

December 31, 2018

Annual Report

As reported on April 17, 2019



CITY OF
FORT SASKATCHEWAN

Annual Report | December 2018

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Table of Contents

OPERATING HIGHLIGHTS	2
OPERATING BUDGET	2
CAPITAL PROJECTS	2
FINANCIAL POSITION	2
OPERATIONS	3
FINANCIAL RESULTS FROM OPERATIONS.....	4
ANALYSIS OF SIGNIFICANT VARIANCES	4
CAPITAL BUDGET HIGHLIGHTS.....	8
FINANCIAL POSITION HIGHLIGHTS.....	9
NET FINANCIAL ASSETS (DEBT)	9
CASH AND INVESTMENTS.....	10
LONG-TERM DEBT	11
SUPPLEMENTARY FINANCIAL INFORMATION	12
STATEMENT OF FINANCIAL POSITION	12
STATEMENT OF OPERATIONS	13
NET OPERATING BUDGET VARIANCES BY DEPARTMENT.....	14
2018 – 2022 STRATEGIC PLAN UPDATE	15
POSITIONED FOR GROWTH	15
EXCELLENCE IN GOVERNMENT.....	16
A VIBRANT AND THRIVING COMMUNITY	17
WELL PLANNED AND MAINTAINED MUNICIPAL INFRASTRUCTURE	18
CAPITAL PROJECTS.....	19
THE CITY AT A GLANCE.....	26



OPERATING HIGHLIGHTS

The City achieved a number significant milestones in 2018 including:

- Transition to a new curbside waste and organics collection program
- Launch of a new City website
- Replacement of the Recreation and Point of Sale system
- Negotiation of a Growth Strategy and Alliance Agreement with Strathcona County
- Adoption of new rules regarding smoking and cannabis
- Purchase of building for a new Gymnastics facility

OPERATING BUDGET

In 2018, the City had a \$389,000 deficit variance compared to its operating budget.

Traffic fine revenue was lower than budget in 2018. A number of variables that are beyond the City's control have caused significant volatility and uncertainty in the City's traffic fine revenue since 2015.

CAPITAL PROJECTS

The 2018 capital program includes 68 capital projects. As at December 31, 2018, the City has completed 30 projects while 29 were in progress.

The City spent \$15,829,000 on capital projects in 2018.

FINANCIAL POSITION

At December 31, 2018, the City had \$8,208,000 in net financial assets compared to \$5,773,000 at December 31, 2017.

- Cash and investment balances was \$59,331,000 compared to \$54,710,000 at December 31, 2017.
- Long term debt was \$37,295,000 compared to \$39,849,000 at December 31, 2017.



OPERATIONS

The City and Strathcona County successfully concluded negotiations on two agreements to support the City's annexation of 952 hectares of land from the County and to explore a formalized alliance between the municipalities. Public meetings with residents affected by the annexation were held in September and October and the City gave notice of its intent to annex the land to the province. In the spirit of collaboration, the municipalities approved the use of each other's recreation facility membership cards in both municipalities until January 31, 2019.

Fort Report, the City's online service tracking system, received 4,630 service requests in its first eleven months of operation, of those requests 4,616 were closed by December 31, 2018. More than 60% of services requests were made by phone and 10% were submitted through the website. Fort Report was first introduced in February 2018 to track and respond to non-emergency service requests and improve the City's customer service.

The new curbside waste collection program came into effect in June, resulting in increased landfill diversion throughout the year. The City's residential curbside diversion has seen 1656 tonnes of garbage diverted from landfills and an increase of 1361 tonnes in organic waste.

The City adopted Vision Zero as its traffic safety framework on January 9, 2018. Vision Zero is grounded in the fundamental principle that no loss of life or serious injury is acceptable on our roadways. As part of Vision Zero, the City has installed several new pedestrian crossing lights and speed display signs. The City has funded a traffic safety study through the University of Alberta. The City has increased high visibility traffic patrols along the highway corridor and in school zones. Education efforts include several projects targeting elementary school aged children, as well as the "Option 4" program for violators.

The City continued to work on developing and implementing new or updated policies. Council reviewed new or revised policies covering areas including reserves, debt, investments, and the Council Code of Conduct.

In the fourth quarter of 2018, the City purchased a 1.52 acre parcel of land, which includes two buildings, for \$1.3 million. This purchase, as well as \$200,000 in renovation design costs for a gymnastics facility will be funded by the Municipal Sustainability Initiative grant.



FINANCIAL RESULTS FROM OPERATIONS

	Budget	2018 Results	Variance	2017 Results
	\$000s	\$000s	\$000s	\$000s
Operating Revenue				
Net Municipal Taxes	44,734	44,732	(2)	43,351
Utility User Rates	17,515	17,276	(239)	16,347
User Fees & Charges	6,696	6,480	(216)	6,405
Government Transfers - Operating	1,721	1,811	90	1,469
Fines and Penalties	4,642	2,122	(2,520)	1,759
Interest Income	912	1,225	313	1,072
Other Revenues	87	194	107	266
Total Operating Revenue	76,307	73,841	(2,466)	70,669
Operating Expenses				
Salaries, Wages and Benefits	(27,725)	(27,155)	570	(25,808)
Purchases from other Governments	(12,978)	(12,837)	141	(12,190)
Contracted and General Services	(10,336)	(8,447)	1,889	(9,010)
Utilities	(3,211)	(2,904)	307	(2,847)
Materials and Supplies	(2,957)	(3,263)	(306)	(2,715)
Transfers to Individuals and Organizations	(1,668)	(1,667)	1	(1,648)
Debenture Interest	(1,452)	(1,399)	53	(1,511)
Service Maintenance Agreements	(925)	(912)	13	(895)
Advertising & Printing	(883)	(887)	(4)	(845)
Training & Development	(773)	(636)	137	(586)
Insurance	(767)	(732)	35	(697)
Phones & Postage	(472)	(428)	44	(420)
Memberships	(312)	(341)	(29)	(119)
Other Expenses	(394)	(204)	190	(272)
Total Operating Expenses	(64,853)	(61,812)	3,041	(59,563)
Operating Budget Surplus (Deficit) before Other Items	11,454	12,029	575	11,106
Other Items				
Net Operating Transfers (to) from Reserves	(8,354)	(9,360)	(1,006)	(7,571)
Repayment of Debenture Principal	(3,100)	(3,058)	42	(2,878)
Net Other Items	(11,454)	(12,418)	(964)	(10,449)
Operating Budget Surplus (Deficit)	-	(389)	(389)	657

