

June 30, 2018

Quarterly Report

As reported August 15, 2018



CITY OF
FORT SASKATCHEWAN

Quarterly Report | June 2018

As reported on August 15, 2018

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OPERATING HIGHLIGHTS

The second quarter of 2018 included the achievement of a number of significant milestones for the City.

Significant milestones include:

- Introduction of the new curbside waste and organics collection program
- Adoption of a 1.42% Municipal Property Tax Increase
- Adoption of the 2018 – 2022 Strategic Plan
- Opening of Taurus Field and the Transit Park and Ride
- Substantive completion of the Curling Rink Revitalization
- The 2018 municipal census indicates that the City's population grew by 3.11% since 2017.

OPERATING BUDGET

In the first six months of 2018, the City had a \$708,000 surplus variance compared to the year to date operating budget. Several operating projects shifted into the second half of 2018 from the first half, resulting in a year to date surplus. However, these temporary differences are expected to reverse later in the year.

Traffic fine revenue continued to be lower than budget in the first half of 2018 and is expected to be below budget for the remainder of the year. This has resulted in the City forecasting an overall operating budget deficit of \$1,098,000 for 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 65 capital projects. As at June 30, 2018, the City had completed nine projects while 52 were in progress. At June 30, 2018, three projects had not started.

The City spent \$7,950,000 on capital projects in the first six months of 2018.

FINANCIAL POSITION

At June 30, 2018, the City had a net financial assets of \$29,934,000 compared to net financial assets of \$5,772,000 at December 31, 2017. Property taxes are collected in the second quarter, which results in the City having its highest financial position this quarter.

- Cash and investment balances were \$22,297,000 higher than at December 31, 2017.
- Long term debt was \$38,436,000 compared to \$39,849,000 at December 31, 2017.



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OPERATIONS

The second quarter of 2018 was a particularly active period, with a number of major projects coming to completion.

The new curbside waste collection program came into effect in June, resulting in increased landfill diversion within the first month of the program. The City's residential curbside diversion rate went from 22% to approximately 45% for the month of June. Over 290 tonnes of organic materials were sent for composting. Waste reduction students have audited organics carts at over 6,500 households.

Since its introduction in February 2018, use of Fort Report to track resident concerns and inquiries has been steadily increasing. In the first half of 2018, 1,221 service requests have been opened, including 1,014 in the second quarter. A significant majority of the service requests received related to the new curbside waste collection program. The waste team responded to 867 Fort Report requests in Q2, averaging 13 responses a day or one every half hour.

Taurus Field held its grand opening and inaugural game on June 8, 2018. Taurus Field has an artificial turf field, four change rooms for players, official's change rooms, washroom facilities, an administration office and storage area, a concession, a ticket booth and seating for approximately 1,000 spectators. In August, the City hosted a camp for more than 70 Atom to Bantam football players led by the University of Alberta's Golden Bears.

In May, the City opened a new Park and Ride facility adjacent to Taurus Field and the Dow Centennial Centre. The Park and Ride was funded with \$1.2 million in provincial Municipal Sustainability Initiative grant funding and \$2.2 million in provincial Green Transit Incentives Program (GreenTRIP) funding. The facility can accommodate parking for approximately 300 vehicles and provides an interior shelter for approximately 50 people. The two local FST Routes 582 and 583 will use the Park and Ride as well as the commuter Route 580 to Clareview LRT Station to connect users with ETS. The Park and Ride incorporates green features such as solar panels, recycled asphalt, and bicycle parking.

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 conducted a Traffic Survey of motorists living in or travelling through the City. The survey received 602 responses. Key themes included the desire to have more visible enforcement, ongoing education, and engagement including the use of speed signs and social media, and enforcement of distracted driving offenses. Council will receive a Vision Zero update in early fall. The City also held a Town Hall meeting on May 24, 2018, giving presentations on Vision Zero, Traffic Safety, and Crime Prevention.

The City continued to work on developing and implementing new or updated policies and bylaws. Council adopted new or revised policies & bylaws covering areas including property taxes, bank administration, meeting procedures, and a new Council Code of Conduct.

Council adopted the City's new 2018 – 2022 Strategic Plan at the June 26, 2018 Council meeting. The strategic plan serves as the foundation on which administration develops department business plans, master plans, and budgets. The goals and strategic initiatives within the plan emphasize specific areas of focus over the next five years. The Strategic Plan was developed by Council after considering the more than 2,300 responses from the community to the December 2017 public engagement titled, My Fort, My City. My Say.



