10.00%	15.00%
2009	10.00%	15.00%
2010	5.00%	13.00%
2011	15.00%	15.00%
2012	9.00%	9.00%
2013	9.00%	9.00%
2014	9.00%	9.00%
2015	9.00%	9.00%
2016	9.00%	9.00%
2017	15.00%	6.00%
2018	9.00%	6.00%

\* Note: Rate increases during the 2002 to 2006 period were not a flat across-the-board increase, but rather were made up of varying rate increases per type of meter and level of consumption. The increase shown is the average projected increase per Communication #178 dated July 11, 2001.

## **DISCUSSION**

The Water and Sewer Utilities are both facing expenditure pressures on the operating and capital areas. The discussion below attempts to address the challenges and potential ways to deal with those challenges for each utility.

### **Waterworks Utility**

The Water Utility operational costs appear to be stabilizing with distribution costs more within a normal inflationary increase. In terms of production costs, there is a small decrease for 2019, but significant increases in water rates charged by the Buffalo Pound Water Treatment Corporation (BPWTC) for capital improvements will impact production costs going forward.

These increased production costs are the result of the BPWTC now being responsible for all capital costs related to the facility. In order to fund an estimated \$127 million to \$224 million dollar renewal project, the rates charged for water will climb in the future. The table below summarizes those projected increases:

	<b><u>Rate per megaliter</u></b>
2018	533.00
2019	543.00
2020	585.00
2021	672.00
2022	725.00
2023	765.00

In terms of the infrastructure needs of the utility, they total \$119,935,619 and are detailed in Attachment #1 - 2019 to 2023 Waterworks Planned Capital Expenditures. This is an extreme amount of capital works for a utility of this size (annual revenue approx. \$11 million).

The Financial Services Department has created a Financial Model for the Waterworks Utility that puts into perspective the extreme financial pressures being faced by the utility. This model can be found in Attachment #2 - 2019 to 2023 Waterworks Financial Model.

As can be seen, the financial model calls for an additional \$45 million in borrowing, which is in addition to the \$30 million borrowed in 2018. As well, the model has been produced with annual 6% rate increases which is the direction of City Council. Lastly, the transition of the Hospital Levy to a Waterworks Levy beginning in 2019 has been accounted for in the model.

The one thing this financial model does not take into account is the potential for any Federal/Provincial Grant funding. If the City were successful in getting Federal/Provincial funding, this would reduce some of the borrowing needs.

The financial model presented will meet the needs of the utility over the next five years, but does not provide long term financial stability for the utility. Going forward into the future, there will be a need for utility rate increases greater than 6% annually and/or significant amounts of Federal and Provincial grant funding.

The current financial model also will not provide much if any room for future debt limit requirements related to the BPWTC renewal. The funding for the renewal project will come from the rates charged for water by BPWTC. However, since the corporation is jointly owned by the City of Regina (74%) and City of Moose Jaw (26%) any borrowing done by the corporation will count against the borrowing limits of the two cities.

In Moose Jaw's case, 26% of any borrowing will need to be absorbed in the City's debt limit. The City's debt limit currently sits at \$95 million dollars and approximately \$64 million dollars of that limit has been used to date. The waterworks financial model anticipates that an additional \$45 million in borrowing for the Waterworks Utility will be required over the next three years. Given that a portion of the debt will be paid off over the next three years, it is estimated that the additional \$45 million in borrowing will put the City at its debt limit of \$95 million dollars.

Where issues may potentially arise is the amount of additional debt limit that will be required for the City of Moose Jaw's 26% share of the BPWTC renewal project. That could range from \$33 million to \$58 million if no grant funding is available. If 50% grant funding were available for the plant renewal, then the City's share of debt would range from \$16.5 to \$29.0 million dollars. The lower range of this debt requirement is likely manageable; however, if significant Federal and Provincial funding is not available, then it may be difficult for the City to get that high a debt level approved by the Saskatchewan Municipal Board given our current planned debt levels.

The financial model presented with 6% annual rate increases, transition of the Hospital Levy to a Waterworks Infrastructure Levy and \$45 million in borrowing is manageable over the five year Capital Plan period. Future periods beyond 2023 being manageable are predicated on a significantly reduced capital need and Federal and Provincial grant funding.

### **Sanitary Sewer Utility**

The Sanitary Sewer Utility is experiencing more moderate cost pressures on its operations and capital needs. The debt that the corporation currently holds will be paid off at the end of 2023 and the financial model appears to be sustainable with moderate rate increases of 6% each year over the five year period.

In the longer term, it may make sense to look at the potential of combining the Waterworks and Sanitary Sewer Utilities into one entity. This would have the benefit of creating a larger utility which could redirect resources from one area such as Sanitary Sewers to areas of financial need such as Waterworks. This type of amalgamation is several years off as the Sanitary Sewer Utility is just now getting on solid financial footings where at a point five or so years down the road, it may be able to contribute to Waterworks capital needs.

In terms of the infrastructure needs of the utility, they total \$32,314,133 and are detailed in Attachment #3 - 2019 to 2023 Sanitary Sewer Planned Capital Expenditures. This is a much more moderate capital request than the Waterworks Utility and in addition, long-term borrowing for the utility will be fully repaid by 2023. Annual contributions from operations to capital are also strong at an estimated \$3,833,354 in 2019 before the proposed 6% rate increase.

The Financial Services Department has created a Financial Model for the Sanitary Sewer Utility that puts into perspective the financial pressures being faced by the utility. This model can be found in Attachment #4 - 2019 to 2023 Wastewater Financial Model. City Administration would recommend funding the Sanitary Sewer Utility with 6% rate increases over the next five years.

### **Conclusion**

As can be seen from the discussion above, both utilities are facing financial pressures. The analysis above has proposed rate increases for each of the next five years for each utility.

The uncertainty surrounding these financial models relates to:

- Scope of work that must be performed over the next five years.
- Federal/Provincial Infrastructure Funding.

Given these uncertainties and the obvious need for a utility increase for 2019, City Administration would recommend to Council to proceed with a 2019 increase only at this point in time.

