



Corporate Plan 2021–2023

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INTRODUCTION

About Spruce Grove

Spruce Grove, Alberta, is a vibrant, dynamic City of just over 36,000 residents. Located approximately 11 kilometres west of the provincial capital, it boasts a mix of industry, commerce and community that make Spruce Grove a great place to live, work and experience community.

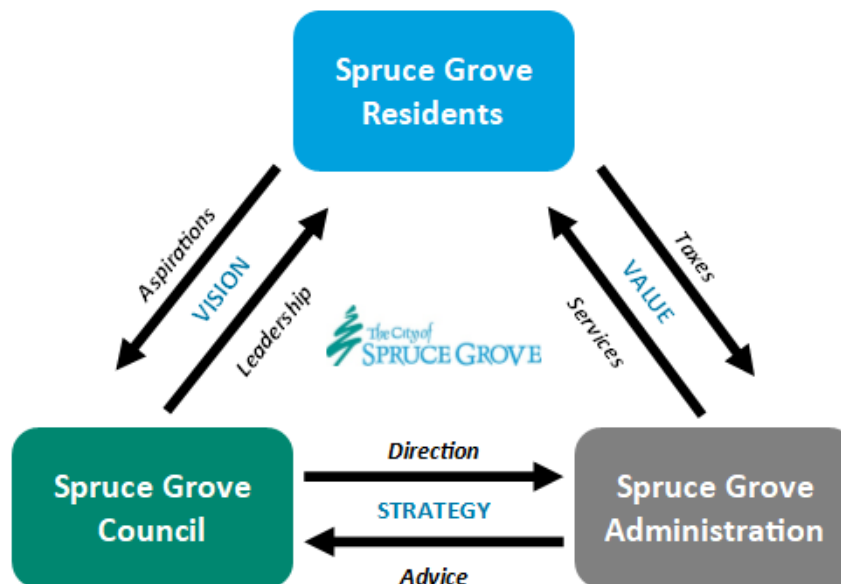
The characteristics that attracted people to Spruce Grove in its early years are still an essential part of the community’s current appeal. These include offering a welcoming place for the entrepreneurial spirit, having an abundance of trees and ample green space, providing opportunities to enjoy cultural and recreational events, and being a gathering place and bustling trading centre.

In recent years, the City’s industrial and commercial lands have expanded and today Spruce Grove is the regional service centre and commercial destination for a trade catchment population of 138,000. Amenities such as popular national stores, boutique retailers, personal and health services, as well as schools and entertainment are all within close proximity. The skilled workforce in and around Spruce Grove also contributes towards supporting industry for many years to come.

Along with evolving into a self-sufficient urban centre, the City has also developed a strong sense of community pride and identity. Facilities such as the tri-municipally built Trans Alta Tri Leisure Centre, Fuhr Sports Park, Horizon Stage and Border Paving Athletic Centre contribute to this sense of community. In addition, diverse recreational and cultural programs, parks and open spaces, like Jubilee Park, and numerous community events have the ability to strengthen social networks and civic engagement in Spruce Grove. The services, amenities and community spirit offered by the City of Spruce Grove all contribute towards building a safe, caring and attractive community.

About City Administration

Spruce Grove works in partnership between Council, Administration and our residents, respecting community needs and aspirations while delivering quality services.



Message from City Manager

It is my pleasure to present the City of Spruce Grove's 2021-2023 Corporate Plan. This plan marks the turning of a new page for the City, one that involves supporting Council to set the course for the next decade embracing the principles of transparency, sustainability, equity and competitiveness.

One of the key drivers of the 2021-2023 Corporate Plan is the triple bottom line of economic, social and environmental sustainability; engaging each and all of those pillars to focus priorities on building capacity and resilience. You will see this approach integrated into this Corporate Plan as Administration has endeavoured to build a plan that - driven by fiscal prudence - works to continue to invest in our economy, improve our social well-being, and care for our environment today and into the future.

Some of this work can be seen in 2020 with the exploration of regional partnerships and the recognition that thinking globally has a positive impact locally. Working collaboratively on services, investment, and capacity building will make us better equipped to enhance services in each of our individual municipalities. We also continue to work with our tri-municipal region partners to explore opportunities for mutual benefit to all our citizens.

Closer to home, the City engaged all staff in Reframe 2020. This was an opportunity to harness the ingenuity and creativity of staff across the organization. We worked and will continue to work collaboratively to identify innovative and bold approaches to providing quality services to citizens of Spruce Grove considering the opportunities that could be capitalized on tomorrow for effective and efficient service delivery. It was this mindset that helped us as an organization in our response to the COVID-19 pandemic.