FINANCIAL RESULTS FROM OPERATIONS

Expressed in \$000s	Six months ended June 30, 2018			Year ended December 31, 2018		
	Budget	Actual	Variance	Budget	Forecast	Variance
Operating Revenue						
Property Taxes	44,674	44,733	59	44,734	44,793	59
Utility User Rates	8,380	8,544	164	17,515	17,621	106
Fines and Penalties	1,978	973	(1,005)	4,642	2,516	(2,126)
User Fees & Charges	3,621	3,572	(49)	6,696	6,474	(222)
Government Transfers - Operating	1,182	1,174	(8)	1,721	1,785	64
Investment Income	358	438	80	912	1,357	445
Other Revenue	47	123	76	87	167	80
Total Operating Revenue	60,240	59,557	(683)	76,307	74,713	(1,594)
Operating Expenses						
Salaries, Wages, and Benefits	13,182	13,222	40	27,725	27,745	20
Purchases from other Governments	6,111	6,302	191	12,978	13,168	190
Contracted Services	4,534	3,302	(1,232)	10,336	9,609	(727)
Utilities	1,603	1,438	(165)	3,211	2,945	(266)
Materials and Supplies	1,557	1,499	(58)	2,957	3,084	127
Transfers to Individuals and Organizations	1,454	1,476	22	1,668	1,721	53
Debenture Interest	716	705	(11)	1,452	1,441	(11)
Service Maintenance Contracts	488	452	(36)	925	972	47
Advertising & Printing	536	357	(179)	883	859	(24)
Training & Development	389	323	(66)	773	721	(52)
Insurance	385	372	(13)	767	729	(38)
Phones & Postage	236	265	29	472	511	39
Memberships	203	195	(8)	312	338	26
Other Expenses	193	85	(108)	394	238	(156)
Total Operating Expenses	31,587	29,993	(1,594)	64,853	64,081	(772)
Operating Budget Surplus (Deficit) before Other Items	28,653	29,564	911	11,454	10,632	(822)
Other Items						
Net Operating Transfers (to) from Reserves	(8,528)	(8,784)	(256)	(8,354)	(8,683)	(329)
Repayment of Debenture Principal	(1,466)	(1,413)	53	(3,100)	(3,047)	53
Net Other Items	(9,994)	(10,197)	(203)	(11,454)	(11,730)	(276)
Operating Budget Surplus (Deficit)	18,659	19,367	708	-	(1,098)	(1,098)

The operating budget surplus 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

Significant surplus variances in 2018 include:

- Investment income revenue was \$80,000 higher than budget in the first half of 2018 due to investment balances and rates of return on investments being higher than planned. This trend is expected to continue for the remainder of 2018 due to Bank of Canada rate increases, resulting in a forecast surplus of \$445,000.
- Lower electricity usage resulting from a switchover to LED lighting at a number of City facilities, combined with lower energy prices have resulted in the City forecasting electricity costs to be \$128,000 below budget for 2018.

A significant portion of the year to date surplus variance in contracted services and advertising and printing are the result of temporary variances that are expected to reverse in the second half of 2018. These temporary differences include delays in the start of the facility lifecycle maintenance program, West Rivers Edge Reforestation Program (\$143,000), Harbour Pool maintenance (\$127,000), and an annual marketing campaign (\$92,000).

DEFICIT VARIANCES

Traffic fines

Net revenue from traffic fines were down \$874,000 in the first half of 2018 and are forecast to be \$1,784,000 below budget for the remainder of 2018.

Intersection safety device ("ISD") based enforcement typically accounts for approximately 80% of all traffic fine revenue. Six of nine ISDs were operational throughout the first half of 2018, while two returned to operation in March. The remaining ISD returned to operation subsequent to the period in July following repair work completed in the second quarter.

Mobile photo and laser based traffic enforcement was lower in the first half due to staff turnover and training.

New provincial rules regarding ISD and photo based enforcement have increased the threshold for issuing traffic fines. The City is still assessing the impact of that change, but expects to reduce its budget for traffic fine revenue in the 2019 budget in order to reduce the impact of recent volatility in traffic fine revenue.

<i>Expressed in \$000s</i>	Results for the six months ended June 30, 2018			Forecast for the year ended December 31, 2018		
	Budget	Actual	Variance	Budget	Forecast	Variance
Traffic fines	1,848	792	(1,056)	4,302	2,085	(2,217)
Fine Processing Costs	(257)	(75)	182	(751)	(318)	433
Net loss in revenue from traffic fines	1,591	717	(874)	3,551	1,767	(1,784)

There are a number of variables that affect traffic fine revenue that are beyond the City's control. This results in significant uncertainty in the 2018 forecasts for traffic fine revenue.



Salaries, wages, and benefits

Expressed in \$000s	Results for the six months ended June 30, 2018			Forecast for the year ended December 31, 2018		
	Budget	Actual	Variance	Budget	Forecast	Variance
Staff Surplus before allocations and allowances	13,552	13,376	(176)	28,494	28,477	(17)
Labour costs allocated to Capital Projects	-	(154)	(154)	-	(333)	(333)
Budgeted allowance	(370)	-	370	(769)	(399)	370
Net Staff Surplus	13,182	13,222	40	27,725	27,745	20

Salaries, wages, and benefits were \$40,000 higher than budget in the first half of 2018. Labour costs were \$330,000 below budget before a \$370,000 budgetary allowance for vacancies for the quarter. Vacancies in municipal enforcement and the fire department were the most significant factors contributing to the labour cost variance.