The operating budget deficit includes transfers to and from reserves and debt repayments that are excluded from Public Sector Accounting Standards ("PSAS") financial reporting, and excludes amortization and gains or losses on the disposal of tangible capital assets which are included in PSAS. An unconsolidated statement of operations that is consistent with PSAS has been included in Appendix 1. Net variances from the operating budget by departments are also included in Appendix 1.

ANALYSIS OF SIGNIFICANT VARIANCES

SURPLUS VARIANCES

Contracted Services

Contracted services were \$1,889,000 below budget in 2018. Significant contracted services variances related to:

- the traffic fine processing costs being \$497,000 under budget (see page 6);



Financial Report for the year ended December 31, 2018 (UNAUDITED)

Rounded to the nearest thousand dollars, except where otherwise stated

- solid waste charges related to the new organics program coming in \$151,000 below budget
- fewer repairs and maintenance costs incurred for City facilities and equipment
- Transit saved \$100,000 in contracted services costs by completing the Transit Review report internally.

A significant portion of the year to date surplus variance in contracted services are the result of temporary differences in the timing of expenditures that will be carried forward to 2019. These temporary differences include:

- delays in the start of the facility lifecycle maintenance program on the Castle School Restoration, Henry House windows, and Sportsplex and JRC Ice walls;
- lower annexation related costs incurred in 2018;
- water supply & transmission preventative maintenance; and
- economic development projects.

Utilities

Utility expenses were \$305,000 below budget in 2018. This variance is the result of:

- Lower natural gas rates compared to the 2017 rates.
- Installation of LED lighting for streetlights and at City facilities have lowered electricity consumption by the City.
- Water used by the bulk water station was lower due to a 50% shortfall in bulk water sales and water consumption was 110,000 m3 lower compared to the budget. (page 7).

Salaries, wages, and benefits

Expressed in \$000s	Year Ended December 31, 2018			Change from prior year		
	Budget	Actual	Variance	Budget	Actual	Variance
Staff Surplus before allowance	28,494	27,155	(1,339)	27,057	25,808	(1,249)
Budgeted vacancy / rate allowance	(769)	-	769	-	-	-
Net Staff Surplus	27,725	27,155	(570)	27,057	25,808	(1,249)

Salaries, wages, and benefits were \$570,000 lower than budget in 2018. Labour costs were \$1,339,000 below budget before a \$769,000 budgetary allowance for vacancies for the period. The overall variance is marked by two one-time variances that are not expected to continue in 2019.

- The fire department's delay in the transition to full-time 24 hour service resulted in a \$541,000 surplus in the year.
- Labour costs related to capital projects are allocated to the cost of the capital assets in accordance with PSAS. The labour costs of \$284,000 related to the IntelliLeisure point of sale capital project were included in the 2018 operating budget rather than the capital budget. Therefore, the labour costs were reallocated to the capital project through a transfer to the reserve.

Excluding these two one-time variances, the City had a \$255,000 deficit in salaries, wages, and benefits.



Other Surplus Variances

Other significant surplus variances in 2018 include:

- Investment income revenue was \$313,000 higher than budget in 2018 due to investment balances and rates of return on investments being higher than planned.
- Training and development were \$137,000 under budget in 2018. Delays in hiring full-time 24 hour fire service, changes to health and safety legislation, and lower costs of training all contributed to this variance.

DEFICIT VARIANCES

Traffic fines

Net revenue from court fines were \$2,141,000 below budget in 2018.

Intersection safety device ("ISD") based enforcement typically accounts for approximately 80% of all court fine revenue. Six of nine ISDs were operational throughout the period. The remaining ISDs returned to operation between March and July 2018.

New provincial rules regarding ISD and photo based enforcement have increased the requirements for issuing traffic fines. As a result of these changes, as well as improved driver behavior, the 2019 fine revenue budget has been reduced to \$2,175,000. Fine processing costs have also been reduced to \$365,000.

<i>Expressed in \$000s</i>	Results for the year ended December 31, 2018		
	Budget	Actual	Variance
Traffic fines	4,302	1,664	(2,638)
Fine Processing Costs	(751)	(254)	497
Net loss in revenue from traffic fines	3,551	1,410	(2,141)

There are a number of variables that affect traffic fine revenue that are beyond the City's control.

Other significant deficit variances

- Admissions to the Dow Centennial Center were \$161,000 below budget in 2018.
- Rental revenue at the Dow Centennial Center was lower than budgeted by \$84,000 due to lower than anticipated demand for spring ice rental and the timing of the Taurus sports field opening.
- Higher than budgeted materials and supplies, resulting from changes to accounting processes and are offset by lower than budgeted contracted services.

UTILITY OPERATIONS

Water supply, sewer service, and solid waste are 100% utility user rate funded. Property taxes are not used to subsidize utility operations. Likewise, utility user rates do not subsidize the general operations of the City.

Expressed in \$000s	Variances from utilities operating budget			Total Utilities
	Water Supply	Sewer Service	Solid Waste	
For the year ended December 31, 2018				
Revenue				
Utility user rates	(401)	124	38	(239)
Other revenue	22	22	66	111
Expenses				
Salaries, wages and benefits	54	89	(80)	63
Commission charges	149	(271)	-	(122)
Contracted services	42	(34)	407	415
Other costs	194	44	(61)	176
Reserve transfers and debt repayment	33	108	(111)	31
YTD Operating Budget Surplus (Deficit)	93	82	259	434

In 2018, the City's utility operations ran a \$434,000 surplus compared to budget. This is the result of lower contracted services and labour costs than budgeted.