There is no doubt that this pandemic has had an impact on our community, our province and the world. As an immediate response, our Council implemented what financial relief measures it could to lessen the burden to our citizens. The situation we found ourselves in also gave us the opportunity to not only consider but to also implement new ways of doing business. Many of the ideas that staff presented during the early days of Reframe, particularly around the use of technology, were implemented so that City services could continue both effectively and efficiently. Council also took their meetings into a virtual environment and continue to remain accessible to the community.

Moving forward and guided by our fiscal sustainability framework, the 2021-2023 Corporate Plan builds in the necessary programs and tools to help the City to balance its investments to align with our changing growth rates and economic reality. Not only have budgets been reviewed for efficiency and further streamlined, we are also seeking to balance the caring of our current infrastructure with the building of the new. A system of clearly defined reserves is being considered to help the City set aside the necessary dollars to effectively maintain our infrastructure assets that are beginning to age; informed by our asset management program.

We are working towards a system that funds today while considering the needs of tomorrow and provides services that are meaningful and affordable so that Spruce Grove continues to be a dynamic, vibrant and welcoming City, one that people will choose to call home. Our motivation as an Administration is to continue to build a community that is reflective of our citizens' values, aspirations, and input. This Corporate Plan continues towards that aim and also lays further foundation for greater future successes.



David Wolanski, Interim City Manager

2021-2023 Corporate Plan Overview

The 2021-2023 Corporate Plan focuses on telling the story of how decisions were made, how we have learned from experiences such as Reframe 2020 and the COVID-19 pandemic, as well as key shifts within our organization. This plan flows from Council's Strategic Plan using the tools of oversight and governance of decision making, of a system that incorporates strategic portfolios, program or organization-wide business cases, performance measurement and meaningful reporting. As our planning and reporting processes evolve, our goal is for the Corporate Plan to reflect a more strategic and organizational approach.

Included in this year's plan are the following sections:

1. **Strategic Overview:** Provides an overview of key accomplishments, challenges, opportunities faced in 2020, and our path forward as we head into 2021.
2. **2021 Budget Overview:** Highlights key pieces of information related to the 2021 budget and key decisions required from Council as we shift towards a new budget format (split of operating and capital).
3. **Fiscal Plan Summary:** A detailed breakdown of the 2021 budget and the revenue tools for Council's consideration.
4. **Your City:** A look at how City Administration is structured and the purpose of each division.
5. **Performance Measurement:** An introduction to the work City Administration is starting in 2021 to build a performance measurement framework with clear lines of sight to program outputs and outcomes.
6. **Looking to the Future:** An overview of our organization's focus for the future and how we are adjusting municipal operations and priorities in light of COVID-19 and our fiscal position. This section will outline what Council and the Corporate Leadership Team's key priorities are in the short, medium and long term and how departments will tackle the challenges ahead.

STRATEGIC OVERVIEW

A Year in Review: Key Accomplishments, Challenges and Opportunities in 2020

The past year has presented a series of accomplishments, challenges and opportunities for our City. Administration took the opportunity to implement changes to be more efficient and maximize the use of technology to continue to provide essential services to the community. Although many of the challenges were unprecedented, it demonstrated an agile and resilient workforce. The following sections outline some of these accomplishments, challenges and resulting opportunities.

Reframe 2020

At the beginning of 2020, Administration kicked off the Reframe 2020 project with City staff to share ideas, identify organizational strengths and opportunities, and look for ways to continue providing quality services to the citizens of Spruce Grove. Reframe 2020 is the City's response to current economic realities, including budgetary challenges and a slowed growth rate, while identifying opportunities to change and adapt as Spruce Grove continues to mature. Every member of staff was involved in some capacity in this project and together they submitted and implemented many ideas, resulting in significant resource savings.

Reframe 2020 serves as a springboard to set strategic priorities, bring greater clarity to service delivery and ensure value for money for citizens. Reframe 2020 is transitioning from an operational efficiency focused project to a longer-term systemic change where we integrate innovation, collaboration and creativity into City operations and long term planning to ensure we are responsive to community needs both today and tomorrow.

COVID-19 Pandemic

In March 2020, the COVID-19 pandemic significantly impacted all areas of our City and Administration. How we worked, how we served our citizens, and how we needed to support our citizens were all impacted by restrictions put in place to ensure social distancing and slow the spread of the virus. Actions taken by Administration and Council to support our community through these unprecedented times were incorporated into the City's Recovery Framework as well as several actions led by the Emergency Management Agency within the City.