The City is forecasting that salaries, wages, and benefits will be \$69,000 higher than budget for 2018. Included in the 2018 budget, was a \$769,000 budgetary allowance for vacancies. Excluding the vacancy allowance, the City budgets at 100% employment for all approved positions. As vacancies occur throughout the year, the variance in the allowance offsets the variance in salaries, wages, and benefits. Adjustments are made to the salaries, wages, and benefits forecast based on planned changes in the organization.

Labour costs related to capital projects are allocated to the cost of the capital assets in accordance with PSAS. The labour costs of \$305,000 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 Reserve.

Other significant deficit variances

- Admissions to the Dow Centennial Center were 16% below budget in the first half of 2018 and are forecast to be \$148,000 below budget in 2018.
- Rental revenue at the Dow Centennial Center is forecast to be lower than budgeted by \$124,000 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 are forecasted for 2018, resulting from changes to accounting processes and are offset by lower than budgeted contracted services.

Financial Report for the six months ended June 30, 2018 (UNAUDITED)

Rounded to the nearest thousand dollars, except where otherwise stated

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			
	Water Supply	Sewer Service	Solid Waste	Total Utilities
For the six months ended June 30, 2018				
Revenue				
Utility user rates	(74)	236	5	167
Other revenue	21	23	31	75
Expenses				
Salaries, wages and benefits	5	30	(62)	(27)
Commission charges	-	(246)	-	(246)
Contracted services	(29)	106	233	310
Other costs	136	18	(31)	123
Reserve transfers and debt repayment	6	56	(99)	(37)
YTD Operating Budget Surplus (Deficit)	65	223	77	365
For the year ending December 31, 2018				
Revenue				
Utility user rates	(132)	236	5	109
Other revenue	30	27	34	91
Expenses				
Salaries, wages and benefits	22	29	(87)	(36)
Commission charges	-	(246)	-	(246)
Contracted services	2	46	252	300
Other expenses	228	13	(50)	191
Reserve transfers and debt repayment	10	56	(111)	(45)
Forecast Operating Budget Surplus (Deficit)	160	161	43	364

In the first half of 2018, the City's utility operations \$365,000 surplus compared to budget. The City forecasts a \$364,000 operating budget surplus from utility operations in 2018. This is the result of higher revenue, lower contracted services and labour costs than budgeted.

Revenue from sewer service was \$236,000 higher than budgeted in the first half of 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 Q2 have been lower than originally planned, resulting in a forecast savings of \$257,000 in contracted services, including \$209,000 in the first half of 2018. This is partially offset by lower transfers from reserves.

Lower demand at the bulk water station resulted in forecast lower revenue from water supply, offset by lower other expenses. 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 34 new projects and 31 multi-year projects that were carried forward from 2017. As at June 30, 2018, the City had completed nine projects, while 52 were in progress, three projects had not started, and one has 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	YTD 2018 Expenditure	Forecast remaining expenditure	Forecast Surplus (Deficit)
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
General Administration	771	939	-	1,710	(462)	(1,529)	(281)
Protective Services	268	143	-	411	(13)	(478)	(80)
Fire Services	-	2,000	-	2,000	-	(2,000)	-
Common Services & Equipment Pool	575	1,160	-	1,735	(457)	(1,288)	(10)
Roads & Transportation	3,834	5,550	-	9,384	(1,690)	(7,638)	56
Recreation Services	5,937	971	-	6,908	(3,311)	(3,628)	(31)
Culture Facilities & Programs	247	13	-	260	(93)	(126)	41
Utility Rate Funded Projects	1,934	1,214	215	3,363	(1,520)	(1,972)	(129)
Levy Funded Projects	1,993	1,500	-	3,493	(404)	(3,131)	(42)
Total	15,559	13,490	215	29,264	(7,950)	(21,790)	(476)

TAURUS FIELD AND PARK & RIDE TRANSIT STATION

Taurus Field held its grand opening in June. Both the Field and the adjacent Park & Ride Transit Station are now in operation.

CURLING RINK

The building is almost complete and is already being used by the City summer camp participants.

TRANSFER STATION

A reconfiguration study is underway. Detailed design will commence this fall.

HARBOUR POOL

Construction of the universal change room at Harbour Pool was approved by Council in February 2018. Final design work is being completed with updated costing, and a construction schedule will be published in early 2019 when the design work is complete.

CITY HALL EXTERIOR STEPS

Contractors have started the work on the steps. Work will be completed by September.

INTELLILEISURE SOFTWARE

Staff are working to setup the new recreation and point of sale software. The City's existing system, CLASS, is no longer supported by the provider. The new system will provide more online options for residents to sign up for recreation programs and memberships, and to rent City facilities. The new system is expected to launch in the fourth quarter of 2018.