The rate adjustments recommended in this report are necessary for the utilities to be able to meet their financial obligations and continue to provide water and sanitary sewer services.

A comparison of other cities' 2017 rates for both residential and commercial usage is provided in Attachment #5 - 2017 Utility Rate Comparison (2018 comparison was not available). As can be seen, the City of Moose Jaw has the fifth lowest residential rates and the fourth lowest commercial rates amongst the cities surveyed.

Also of specific interest is the water and sewer rates of Moose Jaw's closest comparator, that being the City of Regina. (See attachment #6.) The City of Regina's 2018 water and sewer rates are compared to the City of Moose Jaw's in the attached table. The table indicates that the City of Regina's residential water and sewer charges are 22% more than Moose Jaw's.

The City of Moose Jaw's water and sewer charge for a residential customer with a 20 mm meter and 25 M3 of usage a month is \$109.69. The proposed rate increases will result in this same residential customer paying \$116.27 for water and sewer services in 2019 plus the water infrastructure levy of \$8.33 bringing the total monthly charge to \$124.60. Although this is a significant increase in cost, it should be noted that the cost of water and sewer services is still reasonable when compared to the monthly charges that one pays for electricity, natural gas, cable and telephone.

City Administration is recommending only a one-year utility rate increase be implemented at this time. The rationale for this recommendation is twofold. First of all the capital plans for both utilities are subject to fluctuation into the future and secondly the City is hopeful it will receive some Federal/Provincial funding over the next five years. For these reasons, a rate increase of 6% for the Waterworks Utility and 6% for the Sanitary Sewer Utility effective April 1, 2019 is being recommended.

### **OPTIONS TO RECOMMENDATION**

- 1) Implement a longer term rate increase such as three years of 6% utility rate increases and implementation of the Infrastructure Levy.

### **PUBLIC AND/OR STAKEHOLDER INVOLVEMENT**

As part of the City's public input process, individuals or groups can present a submission to Budget Committee in respect to proposed utility rate increases. At this point, no groups or individuals have come forward but if any do, they will be allowed to present at this meeting.

### **COMMUNICATION PLAN**

Once a decision on 2019 utility rate increases have been ratified, City Administration will inform the public of the upcoming increases through advertising as well as an insert in utility bills.

In addition, as part of the communications plan for this rate increase, the City will make every effort to inform our customers about the Water Instalment Payment Plan (WIPPS) that the City offers. This plan allows customers to move from the regular three month

billing and payment cycle to a monthly payment cycle but which requires the customer to sign up for direct debit as a method of payment. The move from quarterly to monthly billings under the WIPPS plan allows customers to be charged a more manageable monthly bill rather than facing a larger bill every three months, penalty free due to the direct withdrawal requirement. Currently about 14.3 % of the City's Water & Sewer customers take advantage of the monthly payment plan.

### **STRATEGIC PLAN**

Developing an appropriate utility rate structure forms the basis for the carrying out of the City's strategic and administrative plans as they relate to both the Waterworks and Sanitary Sewer Utilities. This funding mechanism also provides for the funding necessary to move forward with infrastructure renewal and supports the administrative strategic theme of enhancing infrastructure planning and management.

### **BYLAW OR POLICY IMPLICATIONS**

The approval of the recommendation in this report will result in the need to amend the rate schedule in Bylaw No. 5152 The Sewer and Water Utility Bylaw.

### **FINANCIAL IMPLICATIONS**

The proposed rate increases and levy introduction for the Waterworks Utility and the rate increase for the Sanitary Sewer Utility will generate annually approximately \$2,192,000 and \$414,000 respectively. It is important to note that taxpayers will see a corresponding drop in the monies levied for the hospital of \$1,620,000 annually.

### **PUBLIC NOTICE**

Public Notice pursuant to the Public Notice Policy as incorporated into the City Administration Bylaw No. 5175 of 2016 is not required.

### **PRESENTATION**

VERBAL:        X        AUDIO/VISUAL:        NONE:

### **ATTACHMENTS**

- 1) 2019 to 2023 Waterworks Planned Capital Expenditures.
- 2) 2019 to 2023 Waterworks Financial Model.
- 3) 2019 to 2023 Sanitary Sewer Planned Capital Expenditures.
- 4) 2019 to 2023 Wastewater Financial Model.
- 5) 2017 Utility Rate Comparison.
- 6) Comparison to City of Regina Utility Rates.
- 7) Potential Waterworks Infrastructure Levy examples.

Respectfully Submitted By,

Brian Acker

Brian Acker, B.Comm., CPA, CMA  
Director of Financial Services

BA/sp

Attachs.

**APPROVAL OF REPORT RECEIVED**

**COMMENTS RECEIVED**

Jim Puffalt

Jim Puffalt, City Manager

Fraser Tolmie

Fraser Tolmie, Mayor

*To be completed by the Clerk's Department only.*

Presented to Regular Council or Executive Committee on \_\_\_\_\_.



No. \_\_\_\_\_ Resolution No. \_\_\_\_\_



## ATTACHMENT #1 – 2019 TO 2023 Waterworks Planned Capital Expenditures

Object Account	Total 2018	Carry Forward 2018	2019	2020	2021	2022	2023	Total
9618 - WW1 WATER DISTRIBUTION	679,000	400,000	310,000	653,000	666,000	675,000	675,000	2,979,000
9604 - WW4 WATER RESERVOIRS	13,358,724	12,500,000	7,100,000	2,000,000	2,300,000	2,300,000	2,200,000	15,900,000
9612 - WW5 BPWTP	5,634,163	5,629,381	-	-	-	-	-	-
9616 - WW16 BPWTP TRANSMISSION LINE	21,103,139	4,110,000	3,500,000	100,000	-	-	-	3,600,000
9625 - WW25 WATERWORKS LOAN REPAYMENT	2,679,000	-	4,423,349	5,857,000	6,751,287	6,751,287	6,751,287	30,534,210
9650 - WS1 RAW WATER ASSETS	200,000	200,000	-	-	-	-	-	-
9609 - WW9 FEEDER MAINS	2,885,000	2,772,494	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	7,000,000
9617 - WW17 CAST IRON WATERMAIN REP	8,267,464	1,810,534	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	32,500,000
Water Utility Reserve Summary	54,806,490	27,422,409	23,833,349	17,110,000	17,217,287	17,226,287	17,126,287	92,513,210