Revenue from sewer service was \$124,000 higher than budgeted in 2018. This was due to higher industrial usage and is offset by increased charges from Alberta Capital Region Wastewater Commission.

Operating costs associated the solid waste and organics program launched in 2018 have been lower than originally planned, resulting in a savings of \$407,000 in contracted services. This is partially offset by lower transfers from reserves.

Sales at the bulk water are 50% below budget year to date. Oilfield service and pipeline companies have led to this decline in sales. However, this decline is offset by lower charges from the Capital Region Northeast Water Services Commission. Capitalization of replacement water meters under capital projects 16037 and 18003 has also resulted in lower other expenses.



CAPITAL BUDGET HIGHLIGHTS

The 2018 Capital Program includes 31 new projects and 37 multi-year projects that were carried forward from 2017. At December 31, 2018, the City had 29 active projects, 30 that were complete, seven that were on hold for various reasons, and two that had been cancelled. The capital programs are summarized below. Additional project level details are attached in Appendix 3.

	Carried forward from 2017	2018 Capital Budget	Authorized in 2018	Authorized Capital Expenditure	2018 Expenditure	Forecast remaining expenditure	Forecast Surplus (Deficit)
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
General Administration	771	939	-	1,710	(1,229)	(767)	(286)
Protective Services	268	143	-	411	(13)	(398)	-
Fire Services	-	2,000	-	2,000	(102)	(1,905)	(7)
Common Services & Equipment Pool	575	1,160	-	1,735	(1,147)	(365)	223
Roads & Transportation	3,834	5,550	33	9,417	(4,427)	(4,898)	91
Recreation Services	5,937	971	1,547	8,455	(6,141)	(2,335)	(23)
Culture Facilities & Programs	247	13	-	260	(13)	(121)	125
Utility Rate Funded Projects	1,934	1,214	215	3,363	(2,264)	(987)	111
Levy Funded Projects	1,993	1,500	-	3,493	(493)	(2,389)	611
Total	15,559	13,490	1,795	30,844	(15,829)	(14,165)	845

HARBOUR POOL

Construction of the universal change room at Harbour Pool will progress into 2019. Work on the interior block walls have been completed. The pool was shut down from December 1, 2018 to January 31, 2019.

WATER METER RADIO UPGRADES

The City has replaced 36% of the water meters required under the program. The new meters will work with radio towers that will eventually allow customers to see real-time water usage.

HIGHWAY 15 BRIDGE TWINNING

Work by the Province to twin the Highway 15 Bridge is underway. The City is working closely with the Province and has placed a number of river valley enhancement projects on hold to coordinate construction with the Province.

FIRE ENGINE REPLACEMENTS

The City has ordered two new fire engines to replace two existing pumper trucks. Manufacturing of the trucks are underway. The City expects to take delivery of the trucks by December 2019.

GYMNASTIC FACILITY

The City purchased a building that will be used by the Fort Saskatchewan Minor Sports Association to provide recreation programming. Renovation of the gymnastic facilities is slated to begin in spring 2019.

INTELLILEISURE SOFTWARE

The new recreation and point of sale software, IntelliLeisure, went live in October. The new system provides more online options for residents to sign up for recreation programs and memberships, and to rent City facilities.



FINANCIAL POSITION HIGHLIGHTS

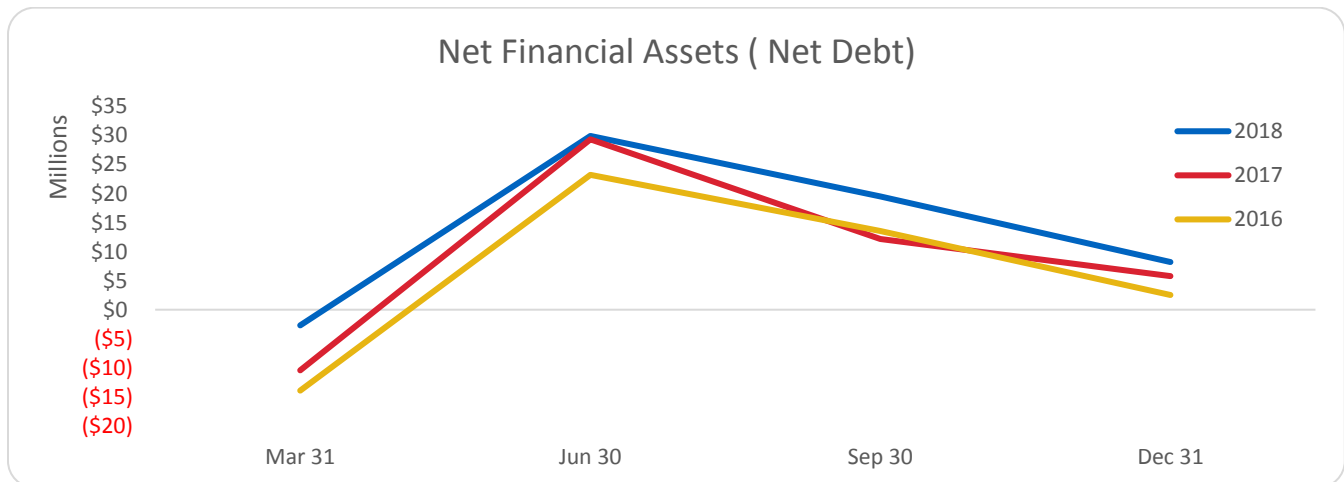
An unconsolidated statement of financial position for the City of Fort Saskatchewan has been included in Appendix 1.