FINANCIAL POSITION HIGHLIGHTS

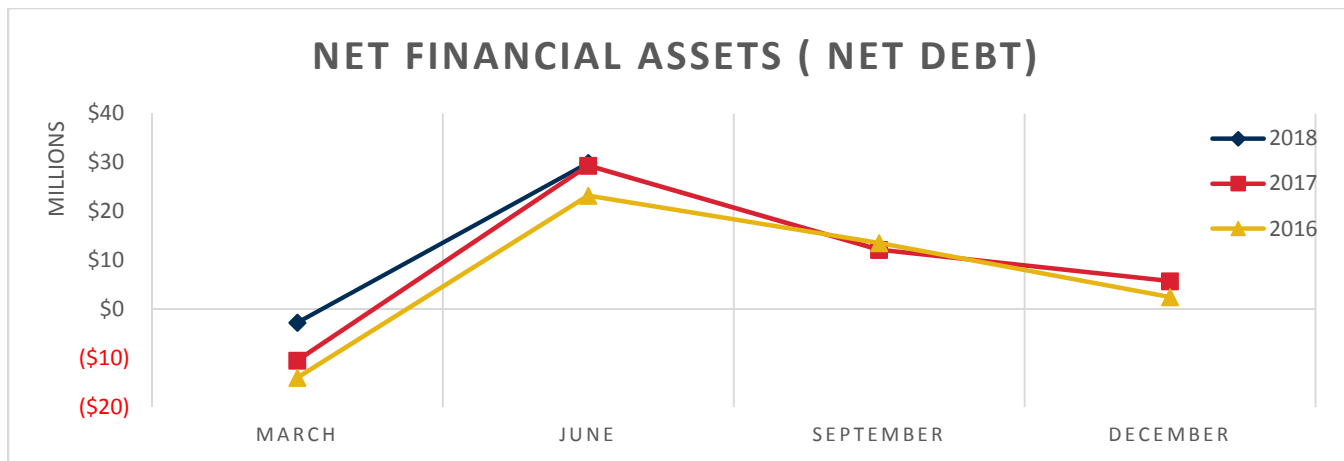
An unconsolidated statement of financial position for the City of Fort Saskatchewan has been included in Appendix 1.

NET FINANCIAL ASSETS (DEBT)

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

As at June 30, 2018, the City had a net financial assets position of \$29,934,000 compared to net financial assets of \$5,772,000 at December 31, 2017, an increase of \$24,162,000 in the second quarter of 2018. The City collects the majority of its revenue from property taxes during the second quarter each year.

The net financial assets were higher than prior year levels at June 30, 2018 due to higher reserve contributions in 2017 and 2018. The City expects that Net Financial Assets will be higher at December 31, 2018 than at the end of 2017.



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 June 30, 2018, the City had the following cash, short term deposits, and investments:

	June 30, 2018		December 31, 2017	
	\$000s	Return %	\$000s	Return %
Cash and Cash Equivalents				
Operating Accounts	44,320	1.70%	3,560	1.45%
High Interest Notice of Demand Accounts	7,313	1.77%	25,776	1.83%
Total Cash and Cash Equivalents	51,633	1.71%	29,336	1.78%
Investments				
Guaranteed Investment Certificates	25,374	1.94%	25,374	1.94%
Total Investments	25,374	1.94%	25,374	1.94%
Total	77,007	1.78%	54,710	1.85%

The City's high interest notice of demand accounts earn interest at rates from 1.70% to 1.85% and are redeemable upon 31 – 90 days' notice. Subsequent to the period, these rates have increased to 2.30% - 2.50%.

The City earns interest at rates between 1.85% and 2.00% from its guaranteed investment certificates. The City's investments in GICs have initial terms of two years and are either non-redeemable or redeemable after one year.

Subsequent to the period, the Bank of Canada has raised its benchmark interest rate by 0.25%. This marks the second 0.25% increase in 2018 and the fourth in the last twelve months. All GICs either matured or became redeemable subsequent to the period in July 2018. The City is reviewing its investment policy (FIN-010-C) and investment strategy to ensure the City benefits from this rising rate environment.

LONG-TERM DEBT

The City borrows money from the Alberta Capital Finance Authority to fund the construction of capital projects. The total debt outstanding as at June 30, 2018 is \$38,436,000, which has been borrowed for the following projects.

Projects	Weighted Average Interest Rate %	June 30, 2018	December 31, 2017	Fully Repaid
Westpark Reservoir	6.375%	488	488	October 2020
Dow Centennial Centre	5.705%	5,487	5,914	December 2023
Sewer Service Reline	2.371%	3,729	3,998	December 2026
City Hall	3.308%	12,618	12,953	December 2033
100 Avenue Rehab	3.571%	5,715	5,857	September 2035
Protective Services Building	3.136%	10,399	10,639	December 2036
Total Long Term Debt		38,436	39,849	

In the first six months of 2018, the City paid \$1,413,000 in principal and \$705,000 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.

Council has authorized the issue of \$1,200,000 in new debenture to fund the 2016 sewer service reline projects, which will be issued after project completion.