## ATTACHMENT #2 – 2019 TO 2023 Waterworks Financial Model



<div>  <div> <b>City of Moose Jaw</b>  <b>Waterworks Utility</b>  <b>2019 to 2023 Financial Model</b> </div>  </div>						
<b>Waterworks Utility - Forecast</b> Revised November 22nd, 2018	2018	2019	2020	2021	2022	2023
<b>Operating Budget Model</b>						
<b>Revenues:</b>						
General Service	\$ 10,600,000	\$ 11,029,300	\$ 11,775,710	\$ 12,411,598	\$ 13,081,824	\$ 13,788,243
Utility Billing Penalties	58,277	60,387	63,648	67,085	70,707	74,526
Connection Fees	62,235	62,940	63,000	65,000	67,000	70,000
Water Depots	35,075	28,390	29,923	31,539	33,242	35,037
House Connections	300,000	300,000	315,000	330,750	347,288	364,652
Miscellaneous Revenue	1,092	1,000	1,000	1,000	1,000	1,000
Water Meter Revenue	17,000	20,000	21,000	22,000	23,000	24,000
<b>Total Revenues</b>	<b>\$ 11,073,679</b>	<b>\$ 11,502,017</b>	<b>\$ 12,269,281</b>	<b>\$ 12,928,972</b>	<b>\$ 13,624,061</b>	<b>\$ 14,357,457</b>
<b>Expenditures:</b>						
Production	\$ 2,971,446	\$ 3,047,945	\$ 3,279,790	\$ 3,752,742	\$ 4,044,169	\$ 4,266,440
Distribution	4,018,372	4,032,213	4,128,986	4,228,082	4,329,556	4,433,465
Administration	1,361,636	1,500,084	1,549,711	1,613,249	1,669,331	1,727,712
<b>Total Expenditures</b>	<b>\$ 8,351,454</b>	<b>\$ 8,580,242</b>	<b>\$ 8,958,487</b>	<b>\$ 9,594,073</b>	<b>\$ 10,043,056</b>	<b>\$ 10,427,617</b>
<b>Reserve Contribution</b>	<b>\$ 2,722,225</b>	<b>\$ 2,921,775</b>	<b>\$ 3,310,794</b>	<b>\$ 3,334,899</b>	<b>\$ 3,581,006</b>	<b>\$ 3,929,840</b>
<b>Reserve Cashflow Model</b>	2018	2019	2020	2021	2022	2023
Opening Balance of Reserve	\$ 8,326,765	\$ 18,138,802	\$ (3,743,594)	\$ 4,086,191	\$ 7,075,030	\$ 445,974
Reserve Contribution	2,722,225	2,921,775	3,310,794	3,334,899	3,581,006	3,929,840
Interest Revenue	238,190	169,143	4,452	159,042	116,562	(88,760)
Borrowing Proceeds	30,000,000	20,000,000	15,000,000	10,000,000	-	-
Gas Tax Funding	2,033,041	2,082,952	2,082,952	2,082,952	2,082,952	2,082,952
Borrowing Repayment	(504,212)	(4,423,349)	(5,857,000)	(6,751,287)	(6,751,287)	(6,751,287)
Tax Funding	2,706,874	2,836,492	2,921,587	3,009,234	3,099,511	3,192,497
Infrastructure Levy	-	1,363,000	1,620,000	1,620,000	1,717,200	1,820,232
Carry Forwards	-	(27,422,409)	-	-	-	-
Capital Expenditures	(27,384,081)	(19,410,000)	(11,253,000)	(10,466,000)	(10,475,000)	(10,375,000)
<b>Closing Balance of Reserve</b>	<b>\$ 18,138,802</b>	<b>\$ (3,743,594)</b>	<b>\$ 4,086,191</b>	<b>\$ 7,075,030</b>	<b>\$ 445,974</b>	<b>\$ (5,743,552)</b>
<b>Forecast Rates:</b>	2018	2019	2020	2021	2022	2023
<b>Projected Key Rates</b>						
Anticipated Cost Increases	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Production Cost Increases	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Approved Rate Structure	9.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proposed Rate Structure	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Conservation Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
<b>Average Cost Example</b>	2018	2019	2020	2021	2022	2023
75M3 per Qtr 15 - 20mm Meter	\$ 181.89	\$ 192.81	\$ 204.38	\$ 216.64	\$ 229.64	\$ 243.41
25M3 per Mnth 15 - 20mm Meter	\$ 60.63	\$ 64.27	\$ 68.13	\$ 72.21	\$ 76.55	\$ 81.14
Infrastructure Levy-15-20mm/Mnth	\$ -	\$ 8.33	\$ 8.33	\$ 8.33	\$ 8.83	\$ 9.36

## ATTACHMENT #3 – 2019 TO 2023 Sanitary Sewer Planned Capital Expenditures

Object Account	Total 2018	Carry Forward 2018	2019	2020	2021	2022	2023	Total
9731 - S1 SANITARY SEWERS	1,611,000	1,175,000	1,569,000	2,906,000	1,150,000	1,000,000	1,000,000	7,625,000
9733 - S3 WASTEWATER TREATMENT PLANT	1,428,252	933,000	770,000	543,000	1,432,000	500,000	500,000	3,745,000
9734 - S4 LIFT STATIONS	300,000	300,000	370,000	390,000	6,250,000	4,500,000	200,000	11,710,000
9725 - S25 WASTEWATER LOAN REPAYMENT	1,545,688	-	1,544,494	1,545,278	1,546,461	1,545,068	644,832	6,826,133
Sanitary Sewage Reserve Summary	4,884,940	2,408,000	4,253,494	5,384,278	10,378,461	7,545,068	2,344,832	29,906,133