Recovery Framework

The City of Spruce Grove Recovery Framework was operationalized to enable ongoing recovery in the City while responding to evolving provincial relaunch phases as COVID-19 cases ebb and flow. The Recovery Framework focuses on three elements:

1. **Governance:** easing regulatory burden
2. **Economic:** stimulating economic activity
3. **Community:** strengthening the social fabric

The City's Recovery Framework sets out an approach that informs a continuum of plans and actions intended to achieve short to long term outcomes. In turn, these outcomes are informed by a myriad of stakeholders and partners who work with the City of Spruce Grove to impact recovery. This important work will continue as we move from recovery to adaptation, leading to the effective deployment of City resources (labour, technology and space) and the effective leveraging of federal, provincial and regional partnerships.

The COVID-19 pandemic triggered the implementation of measures that were intended to provide financial relief for citizens. These measures included:

- A tax penalty deferral and utility penalty deferral program in 2020 to residents
 - Of a total 15,599 property tax billings, 477 took advantage of the property tax deferral program for a total deferral of \$4,138,170. (7% of the annual levy) This resulted in deferred penalties of \$220,225. Of approximately 12,700 monthly utility billings, 283 (2%) of customers chose to defer payment for the three-month period offered. This resulted in deferred penalties of \$19,758.
- Foregoing the 3.9% tax increase previously approved in the 2020 budget
 - City taxpayers were given relief from property tax increases in the amount of \$1,632,404.
- The new stormwater utility originally being implemented in April 2020 was pushed to October
 - Delaying the stormwater utility by six months reduced the impact on ratepayers by \$575,038.

Emergency Management

Administration also implemented a number of processes to address the operational impacts of COVID-19. Early on, with Council's support and direction, the City made several ongoing (\$1.6 million) budget adjustments and one-time (\$2.8 million) forecast adjustments to ensure the budget could be balanced after the 3.9% tax increase was removed. Additionally, only those positions that were deemed essential in the business continuity model were filled if vacancies came about. City operations were adjusted to an essential service model which ensured that staff and resident safety were paramount. City services were provided with this aspect in mind along with Provincial policy and regulations.

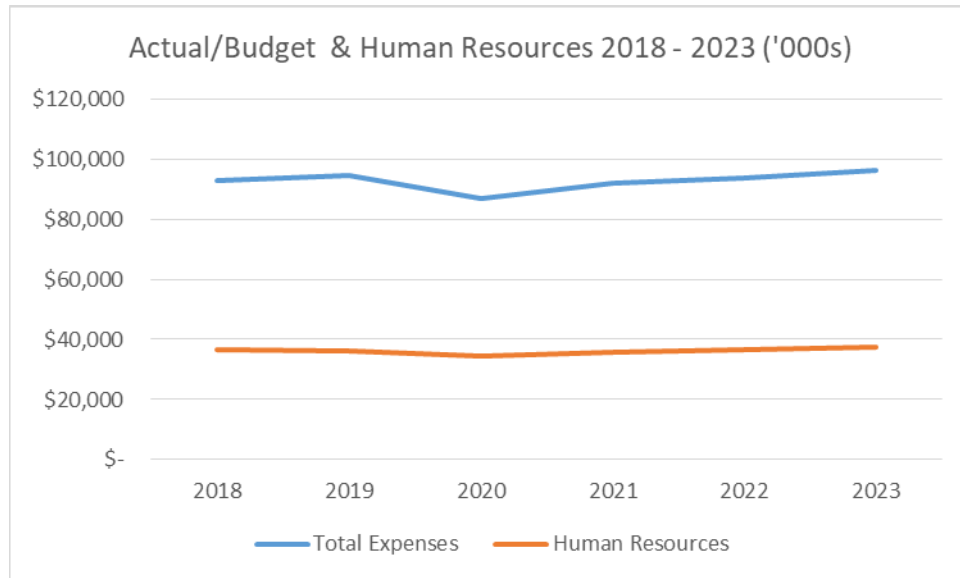
Through the learnings of the pandemic, Administration has identified efficiencies that will be adapted going forward such as managing with the current staffing contingent by deploying staff to key areas during critical times or utilizing technology to offer services online to simplify transactions and red tape processes for residents and businesses.

Economic Slowdown

The impacts of COVID-19, decreasing oil prices and many other factors have contributed to an economic downturn in Alberta. Our current fiscal situation means there is less revenue coming into the City from grants, development fees and taxes, less funding available from the provincial government, and there are signs that economic recovery will be slow over the next few years.