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Appendix 1

SUPPLEMENTARY FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION

(Unaudited)

	June 30, 2018	December 31, 2017	June 30, 2017
	\$000s	\$000s	\$000s
Financial Assets			
Cash & Short Term Deposits	51,633	29,336	43,387
Investments	25,374	25,374	42,686
Net Taxes Receivable	9,610	582	7,674
Trade and Other Receivables	3,027	4,110	4,402
Due from Other Governments	1,699	3,169	2,944
Sponsorship Receivable	86	88	88
Inventory Held for Resale	1,303	1,303	1,300
Total Financial Assets	92,732	63,962	102,481
Liabilities			
Accounts Payable & Accrued Liabilities	(18,481)	(9,627)	(14,148)
Deposits on Account	(2,659)	(2,847)	(3,138)
Deferred Revenue	(1,612)	(4,256)	(12,851)
Vested Sick Leave	(111)	(111)	(128)
Liability for Contaminated Sites	(1,499)	(1,499)	(1,499)
Long-Term Debt	(38,436)	(39,849)	(41,367)
Total Liabilities	(62,798)	(58,189)	(73,131)
Net Financial Assets	29,934	5,773	29,350
Other Assets			
Capital Assets	484,896	475,394	450,566
Inventories of Supplies	513	501	369
Prepaid Expenses	818	521	719
Total Other Assets	486,227	476,416	451,654
Accumulated Surplus	516,161	482,189	481,004

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.



Supplementary Financial Information (UNAUDITED)

Rounded to the nearest thousand dollars, except where otherwise stated

STATEMENT OF OPERATIONS

(Unaudited)

	Expressed in \$000s	Six months ended June 30		
		2018 Budget	2018 Actuals	2017 Actuals
Operating Revenue				
Net Municipal Taxes		44,674	44,733	43,191
Sales, Rentals and User Charges		8,380	8,544	7,985
Fines and Penalties		1,978	973	875
Licenses and Permits		3,621	3,572	3,413
Government Transfers - Operating		1,182	1,174	1,177
Investment Income		358	438	417
Other Revenue		47	123	194
Total Operating Revenue		60,240	59,557	57,252
Operating Expenses				
Salaries, Wages, and Benefits		(13,182)	(13,222)	(12,474)
Purchases from other Governments		(6,111)	(6,302)	(6,946)
Contracted Services		(4,534)	(3,302)	(3,215)
Utilities		(1,603)	(1,438)	(1,363)
Materials and Supplies		(1,557)	(1,499)	(1,419)
Transfers to Individuals and Organizations		(1,454)	(1,476)	(328)
Interest on Long Term Debt		(716)	(705)	(758)
Service Maintenance Contracts		(488)	(452)	(458)
Advertising & Printing		(536)	(357)	(451)
Training and Development		(389)	(323)	(325)
Insurance		(385)	(372)	(357)
Phones and Postage		(236)	(265)	(228)
Memberships		(203)	(195)	(87)
Amortization of Tangible Capital Assets		(7,213)	(6,880)	(6,620)
Loss (Gain) on Disposal of Tangible Capital Assets		260	(19)	(105)
Other Expenses		(193)	(85)	(192)
Total Operating Expenses		(38,540)	(36,892)	(35,326)
Surplus (Deficit) before Other Items		21,700	22,665	21,926
Other Items				
Contributed Tangible Capital Assets		8,000	8,577	-
Government Transfers - Capital		4,638	2,522	3,405
Developer Levies		-	-	-
Net Other Items		12,638	11,099	3,405
Operating Surplus (Deficit)		34,338	33,764	25,331

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Supplementary Financial Information (UNAUDITED)

Rounded to the nearest thousand dollars, except where otherwise stated

NET OPERATING BUDGET VARIANCES BY DEPARTMENT

<i>Expressed in \$000s</i>	Six months ended June 30, 2018			Year ended December 31, 2018		
	Budget	Actual	Variance	Budget	Forecast	Variance
Elected Officials	(212)	(209)	3	(446)	(428)	18
Office of the City Manager	(1,006)	(922)	84	(2,083)	(1,997)	86
Corporate Services Division						
Corporate Communications	(427)	(313)	114	(809)	(844)	(35)
Financial Services	43,126	43,161	35	43,287	43,686	399
People Services	(725)	(666)	59	(1,467)	(1,399)	68
Information Technology	(1,485)	(1,461)	24	(2,535)	(2,522)	13
Legislative Services	(511)	(762)	(251)	(1,069)	(1,476)	(407)
Total Corporate Services Division	39,978	39,959	(19)	37,407	37,445	38
Community & Protective Services Division						
Culture Services	(1,922)	(1,847)	75	(2,599)	(2,575)	24
Family & Community Support Services	(326)	(252)	74	(740)	(688)	52
Fire Services	(1,463)	(1,250)	213	(2,903)	(2,696)	207
Protective Services	(1,950)	(2,462)	(512)	(3,742)	(5,185)	(1,443)
Recreation	(4,324)	(4,473)	(149)	(7,088)	(7,617)	(529)
Total Community & Protective Services Division	(9,985)	(10,284)	(299)	(17,072)	(18,761)	(1,689)
Infrastructure & Planning Division						
Economic Development	(265)	(126)	139	(613)	(590)	23
Infrastructure Management	(4,299)	(4,279)	20	(8,122)	(8,181)	(59)
Planning & Development	(310)	(217)	93	(970)	(883)	87
Project Management	(4,181)	(3,858)	323	(8,101)	(8,064)	37
Total Infrastructure & Planning Division	(9,055)	(8,480)	575	(17,806)	(17,718)	88
Utilities						
Water	(449)	(385)	64	-	159	159
Sewer	(571)	(349)	222	-	160	160
Solid Waste	(41)	37	78	-	42	42
Total Utilities	(1,061)	(697)	364	-	361	361
Operating Budget Surplus (Deficit)	18,659	19,367	708	-	(1,098)	(1,098)



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Appendix 2 – Strategic Plan Update

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.