## ATTACHMENT #4 – 2019 TO 2023 Wastewater Financial Model

<div>  <div> <b>City of Moose Jaw</b>  <b>Sanitary Sewer (Wastewater) Utility</b>  <b>2019 to 2023 Financial Model</b> </div>  </div>						
<b>Wastewater Utility - Forecast</b> November 22, 2018	2018	2019	2020	2021	2022	2023
<b>Operating Budget Model</b>						
<b>Revenues:</b>						
General Service	\$ 7,670,000	\$ 7,980,635	\$ 8,520,726	\$ 8,980,845	\$ 9,465,811	\$ 9,976,964
Sewer Blocks	450	806	900	1,000	1,100	1,200
Utility Billing Penalties	44,998	46,217	48,713	51,343	54,116	57,038
Septage Fees	34,793	26,811	28,000	29,000	30,000	31,000
House Connections	400,000	400,000	420,000	441,000	463,050	486,203
<b>Total Revenues</b>	<b>\$ 8,150,241</b>	<b>\$ 8,454,469</b>	<b>\$ 9,018,338</b>	<b>\$ 9,503,188</b>	<b>\$ 10,014,076</b>	<b>\$ 10,552,405</b>
<b>Expenditures:</b>						
Administration	\$ 1,000,542	\$ 1,038,449	\$ 1,069,700	\$ 1,112,800	\$ 1,152,288	\$ 1,193,415
Sewage Treatment	2,043,742	2,164,488	2,216,436	2,269,630	2,324,101	2,379,880
Sanitary Sewers	1,229,613	1,188,246	1,216,764	1,245,966	1,275,869	1,306,490
<b>Total Expenditures</b>	<b>\$ 4,273,897</b>	<b>\$ 4,391,183</b>	<b>\$ 4,502,899</b>	<b>\$ 4,628,396</b>	<b>\$ 4,752,259</b>	<b>\$ 4,879,785</b>
<b>Reserve Contribution</b>	<b>\$ 3,876,344</b>	<b>\$ 4,063,286</b>	<b>\$ 4,515,439</b>	<b>\$ 4,874,792</b>	<b>\$ 5,261,817</b>	<b>\$ 5,672,620</b>
<b>Reserve Cashflow Model</b>	2018	2019	2020	2021	2022	2023
Opening Balance of Reserve	\$ 4,068,572	\$ 3,994,859	\$ 1,460,754	\$ 618,952	\$ (4,946,385)	\$ (7,421,338)
Reserve Contribution	3,876,344	4,063,286	4,515,439	4,874,792	5,261,817	5,672,620
Interest Revenue	72,571	64,103	27,036	(61,667)	(191,702)	(196,166)
Borrowing Proceeds	-	-	-	-	-	-
Building Canada Funding	-	-	-	-	-	-
Infrastructure Levy	-	-	-	-	-	-
Borrowing Repayment	(1,545,688)	(1,544,494)	(1,545,278)	(1,546,461)	(1,545,068)	(644,832)
Carry Forwards	-	(2,408,000)	-	-	-	-
Capital Expenditures	(2,476,940)	(2,709,000)	(3,839,000)	(8,832,000)	(6,000,000)	(1,700,000)
<b>Closing Balance of Reserve</b>	<b>\$ 3,994,859</b>	<b>\$ 1,460,754</b>	<b>\$ 618,952</b>	<b>\$ (4,946,385)</b>	<b>\$ (7,421,338)</b>	<b>\$ (4,289,716)</b>
<b>Forecast Rates:</b>	2018	2019	2020	2021	2022	2023
<b>Projected Key Rates</b>						
Anticipated Cost Increases	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Approved Rate Structure	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proposed Rate Structure	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Conservation Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
<b>Average Cost Example</b>	2018	2019	2020	2021	2022	2023
75M3 per Qtr 15 - 20mm Meter	\$ 147.18	\$ 156.01	\$ 165.37	\$ 175.29	\$ 185.81	\$ 196.96
25M3 per Mnth 15 - 20mm Meter	\$ 49.06	\$ 52.00	\$ 55.12	\$ 58.43	\$ 61.94	\$ 65.65

## ATTACHMENT #5 – 2017 Utility Rate Comparison

**Residential Water & Sewer**

<b>25M3 per Month - 3/4" service</b>	<b>2017 Rank</b>	
Weyburn	76.93	1
Yorkton	82.49	2
Meadow Lake	89.17	3
Swift Current	99.89	4
<b>Moose Jaw</b>	<b>101.91</b>	<b>5</b>
Prince Albert	103.27	6
Saskatoon	104.03	7
Melfort	104.82	8
Estevan	107.16	9
North Battleford	119.12	10
Regina	131.00	11
Martensville	136.00	12
Warman	139.66	13
Melville	150.03	14
Humboldt	165.29	15

**Commercial Water & Sewer**

<b>500M3 per Month - 2" service</b>	<b>2017 Rank</b>	
Weyburn	916.35	1
Meadow Lake	1,086.67	2
Prince Albert	1,262.84	3
<b>Moose Jaw</b>	<b>1,400.08</b>	<b>4</b>
Melfort	1,426.55	5
Yorkton	1,483.70	6
Swift Current	1,561.45	7
Melville	1,613.13	8
North Battleford	1,734.25	9
Estevan	1,781.65	10
Saskatoon	1,880.41	11
Regina	1,901.80	12
Martensville	1,969.50	13
Humboldt	2,715.03	14
Warman	3,025.47	15

## ATTACHMENT #6 – Comparison to City of Regina Utility Rates

**Moose Jaw**

	25 m3	3/4" Service
variable		
water	1.2419	31.05
sewer	1.3092	32.73
		63.78
Fixed	Month	
water	29.58	
sewer	16.33	
		45.91
	Monthly	109.69

**Regina**

	25 m3	3/4" Service
variable		
water	1.92	48.00
sewer	1.71	42.75
		90.75
Fixed	Day	
water	0.81	24.30
sewer	0.62	18.60
		42.90
	Monthly	133.65

## ATTACHMENT #7 – Potential Waterworks Infrastructure Levy Examples

### Potential Water Works Infrastructure Levy

Below are examples of how an infrastructure levy might be structured to replace the Hospital Levy collecting the same amount of funds \$1,620,000 annually.