NET FINANCIAL ASSETS (DEBT)

Net financial assets refer to the financial assets of the City less all liabilities, including long-term debt.

As at December 31, 2018, the City had a net financial assets position of \$8,208,000 compared to \$5,773,000 at December 31, 2017, an increase of \$2,435,000 in 2018.

The net financial assets were higher than prior year levels at December 31, 2018 due to higher reserve contributions in 2017 and 2018.



CASH AND INVESTMENTS

The City holds funds expected to be used in the next twelve months in its operating accounts or high interest savings accounts. Funds expected to be needed over longer time horizons are invested in guaranteed investment certificates ("GICs") to earn a greater return on investment.

As at December 31, 2018, the City had the following cash, short term deposits, and investments:

	December 31, 2018			December 31, 2017		
	\$000s	Return	Benchmark*	\$000s	Return %	Benchmark*
Cash and Cash Equivalents						
Operating Accounts	3,495	2.20%	0.77%	3,560	1.45%	0.35%
High Interest Notice of Demand Accounts	43,789	2.57%	0.77%	25,776	1.83%	0.35%
Total Cash and Cash Equivalents	47,284	2.54%	0.77%	29,336	1.78%	0.35%
Investments						
Guaranteed Investment Certificates	12,021	2.94%	0.77%	25,374	1.94%	0.35%
MuniSERP Earmarked Investments	26	-4.35%	0.77%	0	0.00%	0.35%
Total Investments	12,021	2.94%	0.77%	25,374	1.94%	0.35%
Total	59,331	2.62%	0.77%	54,710	1.85%	0.35%

The City's high interest notice of demand accounts earn interest at rates from 2.50% to 2.65% and are redeemable upon 31 – 90 days' notice.

The City adopted a revised Investment Policy FIN-010-C in October. The City is revising its investment strategy to ensure investments are sufficiently liquid to meet cash flow requirements with short-term investments with institutions that have a minimum R-1 (middle) credit rating. While always seeking to maximize returns on investments with long-term investments with institutions that have a minimum "A (low)" rating.

The City's benchmark for short term investments, FTSE TMX Canada 91 day Index.

ATB Financial, Scotiabank, and Raymond James Ltd. are designated financial institutions for investment purposes, pursuant to the Banking Administration Bylaw No. C24-18.

LONG-TERM DEBT

The City borrows money from the Alberta Capital Finance Authority to fund the construction of capital projects. The total debt outstanding at December 31, 2018 is \$37,295,000, which is for the following projects.

Projects	Weighted Average Interest Rate %	December 31 2018	December 31 2017	Fully Repaid
Debentures				
Westpark Reservoir	6.375%	335	488	October 2020
Dow Centennial Centre	5.705%	5,060	5,914	December 2023
Sewer Service Reline	2.371%	3,457	3,998	December 2026
City Hall	3.308%	12,277	12,953	December 2033
100 Avenue Rehab	3.571%	5,572	5,857	September 2035
Protective Services Building	3.136%	10,156	10,639	December 2036
Total Debentures		36,857	39,849	
Capital Leases				
Capital Lease Obligations		438	-	December 2023
Total Long Term Debt		37,295	39,849	

In 2018, the City paid \$3,057,000 in principal and \$1,401,000 in interest expense to service the long-term debt.

Most debentures are paid semi-annually. However, the City makes payments for the Westpark Reservoir debenture annually each October.

Capital leases have monthly or annual payments up to the year 2023 with implied interests ranging from 0.794% to 2.922%.

SUPPLEMENTARY FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION

(Unaudited)

	December 31, 2018	December 31, 2017
	\$000s	\$000s
Financial Assets		
Cash & Short Term Deposits	47,284	29,336
Investments	12,047	25,374
Net Taxes Receivable	636	582
Due from Other Governments	1,480	3,169
Trade and Other Receivables	2,881	4,198
Inventory Held for Resale	1,300	1,303
Total Financial Assets	65,628	63,962
Liabilities		
Accounts Payable & Accrued Liabilities	(7,256)	(9,738)
Deposits on Account	(2,786)	(2,847)
Deferred Revenue	(8,584)	(4,256)
Liability for Contaminated Sites	(1,499)	(1,499)
Long-Term Debt	(37,295)	(39,849)
Total Liabilities	(57,420)	(58,189)
Net Financial Assets	8,208	5,773
Other Assets		
Capital Assets	500,147	475,394
Inventories of Supplies	673	501
Prepaid Expenses	461	521
Total Other Assets	501,281	476,416
Accumulated Surplus	509,489	482,189

This statement of financial position for the City of Fort Saskatchewan has not been consolidated with the Fort Saskatchewan Public Library ("Library"). The annual financial statements are prepared in accordance with PSAS, which require that the City's financial statement be consolidated with the Library.



STATEMENT OF OPERATIONS

(Unaudited)