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
Actively participate in the initiatives of Alberta Industrial Heartland Association, Edmonton Global and other regional economic initiatives	<ul style="list-style-type: none"> As part of Edmonton Global we successfully bid to bring the 2019 Canadian Foreign Direct Investment Forum to Edmonton. This marks the first time the Canadian FDI forum will be held in Western Canada. The City, Edmonton, and Strathcona County partnered to bring the 2019 Economic Developers Association of Canada’s annual conference to the region. The City will join a regional transit services commission as well as a regional transit Smart Fare program.
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"> Working on a Business Communications Plan to foster two-way communication with local businesses. The plan will ensure we are providing local businesses with relevant, reliable, and desirable information and services in a way that is meaningful to them. The City is implementing an Investment Attraction Strategy. Implementation of this strategy will be funded by a CARES grant from the provincial government. The strategy includes the creation of a stand-alone investor specific website to help promote opportunities within the community, as well as other tools and resources to help improve how we interact with investors.
Update the approach to downtown redevelopment	<ul style="list-style-type: none"> The City supported the Fort Saskatchewan Chamber of Commerce in launching their Downtown Market. The market will run Saturdays throughout July and August. The market will increase foot traffic in the downtown core to support local businesses.



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Appendix 2 – Strategic Plan Update

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"> 2019 – 2022 Department Business Plans were completed in June and are being reviewed by the City Manager and Divisional General Managers.
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. Work has started to identify programs for priority-based budgeting
Ongoing program and service level reviews utilizing the approved review framework	<ul style="list-style-type: none"> A consultant has been selected to conduct a service level review of recreation. Work began in July and is scheduled to be completed by the end of 2018.
Enhance public engagement and communication where public is encouraged to be involved	<ul style="list-style-type: none"> The City ran a traffic safety survey and held a Town Hall on traffic safety as part of the Vision Zero Regional initiative. Survey participation was higher (2.4%) than similar surveys in Strathcona County (1.2%) and Edmonton (0.4%). Municipal Enforcement has launched a "M.E. and You" media campaign to educate the public regarding traffic safety, animal control, yard maintenance and more.
Continue ongoing policy and bylaw review to guide actions and minimize risk	<ul style="list-style-type: none"> Work is ongoing to develop or update policies, procedures, or governance bylaws related to grants to non-profit organizations, investments, vendor safety management, asset disposal, fees, and charges, use of city land, temporary signage, and financial reserves. Council adopted new or revised policies & bylaws covering areas including property taxes, bank administration, meeting procedures, and a new Council Code of Conduct. Full implementation of the City's new procurement procedures began in April, including seven training sessions.
Continue enhancements to water billing and transmission programs	<ul style="list-style-type: none"> Council approved a plan to bring real time water usage data to residents within the next three years. The program kicked off in July 2018.
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"> Corporate training sessions were held focusing on developing new supervisors and coaching strategies for leaders A staff survey regarding benefits was conducted in the second quarter. The results of that survey will be used to ensure appropriate coverage is provided to staff.



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Appendix 2 – Strategic Plan Update

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
Follow the Strong Community Strategy as a guiding document to address the priorities of the community as identified through the Building Bridges Coalition	<ul style="list-style-type: none"> • Together with the youth advisory committee, the City hosted Youth Fest and the Pride Week, which both advance the Strong Community Strategy • Throughout the quarter, the City has been working with Alberta Health Services and other partners to assess the need for a Youth Mental Hub.
Develop strategies and advocate for a variety of housing options integrated throughout the community to serve the needs of residents	<ul style="list-style-type: none"> • Phase two of a public engagement program My Fort My Community My Say will include integrating housing strategies into update of the municipal development plan.
Utilize data, studies and community engagement to better understand community social issues and needs and community service gaps	<ul style="list-style-type: none"> • Responses from a traffic safety survey conducted in the second quarter are being used to shape the City's traffic safety strategies. • Feedback from public engagement has resulted in design changes to the 82 Street / 95A Ave intersection. LRRH
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"> • Launched "Shape Your Community" Grant program in Q2. This program provides up to \$500 for Fort Saskatchewan residents to collaborate, create, and implement an event or up to \$1500 for an initiative or enhancement that will positively impact the quality of life in Fort Saskatchewan.
Implement a priority based City policy and program for non-profit organization grants	<ul style="list-style-type: none"> • The City has drafted a policy regarding grants to non-profit organizations, which is expected to be presented to Council for approval in the second half of 2018.