#### EXAMPLE #1

Meter Size	# of Meters	Annual Amount of	
		Levy	Funds Generated
15 - 20 mm	11,804	\$ 131.00	\$ 1,546,324
21 - 30 mm	257	\$ 131.00	\$ 33,667
31 - 40 mm	47	\$ 131.00	\$ 6,157
41 - 50 mm	230	\$ 131.00	\$ 30,130
51 - 75 mm	22	\$ 131.00	\$ 2,882
76 - 100 mm	11	\$ 131.00	\$ 1,441
101 - 150 mm	3	\$ 131.00	\$ 393
151 - 200 mm	-	\$ 131.00	\$ -
greater than 200mm	4	\$ 131.00	\$ 524
	12,378		\$ 1,621,518

Includes Rural Accounts

levy

100

#### EXAMPLE #2

Meter Size	# of Meters	Annual Amount of	
		Levy	Funds Generated
15 - 20 mm	11,804	\$ 100.00	\$ 1,180,400
21 - 30 mm	257	\$ 200.00	\$ 51,400
31 - 40 mm	47	\$ 400.00	\$ 18,800
41 - 50 mm	230	\$ 800.00	\$ 184,000
51 - 75 mm	22	\$ 1,600.00	\$ 35,200
76 - 100 mm	11	\$ 3,200.00	\$ 35,200
101 - 150 mm	3	\$ 6,400.00	\$ 19,200
151 - 200 mm	-	\$ 12,800.00	\$ -
greater than 200mm	4	\$ 25,600.00	\$ 102,400
	12,378		\$ 1,626,600

Includes Rural Accounts



# City of Moose Jaw

## COMMUNICATION # EC-2019-0115

**TITLE:** 2020 Preliminary Budget Review and Economic Update

**TO:** Executive Committee

**FROM:** Department of Financial Services

**DATE:** August 6, 2019

**PUBLIC:** PUBLIC DOCUMENT

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### **RECOMMENDATION**

THAT Communication #EC-2019-0115 regarding the 2020 Preliminary Budget Review and Economic Update be received and filed.

### **TOPIC AND PURPOSE**

The purpose of this report is to provide City Council and the general public with a preliminary overview of internal and external factors that the City will be facing in the upcoming budget.

### **BACKGROUND**

The City of Moose Jaw utilizes a planning framework that encompasses Strategic Planning, Planning Session consultations and referrals or tabling of matters to budget deliberations. City Administration gathers this framework of information along with internal and external factors that influence the budget and create a call for estimates, which goes out to all City Departments.

City Departments utilize this framework to develop their business plans and budget accordingly to be able to deliver that business plan. Budget development by Administration is guided by this framework as well as thoughtful consideration of the various factors that impact the budget being developed to deliver the business plan.

City Administration does their best to balance service levels, expectations and affordability as the budget is developed. City Council has the responsibility to amend the proposed budget as they deem appropriate and ultimately approve a budget for 2020.



## **DISCUSSION**

### **External Factors**

The Provincial economy has a direct impact on the City of Moose Jaw and its revenues and expenditures. There are a number of measures of the economy such as GDP, Employment and Housing. The table below provides a forecast of these factors prepared by the TD Bank:

<b>Saskatchewan Economic Forecasts</b>			
[ Annual average % change, unless otherwise noted ]			
	2018	2019	2020
Real GDP	1.5	0.8	1.2
Nominal GDP	3.2	2.1	3.8
Employment	0.5	1.4	0.7
Unemployment Rate (%)	6.1	5.5	5.8
Housing Starts (000's)	3.6	2.3	4.1
Existing Home Prices	-2.3	-2.0	-0.2
Home Sales	-7.1	7.9	6.9
Source: Statistics Canada, CMHC, CREA, Forecast by TD Economics			

The Economic Forecast is indicating modest real domestic product growth of 1.2%, a modest increase in employment levels and some recovery in the housing market for 2020.

The overall outlook would be for modest improvement in the Provincial economy which will impact Moose Jaw in terms of new development, job creation and housing demand.

One factor not shown in the chart is the consumer price index which is expected to average 2% in 2020 and has a direct impact on salary settlements as well as the cost of sourcing goods and services.

**\*Note: Source Provincial Economic Forecast – TD Economics – TD Bank**

### **Local Factors -Operating Budgets**

- Building Permit activity is up compared to same period in 2018.
- Major land development projects Carpere and SaskPower are ongoing.
- Job creation activities such as the pilot project for immigrant employees is commencing.

### **Financial Factors – Operating Budgets**

The City is faced with a number of financial challenges as it develops its 2020 Budget. The biggest challenge facing the City of Moose Jaw Operating Budget is very low assessment growth (less than 1%) which in turn results in minimal municipal taxation growth each year. An early view of 2020 municipal taxation estimates are that there will be growth of less than 1%. Each 1% of municipal taxation in 2020 should generate about \$293,000.

Assessment growth in the 2 to 3% range would provide a significant boost to annual revenue growth.

Most of the other revenues in the Operating Budget are expected to remain fairly stagnant with small increases as a result of inflationary factors. The Municipal Revenue Sharing Grant is now tied to 0.75 percentage point of the Provincial Sales Tax (PST) which is 6.0%. Growth in PST is expected to be modest at best as it is directly tied to the economic fortunes of the Provincial economy.

In terms of expenditures, the biggest pressure on the Operating Budget is Salaries and Benefits. Salaries and Benefits account for approximately 58% of Operating Budget expenditures. In 2019, this amounted to \$28,600,000. Each 1% increase amounts to \$286,000. Recent settlements in the Protective Service areas have been significant and have placed additional stresses on Operating Expenditures.

General inflation continues to be a factor and is expected to be in the 2% range for 2020 with the exception of energy costs, which are expected to be higher due to the impact of the Carbon Tax. The impact could be significant as the Carbon Tax and carbon pricing are phased in over the next few years.