	Year ended December 31		
	2018	2018	2017
	Budget	Actuals	Actuals
	<i>Expressed in \$000s</i>		
Operating Revenue			
Property Taxes	44,734	44,732	43,351
Utility User Rates & Charges	17,515	17,276	16,347
Sales, Rentals and User Charges	6,640	6,480	6,405
Fines and Penalties	4,642	2,122	1,469
Government Transfers - Operating	1,777	1,812	1,759
Investment Income	912	1,062	998
Other Revenue	87	241	297
Total Operating Revenue	76,307	73,725	70,626
Operating Expenses			
Infrastructure & Planning Service			
Public Works	(16,871)	(17,004)	(15,975)
Fleet, Facilities, & Engineering	(9,660)	(9,305)	(9,196)
Planning & Development	(2,045)	(1,759)	(1,671)
Economic Development	(816)	(766)	(807)
Total Infrastructure & Planning Division	(29,392)	(28,834)	(27,649)
Community & Protective Services			
Protective Services	(8,077)	(6,935)	(6,380)
Recreation	(7,730)	(7,350)	(7,355)
Fire	(2,929)	(2,357)	(2,148)
Culture	(3,044)	(3,010)	(3,154)
Family & Community Support Services	(1,569)	(1,490)	(1,504)
Total Community & Protective Services Division	(23,349)	(21,142)	(20,541)
Corporate Services Division			
Information Technology	(2,815)	(2,837)	(2,584)
People Services	(1,511)	(1,277)	(1,243)
Financial Services	(1,432)	(1,309)	(1,341)
Legislative Services	(1,072)	(1,504)	(1,199)
Corporate Communications	(822)	(823)	(781)
Total Corporate Services Division	(7,652)	(7,750)	(7,148)
Senior Leadership	(2,142)	(1,999)	(1,684)
Elected Officials	(446)	(407)	(398)
Fiscal Services	205	(601)	(436)
Utility Operations	(16,503)	(15,947)	(16,352)
Total Operating Expenses	(79,279)	(76,680)	(74,208)
Surplus (Deficit) before Other Items	(2,972)	(2,955)	(3,582)
Other Items			
Contributed Tangible Capital Assets	15,000	23,449	14,974
Government Transfers - Capital	4,638	5,679	14,557
Developer Levies	-	1,128	532
Net Other Items	19,638	30,255	30,063
Operating Surplus (Deficit)	16,666	27,300	26,481

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NET OPERATING BUDGET VARIANCES BY DEPARTMENT

	Year ended December 31, 2018			
	<i>Expressed in \$000s</i>	Budget	Actual	Variance
Infrastructure & Planning				
Public Works		(8,122)	(7,949)	173
Fleet, Facilities, & Engineering		(8,101)	(8,107)	(6)
Planning & Development		(970)	(779)	191
Economic Development		(613)	(517)	96
Total Infrastructure & Planning Division		(17,806)	(17,351)	455
Community & Protective Services Division				
Protective Services		(3,742)	(5,148)	(1,405)
Recreation		(7,088)	(7,339)	(251)
Fire Services		(2,903)	(2,369)	534
Culture Services		(2,599)	(2,520)	79
Family & Community Support Services		(740)	(659)	81
Total Community & Protective Services Division		(17,073)	(18,035)	(962)
Corporate Services Division				
Information Technology		(2,535)	(2,469)	66
People Services		(1,467)	(1,240)	227
Financial Services		(1,389)	(1,318)	71
Legislative Services		(1,069)	(1,492)	(423)
Corporate Communications		(809)	(818)	(9)
Total Corporate Services Division		(7,269)	(7,337)	(69)
Senior Leadership		(2,083)	(1,907)	176
Elected Officials		(446)	(401)	45
Fiscal Services		44,677	44,209	(468)
Utilities		-	434	434
Operating Budget Surplus (Deficit)		-	(389)	(389)

2018 - 2022 STRATEGIC PLAN UPDATE

In June 2018, the City adopted a strategic plan for 2018 – 2022, identifying four goals and a number of strategic initiatives to advance those goals. The report below indicates the progress made toward those goals in the fourth quarter of 2018.

POSITIONED FOR GROWTH

Goal	Strategically plan, prepare and manage responsible and sustainable growth for our residents and businesses
Outcome	Excellence in planning and smart land use has balanced quality of life, sustainability, and economic development that has shaped how our community has grown to maintain its small-town feeling at heart and where a strong sense of community thrives.

Strategic Initiatives	Progress
Facilitate greater understanding with Council and the general public on how our city can grow and how our neighbourhoods can be designed	<ul style="list-style-type: none"> A workshop was held in October 2018 with Council to share strategies on how to grow and design neighbourhoods in a manner that is sustainable and reflects the uniqueness of the community.
Develop and implement a strategy to prepare for growth based on results of the Fort Saskatchewan Growth Study (2015) and negotiations with Strathcona County	<ul style="list-style-type: none"> Open houses were held during the first week of October for affected residents within the annexation area and the public.
Review of Municipal Development Plan and subsequent planning and engineering documents	<ul style="list-style-type: none"> Administration is developing strategy guidelines, cost estimates, and resourcing needs to update the MDP.
Development of land management strategy for corporate property acquisition and dispensation	<ul style="list-style-type: none"> The City is working to standardize and modernize its leasing arrangements with commercial businesses and not-for-profit organizations.
Ongoing assessment of Edmonton Metropolitan Regional Board growth objectives	<ul style="list-style-type: none"> A Regional Context Statement, an Edmonton Metropolitan Growth Region Plan requirement, was approved by Council in October 2018.
Actively participate in the initiatives of Alberta Industrial Heartland Association, Edmonton Global and other regional economic initiatives	<ul style="list-style-type: none"> City staff continued to work with Edmonton Global to develop a regional marketing strategy. City staff are providing input and insight into best practices and approaches for attracting investment.
Ensure strong business retention, support and attraction strategies and programs are in place to retain and grow business and industry	<ul style="list-style-type: none"> A stand-alone investment website has been launched at www.investfortsask.ca. The website will provide investor specific information to prospective businesses and industries looking at establishing in Fort Saskatchewan. Business visitations continue as feedback on the business support programs is gathered for an upcoming review in early 2019.