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Appendix 2 – Strategic Plan Update

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 applied for a grant from the Federation of Canadian Municipalities to support the development of a comprehensive asset management strategy and policy
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 10 year capital plan was presented to Council at Committee of the whole meetings in April and June for feedback.
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 committed to helping organize a regional transit services commission and to joining a regional transit smart fare program. Council has committed up to \$1,000,000 for a pedestrian bridge to be added to the Highway 15 Bridge twinning project.



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Appendix 3 – Capital Projects

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	194	-	1	Complete	
16021	City Hall Space Development	700	-	700	-	Dec 2019	Architectural consultant selected
16033	Project Management Software	100	82	18	-	Dec 2018	Integration with Dynamics GP in progress
17010	City Hall Exterior Steps	60	-	60	-	Sep 2018	
17024	Computer Network Infrastructure	297	211	-	86	Jun 2018	Surplus will be used to fund IntelliLeisure project
17028	Computer Hardware / Software New Acquisitions	367	451	207	(291)	Dec 2018	Includes \$305,000 in forecast labour costs that will be offset by lower salaries, wages, and benefits in operations.
17048	Council Chambers Upgrades	5	5	-	-	Complete	
18020	Computer Equipment Replacement	177	107	82	(12)	Dec 2019	
18032	Computer Network Infrastructure	188	67	171	(50)	Dec 2019	
18033	Computer Hardware / Software New Acquisitions	324	48	291	(15)	Dec 2019	
Total General Administration		2,413	1,165	1,529	(281)		



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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	167	(80)	Delayed	To be considered with the 2019 capital budget
18007	Alberta's First Responders Radio Communications System (AFRRCS Radio)	123	-	123	-	Dec 2018	Ongoing. Field testing of samples have been conducted
18009	RCMP Fume Hood	20	-	20	-	Dec 2018	Pending further information from the RCMP
Total Protective Services		12,243	11,845	478	(80)		
Fire Services							
18004	Modular Dorms	125	-	125	-	Sep 2018	Vendor selection in progress. Delivery expected by September
18011	Fire Engine Replacement	1,800	-	1,800	-	Sep 2019	Delivery expected in the Fall of 2019
18026	Fire Dept. Supervisor Vehicle	75	-	75	-	Sep 2018	Vehicle to arrive end of Q3 with interior modifications expected to be complete in Q3
Total Fire Services		2,000	-	2,000	-		



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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	-	150	-	Sep 2018	
17025	Replace Case Loader	225	268	-	(43)	Complete	Over-run offset by higher than budgeted disposal proceeds and surpluses in 18010
17027	Replace Freightliner & Attachments	200	-	200	-	Sep 2018	Delivery expected at the end of Q3. The freightliner would be combined with 2018's budgeted replacement.
18002	New 3/4 Ton Truck Flat Deck	65	-	65	-	Sep 2018	Ordered
18005	New Asphalt Hot Box	60	-	60	-	Jun 2018	Finalizing Specification prior to putting out Quote Package
18006	New Mower Purchase	15	17	-	(2)	Jun 2018	Complete - Overrun covered by 18017
18010	2018 Equipment Replacement	950	157	765	28	Dec 2018	Major Equipment and Vehicles are ordered
18014	New Knuckle Boom Remote Control	20	15	-	5	Complete	
18017	Playground Sand Raking Equipment	30	-	28	2	Sep 2018	
18022	New Tandem Flat Deck Attachment	20	-	20	-	Sep 2018	
Total Common Services & Equipment Pool		1,735	457	1,288	(10)		



Quarterly Report | June 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	3,355	45	-	Sep 2018	Pending final landscaping
15025	86 Ave/ Southfort Dr. Widening	2,400	2,241	50	109	Sep 2018	Boulevard landscaping repairs will be completed this summer
16031	Access Road & Parking West River's Edge	100	83	17	-	Sep 2018	Substantively complete, pending final invoicing
16053	Northern Transfer Station	150	163	-	(13)	Complete	Overrun funded from surplus annual capital funding carried forward from prior years
16054	Bus Stops	68	108	-	(40)	Complete	Overrun funded from surplus annual capital funding carried forward from prior years
18024	Local Road Rehabilitation	4,264	1,006	3,258	-	Sep 2018	Work Underway
18025	Neighbourhood Rehabilitation	3,799	352	3,447	-	Sep 2018	Contractor to complete Ross Drive before moving to Jubilee
18036	Point Aux Pins Road Enhancement	400	-	400	-	Sep 2018	Design underway
18037	River Road Realignment	400	7	393	-	Sep 2018	Consultant has been selected
18042	Clover Park Secondary Access	50	22	28	-	Jun 2019	Design is complete. Project going back to council at the end of August for construction budget approval
Total Roads & Transportation		15,031	7,337	7,638	56		