The 2020 Budget will start to see the benefit from the projects discussed in the 2019 Budget; such as:

- in-house engineering
- in-house construction crew
- review of core services

The following is a synopsis of increased expenditures:

Salaries and Benefits	\$715,000
Energy Costs	100,000
Non-Salary Costs	<u>344,000</u>
Total	<u>\$1,159,000</u>

New revenues are expected to be \$400,000 while expenditures are estimated at \$1,159,000. This leaves a shortfall of \$759,000.

Each 1% increase in municipal taxation generates about \$293,000. Therefore, it is anticipated that about a 2.60% increase in municipal taxation will be required to balance the Operating Budget. In order to provide for some modest enhancements, a 2020 tax increase in the 3.00% to 3.25% range is projected at this point in time but will be refined as the budget is developed.

### **Financial Factors – Capital Budgets**

The City's Capital Budgets continue to face pressure from the ever increasing need to rehabilitate existing infrastructure. This ranges from streets, underground infrastructure to buildings. All this infrastructure is aging and in need of significant rehabilitation.

This has put significant pressure on the General Capital Reserve Budget and the Waterworks Capital Budget as both areas are seeing significant demands for expenditures. The effects of the 2017 Provincial Budget reductions that significantly impacted the Capital Budget's revenue sources and increased expenditures are still being felt.

There have been a number of capital funding programs announced which include a one-time increase in Gas Tax funding (additional \$2.1 million in funding for 2019) and Investing in Canada Infrastructure Program (ICIP) will provide a significant benefit to the City as previously reported, the ICIP Program from the transit funds will provide the following funding:

Federal – 40%	\$ 6,090,050
Provincial – 33.33%	\$ 5,074,534
Municipal – 26.67%	<u>\$ 4,060,541</u>
Total	<u>\$15,225,125</u>

Current information indicates that 1/3 of funding must be spent on Transit Projects and the remainder can be transferred to other Green Infrastructure Projects. A potential allocation of the funding based upon what Council has previously considered would be the following:

Transit	Federal	\$ 2,000,000
	Provincial	\$ 1,666,500
	Municipal	<u>\$ 1,333,500</u>
	Total	\$ 5,000,000
Cast Iron Pipe Program	Federal	\$ 3,600,000
	Provincial	\$ 2,999,700
	Municipal	<u>\$ 2,400,300</u>
	Total	\$ 9,000,000
Renewable Energy Initiative	Federal	\$ 490,050
	Provincial	\$ 408,334
	Municipal	<u>\$ 326,740</u>
	Total	\$ 1,225,125

Once more detail has been received from the Province on this program and the City's Capital Budget is developed, City Administration will bring a report forward for Council approval.

The Federal Government had also requested expressions of interest for a general pool of Federal funding under the ICIP program. There is no commitment of funds to the City of Moose Jaw, but rather it is a process where projects will be reviewed and monies potentially allocated. The City of Moose Jaw has applied for the following two major Projects under the separate ICIP streams:

- Green Infrastructure Stream - High Service Reservoir and Pump House - \$16,000,000

- Community, Culture and Recreation Infrastructure Stream - Outdoor Aquatic Facility - \$3,750,000

The last area of potential funding is an Infrastructure Levy. City Administration has been tasked with bringing a report to Council on potential options and uses of an Infrastructure Levy. It is anticipated this report will come to Council in September.

The outcome for funding from these programs will have a positive impact on the various areas that the funds are ultimately used in. The areas most in need of funding are the Waterworks Utility and the General Capital Reserve portion of the Capital Budget. That impact will be brought forward to Council in the Preliminary Budget discussion with Council in early October.

## **Conclusion**

The budgets brought forward for Council's consideration later this year must be balanced while meeting the Strategic Plan goals and other identified needs of the community. A budget is ultimately a balancing of the needs and wants of the community with the fiscal resources that are available.

The goal also in budget development is the long-term fiscal sustainability of the programs and services contained in the budget. The City has some ability to affect the revenues and expenditures in the annual budget. This includes:

- Increasing revenues whether through increased taxation or other non-taxation revenue increases.
- Reduction of expenditures including cost savings from efficiencies.
- Adjusting programs and services.
- Strategic use of debt and reserves.

## **PUBLIC AND/OR STAKEHOLDER INVOLVEMENT**

An important aspect of budget development is to inform our citizens of the process and potential impacts that the budget may have upon them. Feedback from citizens is encouraged and taken into account in developing the budget.

## **COMMUNICATION PLAN**

The Communication Plan around the 2020 Budget starts with this public communication to City Council and is intended to inform the public of the factors impacting the 2020 Budget.

The City will also be doing an online consultation on the budget over the summer period and will report the results to Council once they are tabulated. The communication process continues with a public release of the budget by City Administration in November followed by an opportunity for the public to provide feedback to City Council should they so choose to do so. Council then will publicly deliberate on the 2020 Budget.

## **STRATEGIC PLAN**

At the heart of budgeting is the Strategic Plan which provides the overall direction for the organization and forms a template for budget development.

## **PRESENTATION**

VERBAL & VISUAL: The Director of Financial Services will provide a verbal and visual presentation of the report.

## **ATTACHMENTS**

1. 2020 Preliminary Budget Review and Economic Update.

## **REPORT APPROVAL**

Written by: Brian Acker, B.Comm., CPA, CMA, Director of Financial Services  
 Reviewed by: Tracy Wittke, Assistant City Clerk  
 Approved by: Jim Puffalt, City Manager  
 Approved by: Fraser Tolmie, Mayor

*To be completed by the Clerk's Department only.*

Presented to Regular Council or Executive Committee on \_\_\_\_\_.