The City is currently shifting from a time of rapid growth and focus on new infrastructure that supported this growth to maintaining our existing resources and investments to ensure they continue to serve the community well over the coming years. It also means building the financial resources to fund future infrastructure needs while continuing to be responsive to community needs.

The City is mindful of the need to “hold the line” on the budget and focus on organizational efficiencies as well as program outcomes in doing so. The following graph shows the actual expenses per capita for the years 2018 – 2019 and the projected results for 2020 and proposed expenses for 2021 - 2023. This demonstrates that the City has been able to keep overall expenses and human resource costs stable over this time period. There is a slight dip in 2020 due to COVID-19 but 2021 resumes a normal pattern (pending further COVID-19 impacts to service delivery and the outcome of the budget deliberations).



Our Path Forward

As we enter 2021, setting our path forward with clear priorities and objectives is critically important to our long-term sustainability.

Triple Bottom Line: The Three Pillars of Sustainability

The triple bottom line is a sustainability framework that considers an organization's economic, environmental and social impacts. This integrated approach involves an analysis of human, natural and capital resources and the development of strategies around them to ensure overall fiscal sustainability for an organization. It is made up of these three pillars:¹

1. **Economic Prosperity:** Work is being done to ensure our local economy is diversified to support a variety of business opportunities, resulting in a stronger community. This will support long-term economic growth without negatively impacting social, environmental, and cultural aspects of the community. The focus of this pillar is on smart growth, long range planning, and supporting businesses as we work through the recovery stage of the COVID-19 pandemic.
2. **Environmental Stewardship:** The environmental factors of each decision made by the City need to be fully considered. This includes considering resource management and environmental protection factors in determining where resources should be allocated.
3. **Social Equity:** Quality of life, community development, and equity of opportunity are all factors important to social sustainability. In addition, the COVID-19 pandemic has put a lens on the social issues facing our residents. The demand on social services has increased significantly and is expected to increase into early 2021 as the pandemic continues. Decisions made by the City will

¹Defining Sustainability: Triple Bottom Line, 2013: <https://newleaf-llc.com/2013/07/defining-sustainability-triple-bottom-line/>

consider the resulting impacts, both positive and negative, to the social fabric of Spruce Grove. It is important to focus on integrating these three pillars into policy and corporate culture to enhance the governance oversight and decision-making process.

Strategic Governance

Over the past few years as the City has grown, Council's role has continued to evolve from day to day operations oversight to strategic governance. This evolution allows members of Council to focus on City priorities that require long-term strategic planning and a robust decision-making process while still requiring Administration to provide appropriate information and analysis to inform such decision making. It is incumbent upon Administration to have a solid foundation of policies built on the triple bottom line philosophy to support Council as they make important decisions and set priorities.



Council priorities for 2020-2022 called for sustainable growth. To accomplish this, Administration is establishing a fiscal sustainability framework that will provide a reliable foundation upon which the City can establish its long-term financial planning. The Fiscal Sustainability Framework also includes a new budget format that has the following advantages:

- defining the operating budget and the capital budget to clearly demonstrate the impacts of decisions;
- addressing fiscal strategies and policy for lifecycle capital needs, including the creation of reserves to be funded by transfers from the operating budget for all lifecycle and rehabilitation costs; and
- outlining the impact of decisions related to taking on new debt.

Council's role in strategic governance and resource allocation for the 2021-2023 Corporate Plan is especially important given the financial challenges facing the City. Unlike previous years, this year's Corporate Plan seeks to explore significant costing decisions and their corresponding revenue options. While this process does trigger the need for difficult decisions, it honours the role of Council as governors of the City's future. Administration has led with a number of recommendations for smaller scale budgetary matters as part of their ongoing efforts to maintain robust operational budgets and effective deployment of human resources. Administration has not assumed any recommendations at this time concerning revenue levers for the City in Budget 2021 or the answer to the trade-off between large new capital projects and asset management (lifecycle) capital requirements.

Planning Hierarchy

We started the process of updating the approach to the Corporate Plan in 2019 and are continuing down that path to not only update the Plan itself, but also to update the planning hierarchy. Our end goal is to ensure that department level business plans (yearly tactical plans), the Corporate Plan and Strategic Plan are in alignment. We wanted to implement key changes to make it more robust and better support the decision-making process.