EXCELLENCE IN GOVERNMENT

Goal	Continuous improvement; constantly looking for ways to improve our services through planning, innovation, collaboration and consultation
Outcome	Problem solving, collaboration and leadership has fostered ongoing improvements focusing on our customers' needs enabling positive change to ensure service delivery is efficient and effective and can be delivered on a sustainable basis

Strategic Initiatives	Progress
Ensure four year department business plans are in place aligned with strategic priorities and operating and capital budget processes	<ul style="list-style-type: none"> Department Business Plans are in place and will be reviewed and refined in 2019 as part of strategic planning framework.
Implement improved use of performance measures to inform service delivery and planning	<ul style="list-style-type: none"> The City introduced a new map showing daily progress to the residential snow removal program. This map is available to residents through the City website.
Continue refinement of budget processes and supporting priority-based budget tools; including preparation of 3 Year Operating Plans and 10 Year Capital Plans in compliance with legislative requirements.	<ul style="list-style-type: none"> Improvements to the City's chart of accounts have allowed for a deeper analysis of the City's actual and budgeted expenditures. Departments prepared three Year Operating Plans and identified capital projects for inclusion in the 10 Year Capital Plan. Departments developed program inventories and costing as part of transitioning to priority-based budgeting.
Ongoing program and service level reviews utilizing the approved review framework	<ul style="list-style-type: none"> The Recreation service level review was completed in the fourth quarter of 2018 and is undergoing administrative follow up. The 2019 budget includes funding for a review of Utilities.
Continue ongoing policy and bylaw review to guide actions and minimize risk	<ul style="list-style-type: none"> Investment and Debt Management, and Municipal Boards & Committees policies were approved by Council. Council's Code of Conduct Bylaw was approved by Council.
Continue enhancements to water billing and transmission programs	<ul style="list-style-type: none"> At December 31, 2018, 36% of the water meter replacements required under the water meter replacement program have been completed.
Ensure programs are in place to support corporate culture and values, staff retention/attraction, leadership, and subject matter learning	<ul style="list-style-type: none"> Review of benefit program is complete. Roll out of new benefit options to occur in early 2019. No expected new cost to the City.
Continue to develop and maintain strong relationships with our neighbouring municipalities and civic organizations	<ul style="list-style-type: none"> The City assisted in planning and delivery of Capital Region Emergency Preparedness Partnership Incident Management Team training. The City is required by the province to develop Inter-municipal Collaboration Frameworks with its adjacent neighbours. Since the City and its neighbours are members of the Edmonton Metropolitan Region Board, the scope of the frameworks are limited to recreation services.



A VIBRANT AND THRIVING COMMUNITY

Goal	Support diverse community needs to create a complete community where everyone, regardless of circumstance is able to experience all the City has to offer
Outcome	Residents live in vibrant, inclusive, and livable neighbourhoods where they are able to participate fully in all aspects of the community.

Strategic Initiatives	Progress
Undertake a collaborative approach to addressing community needs through coordinated partnerships with local agencies and organizations	<ul style="list-style-type: none"> The City and the Elk Island Catholic School Division partnered to provide two workshops on relationships and resiliency for parents and human service professionals. The City and the Primary Care Network hosted a weekend "Hold Me Tight" workshop for ten married couples.
Utilize data, studies and community engagement to better understand community social issues and needs and community service gaps	<ul style="list-style-type: none"> The City and the University of Alberta conducted a youth engagement project for the community Youth Integrated Mental Health Hub. The project took place in seven schools and at the public library to obtain feedback from a wide cross section of the City's youth. The results will be used to inform the services and resources prioritized in the hub operations.
Facilitate neighbourhood and community building programs and remove barriers to community initiatives to encourage connections to neighbours and further develop community	<ul style="list-style-type: none"> The annual Snow Angels program started up again to assist seniors with snow clearing. All seniors were matched with a volunteer along with the correctional centre offering assistance on the weekends.
Ensure a continuum of social supports, education, and resources are available that evolve to meet changing community needs	<ul style="list-style-type: none"> Building Bridges provided Intimate Partner Violence Prevention training in November. The Community Supports resource card has been updated and distributed to local community organizations. The Post-Partum Depression support group was offered again to new moms and a partner night was added for new.
Implement a priority based City policy and program for non-profit organization grants	<ul style="list-style-type: none"> A policy and procedure for grants to non-profit organizations was drafted in 2018, and was adopted by Council subsequent to year end.
Develop volunteer engagement strategies to assist with enhancing capacity, recruitment and retention	<ul style="list-style-type: none"> Volunteer management software systems were reviewed. A purchase decision was made after year end. A volunteer page has been added to the website assist in attracting and retaining volunteers.
Promote awareness and involvement in community and cultural events that help to create a sense of place for our city and enhance community interaction and connectedness	<ul style="list-style-type: none"> The City hosted Sheep Week, Sheep Leaving Parade, and Lights Up were held in the fourth quarter. The Sheep Leaving Parade continues to be popular. Lights Up welcomed 1,000 people to the event. The Shell Theatre sold out four shows in the fourth quarter.
Promote City programming of public spaces to celebrate the City's history and culture	<ul style="list-style-type: none"> A new marketing campaign for the Fort Heritage Precinct was developed in the fourth quarter.



WELL PLANNED AND MAINTAINED MUNICIPAL INFRASTRUCTURE

Goal	Strategically manage, invest, and plan for sustainable municipal infrastructure
Outcome	Critical infrastructure is in place, maintained, optimized and strategically planned to meet the future needs of the community

Strategic Initiatives	Progress
Ongoing development and refinement of asset management program	<ul style="list-style-type: none"> The City was successful in its application for a Municipal Asset Management grant from the Federation of Canadian Municipalities. This grant will be used to develop a corporate asset management strategy and policy, and to conduct an asset management gap analysis.
Inclusion of planned capital funding sources, cost estimates and supporting master plans / strategies within 10 year capital plan	<ul style="list-style-type: none"> The 2019 capital budget included planned capital funding sources for the 10 year capital plan.
Continued exploration of regional collaboration opportunities for projects (Edmonton Metropolitan Regional Board Servicing Plan, Inter-municipal Collaboration Frameworks, River Valley Alliance)	<ul style="list-style-type: none"> The City is assisting in the selection process for consultants in regard to a Regional Transit Services Commission.
Continue advocacy and input for regional transportation projects (bridge twinning/pedestrian bridge) and exploration of any synergies with planned City capital projects (i.e.) Fort Centre Park, road improvements	<ul style="list-style-type: none"> The City has formed a multi-departmental traffic safety working group to review and coordinate traffic safety priorities. The City commissioned a traffic safety study focused on schools, the highway corridor. The study will also include a risk analysis of commercial traffic and dangerous goods moving through the City. The City and Alberta Transportation are working with a consultant to develop a borrow pit needed for the highway 15 bridge project into a storm water facility and Fort Centre park amenities.
Continue to implement Transportation Master Plan to guide the City's transportation infrastructure	<ul style="list-style-type: none"> Transportation Master Plan adopted by Council in November. The City is developing changes to engineering standards as a result.