No. \_\_\_\_\_ Resolution No. \_\_\_\_\_

**Report Approval Details**

Document Title:	2020 Preliminary Budget Review and Economic Update - EC-2019-0115.docx
Attachments:	- Attach 1 - 2020 Preliminary Budget Review and Economic Update.pdf
Final Approval Date:	Sep 3, 2019

This report and all of its attachments were approved and signed as outlined below:

**No Signature - Task assigned to Tracy Wittke was completed by assistant Maureen Latta**

Tracy Wittke



Jim Puffalt



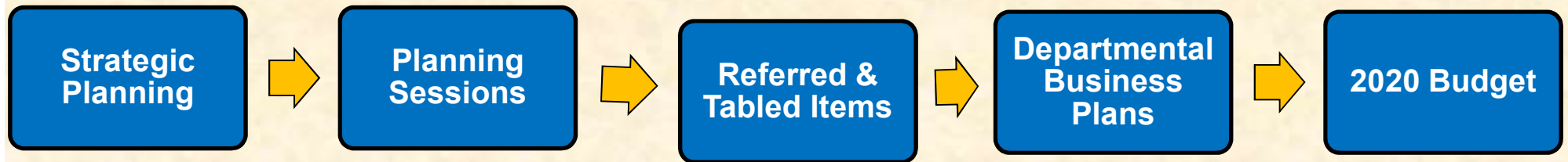
Fraser Tolmie





***City of Moose Jaw***  
***2020 Preliminary Budget Review***  
***and Economic Update***

# THE PLANNING FRAMEWORK





# 2020 PROPOSED PUBLIC ENGAGEMENT

**August/September**

On-line Budget Survey

**September**

Preliminary Budget Review and  
Economic Update

**November**

Administration Release Budget  
• Presentation/News Conference

**November/December**

Council Deliberates on Budget  
• Citizens or groups can present to  
Council

# EXTERNAL FACTORS

<b>Saskatchewan Economic Forecasts</b>			
[ Annual average % change, unless otherwise noted ]			
	2018	2019	2020
Real GDP	1.5	0.8	1.2
Nominal GDP	3.2	2.1	3.8
Employment	0.5	1.4	0.7
Unemployment Rate (%)	6.1	5.5	5.8
Housing Starts (000's)	3.6	2.3	4.1
Existing Home Prices	-2.3	-2.0	-0.2
Home Sales	-7.1	7.9	6.9
Source: Statistics Canada, CMHC, CREA, Forecast by TD Economics			

\*Note: Source Provincial Economic Forecast – TD Economics – TD Bank

- Modest real Gross Domestic Product Growth at 1.2%
- Small increase in employment.
- Modest improvement in housing demand.

# LOCAL FACTORS

- Building Permit Activity is up compared to 2018.
- Major Land Development Projects such as Carpere and SaskPower are ongoing.
- Job creation activities such as the pilot project for immigrant employees is commencing.

# FINANCIAL FACTORS

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## City of Moose Jaw Financial Factors Operating Budget

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Assessment Growth	less than 1%
Taxation Revenue Growth	less than 1%
Other Revenues	Inflationary growth
Municipal Revenue Sharing	Minimal growth
Salary & Benefits	Inflationary growth
Inflation	Estimated to be 2%
Carbon Tax	Will impact Energy Costs

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- Estimating Expenditures to exceed Revenues by approximately \$759,000 in 2020.
- This equates to a 2.60% increase in municipal taxation.
- Once one considers some modest enhancements, a municipal tax increase in the 3.00 to 3.25% range is projected.



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## City of Moose Jaw Financial Factors Capital Budget

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2017 Provincial Budget  
Reduction

Continue to impact Capital Budget

Additional Gas Tax  
Funding 2019

Funds have been allocated for  
additional work

Federal ICIP Funding

Approximately \$11.1 million expected  
to be received

Infrastructure Levy

Administration bringing report forward  
in September

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# GENERAL CAPITAL RESERVE SUMMARY

2019 - 2023

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	2018	2019	2020	2021	2022	2023	Total
Carry over from previous year	\$ 7,010,116	\$ 6,675,897	\$ 1,822,417	\$ (7,502,054)	\$ (10,969,081)	\$ (14,468,418)	
SPC Funds Available	\$ 2,818,667	\$ 2,814,524	\$ 2,913,032	\$ 3,014,988	\$ 3,120,513	\$ 3,229,731	\$ 15,092,788
Hospital Levy	\$ 1,620,000	\$ 257,000	\$ -	\$ -	\$ -	\$ -	\$ 257,000
Taxation Revenue	\$ 3,069,761	\$ 3,583,283	\$ 3,506,860	\$ 3,640,805	\$ 3,750,029	\$ 3,862,530	\$ 18,343,506
Capital Expenditure Fund Interest	\$ 1,315,000	\$ 1,295,000	\$ 1,150,000	\$ 1,450,000	\$ 1,400,000	\$ 1,500,000	\$ 6,795,000
Land Sale Proceeds	\$ 1,530,000	\$ 910,000	\$ 910,000	\$ 1,125,000	\$ 880,000	\$ 880,000	\$ 4,705,000
Parks Dedication Reserve	\$ 82,500	\$ 20,000	\$ 98,500	\$ 39,000	\$ 39,500	\$ 40,000	\$ 237,000
Traffic Safety Reserve Cont	\$ 1,093,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated Surplus	\$ 1,613,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SaskEnergy Mun. Surcharge	\$ -	\$ 912,500	\$ 930,750	\$ 949,365	\$ 968,352	\$ 987,719	\$ 4,748,686
Fundraising Contributions	\$ 206,989	\$ 296,989	\$ 329,495	\$ -	\$ -	\$ -	\$ 626,484
Transfer to Waterworks	\$ (2,193,874)	\$ (2,691,492)	\$ (2,668,666)	\$ (2,748,726)	\$ (2,831,188)	\$ (2,916,123)	\$ (13,856,194)
Uncompleted Works	\$ (5,531,900)	\$ (3,672,747)	\$ -	\$ -	\$ -	\$ -	
<b>Capital Funding Available</b>	<b>\$ 12,634,137</b>	<b>\$ 10,400,954</b>	<b>\$ 8,992,388</b>	<b>\$ (31,622)</b>	<b>\$ (3,641,874)</b>	<b>\$ (6,884,561)</b>	<b>\$ 36,949,271</b>
Transportation	\$ 6,030,800	\$ 4,468,962	\$ 12,706,200	\$ 7,464,000	\$ 7,336,930	\$ 7,661,000	\$ 39,637,092
Parks and Recreation	\$ 1,642,115	\$ 1,093,130	\$ 1,072,995	\$ 1,300,885	\$ 1,244,010	\$ 798,153	\$ 5,509,173
Other Services	\$ 3,914,222	\$ 2,546,445	\$ 1,875,247	\$ 1,452,574	\$ 1,445,604	\$ 1,430,620	\$ 8,750,490
Police Services	\$ 50,000	\$ 65,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 265,000
Fire Services	\$ 89,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Downtown Facility & FieldHouse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Sewers	\$ 800,000	\$ 405,000	\$ 790,000	\$ 670,000	\$ 750,000	\$ 840,000	\$ 3,455,000
Total Funding Required	\$ 12,526,137	\$ 8,578,537	\$ 16,494,442	\$ 10,937,459	\$ 10,826,544	\$ 10,779,773	\$ 57,616,755
<b>Surplus/Shortfall</b>	<b>\$ 108,000</b>	<b>\$ 1,822,417</b>	<b>\$ (7,502,054)</b>	<b>\$ (10,969,081)</b>	<b>\$ (14,468,418)</b>	<b>\$ (17,664,334)</b>	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Final Surplus/Shortfall</b>	<b>\$ 108,000</b>	<b>\$ 1,822,417</b>	<b>\$ (7,502,054)</b>	<b>\$ (10,969,081)</b>	<b>\$ (14,468,418)</b>	<b>\$ (17,664,334)</b>	