Previous Corporate Plans focused on an initiative list that was reviewed, adjusted and approved by Council on a yearly basis. While this process has worked in the past, a gap existed in tying the individual projects to a larger strategic priority. This year's Corporate Plan aims to change this through the creation

of three strategic portfolios that are supported by a business case model. These strategic portfolios enable the shifting away from a list of individual initiatives to organizing program and budgetary decisions into business cases. A business case includes identification of risks, outcomes, performance measures, different cost components and project phases to show the entire picture. Although the costs may be incurred over a number of years, knowing the full cost of resources is important in determining whether or not to proceed with a project.

Strategic Portfolios



The strategic portfolios guide and align investments, business cases core programs and services. The work of Reframe 2020 and the Recovery Framework will also align with these portfolios so we can make effective use of resources and mature our planning processes. This model also brings the focus back to the triple bottom line of sustainability and supports Council in governing at the strategic level.

The three strategic portfolios are:

1. **Investing in Our Growth and Prosperity:** This speaks to engaging in strategic municipal investment, growing our economy and achieving the three pillars of sustainability. The City will strive to create opportunities to attract investment, diversify business and invest in infrastructure to support growth. This portfolio also focuses on building and applying a holistic community plan including efficiency in community layout (densification).
2. **Investing in Our Interconnectivity:** This strategic portfolio focuses on enabling connections between citizens, between citizens and the City and between the City and our partners. These connections are enabled through social development, community partnerships, transportation networks, and interactions citizens have with City services. The City will strive to create innovative business solutions that are financially and environmentally responsible to respond to community requirements. Efforts will also be made to increase accessibility of services and focus on diversity and inclusion.
3. **Investing in Our Service Supports:** This strategic portfolio focuses on responding to the needs of the community through improved external and internal business processes that enable program service delivery. The City will be mapping business processes and related information as well as identifying the required investments to improve service delivery.

Business Cases

The following lists the business cases, which are grouped by themes that describe the intent of the proposed work and then categorized by strategic portfolio. Further detail on the costs associated with each of the business cases can be found in the 2021 Budget Overview section.

INVESTING IN OUR GROWTH AND PROSPERITY

Urban Development

Competiveness in Investment Attraction

- *Desired Outcome:* Improve economic competitiveness of the City through the retention and attraction of businesses, investment and talent.
- *Key Actions* are to:
 - investigate the feasibility of a regional small business incubator and accelerator,
 - implement the City Centre Business Retention and Attraction Plan, and
 - investigate a high load corridor from the industrial area of Spruce Grove to major haul highways.

Industrial Land Strategy Implementation

- *Desired Outcome:* Increase the supply of serviced industrial land in Spruce Grove.
- *A Key Action* is to develop a business plan for implementation of the strategy to capitalize on investment of broadband infrastructure, investment attraction and regional economic development opportunities.

Climate Sustainability

Climate Change Action Plan

- *Desired Outcome:* Increase the ability of the City to mitigate and adapt to the effects of climate change through the development of a new Climate Change Action Plan that builds off the 2010 to 2020 Plan and incorporates effective sustainable development practices.
- *Key Actions* are to:
 - review the City's current plans, programs and overall greenhouse gas emissions, and
 - develop and incorporate environmental sustainability measures such as waste diversion, water conservation and greenhouse gas reduction.

Climate Change Adaptation Measures

- *Desired Outcome:* Reduce the negative impacts that changing climate and severe weather events are having on the City's infrastructure.
- *Key Actions* are to:
 - determine the most effective investment location for lightning detection to protect building assets during severe storms, and
 - develop a hydrogeological framework to better understand and monitor changes in the City's groundwater system.

Climate Change Mitigation Measures

- *Desired Outcome:* Reduce the City's impact on the environment and mitigate climate change effects in the community.
- *Key Actions* are to:
 - develop a natural areas management plan for East Pioneer Area,
 - transition to bi-weekly garbage collection, and
 - install a solar array on the Protective Services building.

Environmental Compliance

- *Desired Outcome:* Ensure ongoing compliance with provincial environmental regulatory requirements as the City continues to grow.
- *Key Actions* are to:
 - construct a snow dump site,
 - construct a well water fill facility, and
 - develop an environmental management system.

Utility Service Delivery

Water Network

- *Desired Outcome:* Align the City's financial investments with the water network asset management plan to improve and maintain the water network.
- *Key Actions* are to:
 - update the Water Network Master Plan, and
 - repair/replace industrial watermains.

Sanitary Sewer Network

- *Desired Outcome:* Align the City's financial investments with the sanitary sewer network asset management plan to improve and maintain the sanitary sewer network.
- *Key Actions* are to:
 - update the Sanitary Sewer Network Master Plan, and
 - expand the Boundary Trunk Sewer in 2024.