CAPITAL PROJECTS

		Project Budget \$000s	Expenditure To Date \$000s	Forecast Expenditure \$000s	Forecast Surplus (Deficit) \$000s	Estimated Completion Date	Comments
General Operations							
General Administration							
16018	Computer Hardware / Software New Acquisitions	195	157	-	38	Complete	Surplus will be used to fund IntelliLeisure project
16021	City Hall Space Development	700	29	671	-	Dec 2019	Detailed design work underway
16033	Project Management Software	100	82	18	-	Sep 2019	Integration with Dynamics GP in progress
17010	City Hall Exterior Steps	60	64	-	(4)	Complete	
17024	Computer Network Infrastructure	297	287	-	10	Complete	
17028	Computer Hardware / Software New Acquisitions	367	742	-	(375)	Complete	Includes \$284,000 in forecast labour costs that will be offset by lower salaries, wages, and benefits in operations.
17048	Council Chambers Upgrades	5	11	-	(6)	Complete	
18020	Computer Equipment Replacement	177	158	-	19	Complete	
18032	Computer Network Infrastructure	188	156	-	32	Complete	
18033	Computer Hardware / Software New Acquisitions	324	246	78	-	Dec 2019	
Total General Administration		2,413	1,932	767	(286)		



Annual Report | December 2018

Appendix 3 - Capital Projects

		Project Budget \$000s	Expenditure To Date \$000s	Forecast Expenditure \$000s	Forecast Surplus (Deficit) \$000s	Estimated Completion Date	Comments
Protective Services							
13022	Protective Services Building	12,000	11,832	168	-	Complete	Pending final invoice from the RCMP (Towers)
17032	Animal Control Kennel Building	100	13	87	-	Cancelled	Merged with 2019 project
18007	Alberta's First Responders Radio Communications System (AFRRCS Radio)	123	-	123	-	Jun 2019	Installation to take place in Summer 2019
18009	RCMP Fume Hood	20	-	20	-	Jun 2019	
Total Protective Services		12,243	11,845	398	-		
Fire Services							
17012	Breathing Air Compressor	-	-	-	-	Cancelled	
18004	Modular Dorms	125	102	23	-	Mar 2019	
18011	Fire Engine Replacement	1,800	-	1,800	-	Dec 2019	Delivery expected in Winter 2019
18026	Fire Dept. Supervisor Vehicle	75	-	75	-	Mar 2019	Delivery expected in Spring 2019
Total Fire Services		2,000	102	1,898	-		



Annual Report | December 2018

Appendix 3 - Capital Projects

		Project Budget \$000s	Expenditure To Date \$000s	Forecast Expenditure \$000s	Forecast Surplus (Deficit) \$000s	Estimated Completion Date	Comments
Common Services & Equipment Pool							
17009	Equipment Replace - Backhoe	150	187	-	(37)	Complete	Over-run offset by trade-in
17025	Replace Case Loader	225	277	-	(52)	Complete	Over-run offset by trade-in
17027	Replace Freightliner & Attachments	200	124	110	(34)	Mar 2019	Delivery expected in Spring 2019
18002	New 3/4 Ton Truck Flat Deck	65	-	65	-	Mar 2019	Delivery expected in Spring 2019
18005	New Asphalt Hot Box	60	-	60	-	Jun 2019	Delivery expected in Spring 2019
18006	New Mower Purchase	15	17	-	(2)	Complete	
18010	2018 Equipment Replacement	950	498	110	342	Jun 2019	3 budgeted vehicles were not purchased
18014	New Knuckle Boom Remote Control	20	15	-	5	Complete	
18017	Playground Sand Raking Equipment	30	29	-	1	Complete	
18022	New Tandem Flat Deck Attachment	20	-	20	-	Jun 2019	Delivery expected in Summer 2019
Total Common Services & Equipment Pool		1,735	1,147	365	223		



Annual Report | December 2018

Appendix 3 - Capital Projects

		Project Budget \$000s	Expenditure To Date \$000s	Forecast Expenditure \$000s	Forecast Surplus (Deficit) \$000s	Estimated Completion Date	Comments
Roads & Transportation							
14031	Transit Park & Ride	3,400	3,400	-	-	Complete	
15025	86 Ave/ Southfort Dr. Widening	2,400	2,245	10	145	Sep 2019	Boulevard landscaping repairs will be completed by Fall 2019
16031	Access Road & Parking West River's Edge	100	-	-	100	Complete	Expense reclassified as operations
16053	Northern Transfer Station	150	163	-	(13)	Complete	
16054	Bus Stops	68	108	-	(40)	Complete	
18024	Local Road Rehabilitation	4,264	1,762	2,502	-	Sep 2019	Construction to continue in 2019
18025	Neighbourhood Rehabilitation	5,066	3,425	1,641	-	Dec 2019	Construction to continue in 2019
18036	Point Aux Pins Road Enhancement	400	25	375	-	Delayed	Project on hold to coordinate with annexation
18037	River Road Realignment	400	51	349	-	Dec 2019	Construction expected to be completed by Winter 2019
18042	Clover Park Secondary Access	83	61	22	-	Jun 2019	
Total Roads & Transportation		16,331	11,240	4,899	192		