**WATER UTILITY RESERVE**

**2019 - 2023**

	2018	2019	2020	2021	2022	2023	Total
Opening Balance	\$8,793,648	\$18,071,573	(\$7,919,519)	\$29,018	(\$1,028,477)	(\$1,174,050)	
Contributions during the year	\$6,587,995	\$7,960,506	\$10,125,207	\$11,333,462	\$12,154,384	\$13,186,779	\$54,760,338
Loan Proceeds	\$30,000,000	\$0	\$20,000,000	\$0	\$0	\$0	\$20,000,000
less Water Works Projects	\$35,408,000	\$20,885,349	\$22,176,670	\$12,390,957	\$12,299,957	\$13,099,957	\$80,852,890
less Uncompleted Works	\$20,557,830	\$13,066,249	\$0	\$0	\$0	\$0	
<b>Year End Balance</b>	<b>(\$10,584,187)</b>	<b>(\$7,919,519)</b>	<b>\$29,018</b>	<b>(\$1,028,477)</b>	<b>(\$1,174,050)</b>	<b>(\$1,087,228)</b>	

**SANITARY SEWAGE UTILITY RESERVE**

**2019 - 2023**

	2018	2019	2020	2021	2022	2023	Total
Opening Balance	(\$529,634)	\$5,568,202	\$5,149,340	\$6,038,690	\$549,147	(\$1,419,662)	
Contributions during the year	\$3,673,545	\$4,494,632	\$4,973,628	\$5,288,918	\$5,576,259	\$6,015,650	\$26,349,087
less Sewer Projects	\$4,347,688	\$3,838,494	\$4,084,278	\$10,778,461	\$7,545,068	\$2,744,832	\$28,991,133
less Uncompleted Works	\$537,252	\$1,075,000	\$0	\$0	\$0	\$0	
<b>Year End Balance</b>	<b>(\$1,741,029)</b>	<b>\$5,149,340</b>	<b>\$6,038,690</b>	<b>\$549,147</b>	<b>(\$1,419,662)</b>	<b>\$1,851,156</b>	

**SOLID WASTE UTILITY RESERVE**

**2019 - 2023**

	2018	2019	2020	2021	2022	2023	Total
Opening Balance	(\$1,084,664)	\$340,344	\$2,057,649	\$3,970,244	\$5,992,679	\$7,123,835	
Contributions during the year	\$1,331,491	\$1,832,305	\$1,927,595	\$2,037,435	\$2,146,156	\$2,097,450	\$10,040,941
less Solid Waste Projects	\$2,066,000	\$15,000	\$15,000	\$15,000	\$1,015,000	\$10,015,000	\$11,075,000
less Uncompleted Works	\$3,000,000	\$100,000	\$0	\$0	\$0	\$0	
<b>Year End Balance</b>	<b>(\$4,819,173)</b>	<b>\$2,057,649</b>	<b>\$3,970,244</b>	<b>\$5,992,679</b>	<b>\$7,123,835</b>	<b>(\$793,715)</b>	

**LAND DEVELOPMENT RESERVE**

**2019 - 2023**

	2018	2019	2020	2021	2022	2023	Total
Opening Balance	(\$2,016,533)	(\$2,129,352)	(\$5,276,057)	(\$4,532,524)	(\$908,991)	\$794,542	
Contributions during the year	\$2,187,066	\$3,103,100	\$743,533	\$3,623,533	\$1,703,533	\$993,533	\$10,167,232
Loan Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
less Land Dev Projects	\$4,760,000	\$0	\$0	\$0	\$0	\$0	\$0
less Uncompleted Works	\$2,499,600	\$6,249,805	\$0	\$0	\$0	\$0	
<b>Year End Balance</b>	<b>(\$7,089,067)</b>	<b>(\$5,276,057)</b>	<b>(\$4,532,524)</b>	<b>(\$908,991)</b>	<b>\$794,542</b>	<b>\$1,788,075</b>	





# CONCLUSIONS

- Budgets brought forward to Council must be balanced while meeting Strategic Plan goals and needs of community.
- A goal in budget development is long-term fiscal sustainability of the programs and services contained in the budget.
  - Increasing taxation and non-taxation revenues.
  - Reduction of expenditures including cost savings and efficiencies.
  - Adjusting programs & services to be more efficient.
  - Strategic use of debt and reserves.



## TIMELINES

September	Preliminary Budget Review & Economic Update.
August/September	Online Budget Survey with results reported back to City Council.
October	Preliminary Operating and Capital Budgets reviewed at City Council Planning Session.
November	City Administration presents preliminary budgets.
November/December	City Council deliberates on budget.
December	Budget is approved.

# **Discussion & Questions**