Storm Sewer Network

- *Desired Outcome:* Align the City's financial investments with the storm sewer network asset management plan to improve and maintain the storm sewer network.
- *Key Actions* are to:
 - upgrade storm system,
 - address industrial storm issues,
 - complete a major maintenance condition study of storm ponds,
 - implement recommendations from the storm pond study, and
 - update the Storm Network Master Plan.

Leisure, Recreation and Culture

Facility Renovations

- *Desired Outcome:* Improve the facilities in which the City provides services to our citizens during and following the COVID-19 pandemic.
- *Key Actions* are to complete renovations to City Hall, Planning and Engineering building and the fleet shop of the Public Works Facility.

Parks

- *Desired Outcome:* Develop outdoor recreational spaces for newly constructed neighbourhoods.
- *Key Actions* are to provide landscaping and amenities such as playgrounds and trails over the next five years.

Jubilee Park Master Plan Implementation

- *Desired Outcome:* Expand the types of use of Jubilee Park to make it a year-round outdoor destination.
- *Key Actions* over the next ten years are to:
 - design and construct a multi-purpose building and a park building;
 - add a picnic shelter, fences, shade structures at playgrounds, signage, boardwalk, additional asphalt trail and public art;
 - complete landscaping; and
 - upgrade the entrance gate.

Arena Complex Project

- *Desired Outcome:* Increase availability of recreational ice space to respond to community needs.
- *Key Actions* are to:
 - analyze the options of a twin pad arena or a hockey facility with spectator seating and second community ice pad, and
 - scope out the possibility of hosting larger scale events.

INVESTING IN OUR INTERCONNECTIVITY

Mobility

Transportation Network

- *Desired Outcomes:* Align the City's financial investments with the transportation asset management plan to improve and maintain the transportation network.
- *Key Actions* are to:
 - complete a number of studies including the Transportation Master Plan, road network illumination study, traffic network signal review, industrial collector road urbanization review, transportation noise study, and investigation of transit on-demand service.

- address several roadwork maintenance priorities such as:
 - arterial and Highway 16A resurfacing,
 - collector, local and lane resurfacing,
 - surface Rehabilitation in our industrial areas, and
 - complete new growth or expanded roads required for or impacted by a subdivision or a development.

Building Online Connections

Enable a Connected City

- *Desired Outcome:* Increase the City’s ability to become a “Smart City.”
- *Key Actions* are to:
 - continue with the installation of broadband capability in the City, and
 - build effective technology infrastructure to capitalize on the broadband investment.

Fibre Optic Broadband Strategy Implementation

- *Desired Outcome:* Increase the City’s internet connectivity and enable our competitiveness with suitable technology infrastructure.
- *Key Actions* are to:
 - develop digital infrastructure (fibre), and
 - deploy and take ownership of fibre networks, where necessary.

Community Building

Municipal Development Plan (MDP)

- *Desired Outcome:* Create a new vision for the City’s growth and development over the next 30 years that builds off the 2010 to 2020 MDP.
- *Key Actions* are to evolve a number of policy areas in the municipality as it relates to the three pillars of sustainability (economic, social and environmental), including strategies that address climate change adaptation and mitigation.

PathwaysHOME

- *Desired Outcome:* Align community partners towards capacity building strategies to address poverty and homelessness.
- *Key Actions* are to:
 - provide resources to allow regional community groups to align towards a common set of strategies in order to build capacity and achieve sustainable systemic change through collective action,
 - engage formally with lived experience for advice in breaking down unconscious biases and barriers to ensure services and supports are helping those they are intended to serve, and
 - convene focused working groups to develop particular areas as identified in PathwaysHOME (Reconciliation, Housing Supports, Community Inclusion & Capacity, and Healthy Living).

Community Inclusion Initiative

- **Desired Outcome:** Building off the work of the Alberta Urban Municipalities Association Measuring Municipal Inclusion project, City Administration will model the way on equity, diversity and inclusion (EDI) and build capacity for community groups to do the same.
- **Key Actions** are to:
 - update City organizational processes, policies, procedures and culture to support EDI, and
 - foster community inclusion through community-based approaches and projects.

City Centre Area Redevelopment Plan (ARP)

- **Desired Outcome:** Revitalize the City Centre to stimulate new investment and reflect the vibrancy of the community.
- **Key Actions** are to:
 - construct all essential underground infrastructure,
 - complete streetscaping of McLeod Avenue between King Street and Queen Street and Columbus Park,
 - upgrade watermain, sanitary and storm systems,
 - complete surface restoration, and
 - install conduit for fibre optic infrastructure.