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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	Staircase and landscaping are complete. Trail and bridge on hold due to Hwy-15 twinning project
16029	Skateboard/BMX Park	555	31	524	-	Jun 2019	Detailed design is underway. Construction is slated to begin in the fall
16030	Curling Rink Revitalization	5,000	4,801	199	-	Sep 2018	Building is in use. Deficiency repairs are being completed
16032	Taurus Field	9,653	9,684	-	(31)	Sep 2018	Facility is in use. Deficiency repairs are being completed
17014	Harbour Pool Universal Change Room	1,500	129	1,371	-	Jun 2019	Design is being reworked with new costing. Construction timing will be reviewed in early 2019
17038	DCC Ice Compressor Replacement	100	43	57	-	Sep 2018	
17047	Viewing Deck and Interpretive Signage Original Fort	45	-	45	-	Delayed	Community built and funded. Waiting on Historical society to begin
18001	Turner Park Structure	130	-	130	-	Dec 2018	
18016	Westpark Elementary School Land Purchase	150	-	150	-	Sep 2018	
18018	Additional Columbaria in Cemetery	46	-	46	-	Sep 2018	
18029	Columbarium Legion Field of Honor	35	-	35	-	Sep 2018	
Total Recreation Services		21,415	17,818	3,628	(31)		
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	369	5	41	Complete	
18038	Art Gallery Display Cases	13	13	-	-	Complete	
Total Cultural Facilities & Programs		623	456	126	41		
Total General Operations		55,460	39,078	16,687	(305)		



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Appendix 3 – Capital Projects

		Project Budget \$000s	Expenditure To Date \$000s	Forecast Expenditure \$000s	Forecast Surplus (Deficit) \$000s	Estimated Completion Date	Comments
Utility Operations							
16037	Water Meters - Radio Upgrades & Lifecycle Replace	710	615	95	-	Dec 2018	Ongoing
16039	Transfer Station - Office Replacement	75	-	75	-	Mar 2019	Transfer Station reconfiguration study underway. Detailed design will commence in the Fall 2018.
18003	Water Meters - Lifecycle Replacement	660	98	562	-	Dec 2021	Ongoing. This will be a yearly project till 2021
18023	Bulk Water Station Modernization	38	-	38	-	Dec 2018	RFP to develop project scope being developed
18028	Water Reservoir Lifecycle Renewal	56	-	56	-	Dec 2018	Finalizing scope of work and proposal with consultant
18041	Water Reservoir Fiber Optic	75	-	75	-	Sep 2018	Expected to be completed by Q3
16020	Sewer Service Relines	1,495	1,064	431	-	Sep 2018	Work is complete and being reviewed. Using additional funds from 2015's program
17022	Sump Pump Retrofit Program	300	418	-	(118)	Complete	Overrun resulted from design work that was budgeted in operations
17039	Solid Waste Cart Purchase	932	888	44	-	Dec 2018	Building shelter for cart storage
18034	Sump Pump Retrofit Program	600	15	596	(11)	Sep 2018	Consultant has been selected
Total Utility Operations		4,941	3,098	1,972	(129)		
City Funded Capital Projects		60,401	42,176	18,659	(434)		



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Appendix 3 – Capital Projects

		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	-	Sep 2019	Developer is working in area in 2018. Design will be complete in Fall 2018 with construction in 2019
16050	Intersection Upgrades - 119 street & Hwy 15	1,750	61	1,516	173	Oct 2019	Design is complete. Waiting on development to start construction.
17002	Southfort Drive Widening - Allard Way to South Greenfield	4,250	3,587	873	(210)	Sep 2018	Landscaping is complete. Final CCC inspections will be taking place at the end of July
17030	Traffic Lights on 94 Street	300	213	92	(5)	Sep 2018	Widening of Cornerstone Exit is being designed with construction this summer
Total Levy Funded Capital Projects		6,950	3,861	3,131	(42)		
City and Developer Capital Projects		67,351	46,037	21,790	(476)		



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Appendix 4 – The City at a Glance

THE CITY AT A GLANCE

	2018 YTD	2017 YTD	% Change
General			
Business Licenses	1,523	1,621	(6.1%)
Population	26,328	25,533	3.1%
Subdivision and Development Appeal Board Appeals	2	9	(77.8%)
Animal Licenses	2,773	2,915	(4.9%)
Building & Development			
Housing Starts	97	95	2.1%
Development Permits	295	249	18.5%
Development Permits - Construction Value	\$37,704,000	\$30,847,000	22.2%
Building & Safety Code Permits	1,084	1,167	(7.1%)
Recreation and Culture			
Dow Centennial Centre - Foot Traffic	363,355	384,805	(5.6%)
Dow Centennial Centre - Monthly Memberships	9,638	11,318	(14.8%)
Dow Centennial Centre - Childminding Usage	4,844	4,400	10.1%
Harbour Pool Attendance – Total	38,171	35,070	8.8%
Shell Theatre Season Ticket Holders	560	327	71.3%
Public Safety			
Fire Department Responses	212	191	11.0%
Court Fines Issued (Traffic Safety Act & Bylaw)	7,764	7,740	0.3%
Fort Report			
Total Requests	1,221	N/A	
Opened	16	N/A	
Closed	1,205	N/A	
Average number of days to close a service request	3	N/A	