Annual Report | December 2018

Appendix 3 - Capital Projects

		Project Budget \$000s	Expenditure To Date \$000s	Forecast Expenditure \$000s	Forecast Surplus (Deficit) \$000s	Estimated Completion Date	Comments
Recreation Services							
12025	River Valley Trail System	4,201	3,130	1,071	-	Delayed	Trail and bridge on hold due to Hwy-15 twinning project
16029	Skateboard/BMX Park	577	55	522	-	Sep 2019	Construction scheduled for completion by Fall 2019
16030	Curling Rink Revitalization	5,000	4,924	-	76	Complete	
16032	Taurus Field	9,653	9,809	-	(156)	Complete	Over-run partially funded by contribution from Taurus & Centaur, and unspent capital reserve funds from project #17002
17014	Harbour Pool Universal Change Room	1,500	962	494	44	Mar 2019	Construction ongoing
17038	DCC Ice Compressor Replacement	100	89	-	11	Complete	
17047	Viewing Deck and Interpretive Signage Original Fort	45	-	45	-	Delayed	Community built and funded. Waiting on Historical Society to provide update.
18001	Turner Park Structure	130	130	-	-	Complete	
18016	Westpark Elementary School Land Purchase	150	147	-	3	Complete	
18018	Additional Columbaria in Cemetery	46	55	-	(9)	Complete	
18029	Columbarium Legion Field of Honor	35	27	-	8	Complete	Surplus will be used to pay for project 18018
18043	Gymnastic Building	1,525	1,321	204	-	Sep 2019	Design underway, additional funding to be approved as part of 2019 budget
Total Recreation Services		22,962	20,649	2,336	(23)		
Cultural Facilities & Programs							
14040	River Valley Enhancements	195	74	121	-	Delayed	Project on hold as a result of work being done on highway alignment
16001	Canada 150 Grant Fort Heritage Precinct Access	415	290	-	125	Complete	
18038	Art Gallery Display Cases	13	13	-	-	Complete	
Total Cultural Facilities & Programs		623	377	121	125		



Annual Report | December 2018

Appendix 3 - Capital Projects

Total General Operations	58,307	47,292	10,784	231
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		Project Budget \$000s	Expenditure To Date \$000s	Forecast Expenditure \$000s	Forecast Surplus (Deficit) \$000s	Estimated Completion Date	Comments
Utility Operations							
16020	Sewer Service Relines	1,495	1,079	200	216	Jun 2019	Reviewing sewer system to identify any remaining areas within scope
16037	Water Meters - Radio Upgrades & Lifecycle Replace	710	710	-	-	Complete	
16039	Transfer Station - Office Replacement	75	-	75	-	Delayed	On hold pending completion of Transfer Station study
17022	Sump Pump Retrofit Program	300	418	-	(118)	Complete	Over run resulted from design work budgeted in operations
17039	Solid Waste Cart Purchase	932	923	14	(5)	Complete	
18003	Water Meters - Lifecycle Replacement	660	583	77	-	Dec 2021	
18023	Bulk Water Station Modernization	38	11	33	(6)	Dec 2019	Design underway
18028	Water Reservoir Lifecycle Renewal	56	8	48	-	Mar 2019	Design underway
18034	Sump Pump Retrofit Program	600	36	540	24	Sep 2019	Construction underway
18041	Water Reservoir Fiber Optic	75	75	-	-	Complete	
Total Utility Operations		4,941	3,843	987	111		
City Funded Capital Projects		63,248	51,135	11,771	342		

		Project Budget \$000s	Expenditure To Date \$000s	Forecast Expenditure \$000s	Forecast Surplus (Deficit) \$000s	Estimated Completion Date	Comments
Levy Funded Capital Projects							
15014	Southfort Meadows - Park Amenity	650	-	650	-	Delayed	Project expected to commence in 2019
16050	Intersection Upgrades - 119 Street & Hwy 15	1,750	77	1,673	-	Delayed	Project on hold due to Hw-15 twinning project
17002	Southfort Drive Widening - Allard Way to South Greenfield	4,250	3,647	-	603	Complete	\$84K of unspent capital reserve funds to fund project #16032 over run
17030	Traffic Lights on 94 Street	300	225	75	-	Sep 2019	Construction will commence in 2019
Total Levy Funded Capital Projects		6,950	3,949	2,398	603		



Annual Report | December 2018

Appendix 3 - Capital Projects

City and Developer Capital Projects	70,198	55,084	14,169	945
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THE CITY AT A GLANCE

	2018	2017	% Change
General			
Business Licenses	1,667	1,623	2.7%
Population	26,328	25,533	3.1%
Subdivision and Development Appeal Board Appeals	3	17	(82.4%)
Animal Licenses	3174	2,619	21.2%
Freedom of Information & Protection of Privacy Requests	18	11	63.6%
Building & Development			
Housing Starts	161	181	(11.1%)
Development Permits	521	508	2.6%
Development Permits - Construction Value	\$65,838,624	\$91,342,177	(27.9%)
Building & Safety Code Permits	2,183	2,355	(7.3%)
Recreation and Culture			
Dow Centennial Centre - Foot Traffic	636,922	681,104	(6.49%)
Dow Centennial Centre - Childminding Usage	9100	8136	11.8%
Harbour Pool Attendance – Total	100616	104729	(3.9%)
Public Safety			
Collisions (Fatal & Major Injury)	7	9	(22.2%)
Criminal Code Offenses	2,888	2,772	4.2%
Court Fines Issued (Traffic Safety Act & Bylaw)	17,282	13,114	31.8%
Protective Services Complaint Calls	25,954	20,984	23.7%
Fire Department Responses	398	407	(2.2%)
Fort Report			
Requests received	4,630	N/A	
Requests closed	4,616	N/A	
Average number of days to close a service request	14	N/A	
Solid Waste			
Garbage Tonnes	3716	5372	(30.8%)
Recycling Tonnes	1124	1052	6.8%
Organics Tonnes	1645	284	479%