Community Safety

Fire Services Staffing

- **Desired Outcome:** Ensure continued safety of the City against fire emergencies, accidents and natural disasters.
- **Key Action** is to add four firefighters to support the growing population of the City.

Enforcement Services Staffing

- **Desired Outcome:** Ensure continued safety of the City through the enforcement of municipal bylaws and provincial legislation.
- **Key Actions** are to add two officers on bylaw matters and put the City on par with Edmonton for traffic officers per capita.

If the Enforcement Services Staffing business case is approved, the following two business cases may be required:

- **Enforcement Services Vehicle** – A vehicle may be required for new officers.
- **Protective Services Administrative Assistant**- The hiring of new officers may create the need for another administrative assistant to support the increased workload.

INVESTING IN OUR SERVICE SUPPORTS

Digital Service Delivery

Delivery of Technology Services

- *Desired Outcome:* Implement the learnings of COVID-19 to ensure improved service delivery and business continuity by bringing in a modern information technology operating environment and software.
- *Key Actions* are to:
 - improve the technology infrastructure between City facilities,
 - develop plans for information technology service management, and
 - implement the information security strategy.

Business Process Mapping and Budget Enhancement

- *Desired Outcome:* Develop and implement an enhanced financial system that serves the business needs of the City today and in the future.
- *Key Actions* are to:
 - map and analyze current financial business processes,
 - identify and prioritize financial processes/services that can be improved,
 - acquire the appropriate software, and
 - train two staff who will be seconded to the project while temporary staff are hired to backfill their positions.

Implementation of Electronic Meeting Management

- *Desired Outcome:* Increase community engagement through virtual means with municipal governance as Council resumes in-person meetings.
- *Key Actions* are to:
 - upgrade the audio/visual system in Council Chambers to replace outdated technology, and
 - add conferencing hardware to allow for electronic video attendance at Council meetings and the ability to record and livestream Council and Committee meetings.

2021 Municipal Election

- *Desired Outcome:* Increase voter accessibility, safety and awareness for the 2021 Municipal Election.
- *Key Actions* are to:
 - introduce special ballots, add additional advanced vote dates, add additional voting stations, extend voting hours,
 - develop procedures to increase health and safety of voters and election workers due to COVID-19 impacts, and
 - communicate legislative changes.

Fiscal Sustainability

Building a Robust Long-Term Capital Plan

- **Desired Outcome:** Ensure the City has a solid foundation with which to make well-informed decisions about long term capital investments.
- **Key Actions** are to:
 - implement an integrated Strategic Asset Management (SAM) Program, and
 - create an Enterprise Risk Management (ERM) Framework.

Public Budget Submissions

Each year, residents and community groups have an opportunity to make a public budget submission to the City of Spruce Grove for consideration when developing the Corporate Plan. Due to the impacts of COVID-19, this year's submissions were submitted through a web-based application process. In total, five submissions were received.

- **Recovery Funding for Signature Events** (Spruce Grove City Centre Business Association) – This is a request for support to relaunch 2021 Public Market events that were cancelled in 2020 as a result of the COVID-19 pandemic.
- **Funding for Project Joy** (Project Joy) – This project would like support from the City to purchase tablet computers to connect local senior care residents with their loved ones. The requested funding would also support the installation of shared wireless internet access at Grove Manor and operational costs of the organization.
- **Core Communication Playground Sign** (Foundation for Cohesive Communities) – The organization is seeking permission from the City to install a large communication sign with universal symbols in an accessible playground to increase inclusivity.
- **Elevator Site Improvements** (Spruce Grove and District Agricultural Society) - The aims of this project include making property enhancements, landscaping improvements and the protection and display of artifacts to increase visitors and tourism.
- **Proposal for Expansion of Jubilee Disc Golf Course** (Spruce Grove Disc Golf Association) – This project proposes an expansion of the current nine-hole disc golf course in Jubilee Park. The expansion would enable hosting of tournaments, result in an increase in course use and growth of the sport.

Program Innovation

The necessity for program innovation is driven by our changing environment. Administration previously worked with a decentralized model of delivering service and the Reframe 2020 project, along with external influences such as changes in the global economy, and COVID-19 have identified the need for innovation and a shift to a more organizational approach. Interdepartmental collaboration is critically important to ensure we are leveraging our resources to maximize value for service.

While the Reframe project itself will come to a close in 2021, the concept where all staff have been given the permission to bring their expertise to the table and participate in this process will continue on through a culture of agility, innovation and continuous improvement. This approach will guide Administration as it continues to explore opportunities to further leverage possibility in response to Council's strategic priorities.

Policy Development

To maximize Council's time and respect their role as governors, strategic policy decisions will be brought forward for discussion while Administration will review operational policy decisions. An example of a strategic policy decision is which programs and services the City will invest in and what funding and revenue options will be leveraged to pay for them.

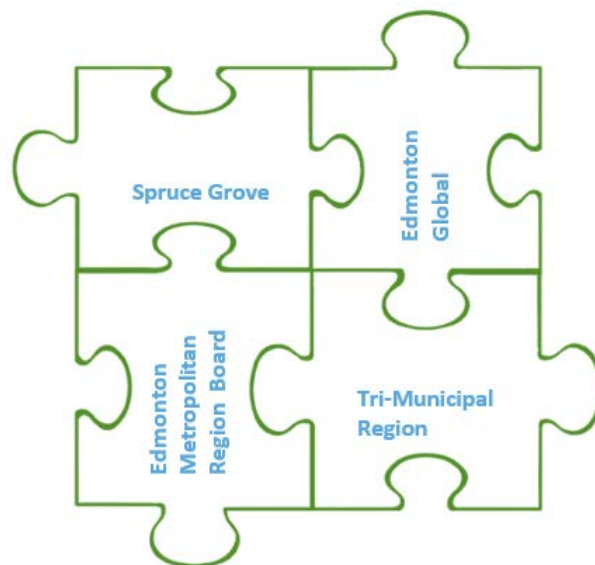
An example of strategic policy in action is the Council's recently approved Asset Management Policy. This strategic policy sets the stage for the effective stewardship of City assets through Council's governance of asset management plans and Administration's operational practices that inform the corporate asset management program. The program then generates the reports that inform Council's capital planning deliberations.

Other policies will be reviewed and updated to ensure they continue to meet the needs of the organization and support decision making going forward. An example is the Procurement Policy. Updates are required to ensure it supports agility and aligns with related procurement and delegation of signing authority policies while complying with legislated trade agreements.

Working Together as a Region

The City is continuing to work with its regional partners using the principle of shared investment for shared benefit. We are exploring opportunities to build on community and regional partnerships and introducing new methods of service delivery. Leveraging our collective strengths will allow us to maximize resources and accomplish more together. Examples of this work in 2021 include:

- Accessible Transit Service in partnership with the Town of Stony Plain
- Regional Transit Services Commission with partners in the Edmonton metro region
- Membership in Edmonton Global, partnering on economic development opportunities in the global market
- Continued work with our Tri-Region partners on a Tri-Municipal Regional plan



2021 BUDGET OVERVIEW

Strategic Approach

As presented earlier in the Plan, substantively changing conditions in and around the City required an equally substantive response in how the City approached budget development and deliberations; all within the frame of sustainability.

During 2020, Administration built the foundations of a fiscal sustainability framework starting with the articulation of four key principles:

- transparency
- sustainability
- equity
- competitiveness

Administration defined fiscal sustainability as:

- funding today without compromising the future,
- providing services that citizens are willing to pay for,
- maintaining infrastructure in good condition,
- having funding for future infrastructure, and
- optimizing revenue tools to adjust to different rates of community growth.

To effectively facilitate the development of Budget 2021 and the presentation of key decisions needed from Administration and Council, Administration built a budget process that corresponds with the shift in the approach to the Corporate Plan planning and prioritization model. Using the strategic portfolios to align, Administration developed business cases that organized priority needs from a program or broader service context and outcome objective versus a specific and discrete activity.

As outlined on pages 9 to 15, Administration prepared and evaluated 29 business cases. These business cases incorporated desired outcomes, program and service level analysis and an assessment of the risk of proceeding or not proceeding.

In addition to the business cases, Administration also introduced into the Budget the remaining costs for asset management (lifecycling) not already identified in the business cases.

The combination of the business cases and the building of municipal reserves for lifecycling has had a substantive impact on the City's fiscal plan starting on page 28. Council's deliberations and direction informed Administration as to their priorities and what options to employ to fund those priorities.

Revenue Shifts

In addressing the COVID-19 economic challenge, Council directed the municipal tax rate drop from the proposed 3.9% increase to 0% in 2020. To move from a 3.9% tax increase to zero in 2020, Administration made adjustments to reduce ongoing operating expenses by \$1.6 million. Administration also adjusted the 2020 forecast by reducing expenses by \$2.8 million.

One Time Stimulus Funding

To offset losses from COVID-19, both the Federal and Provincial governments provided one-time stimulus funding in 2020 for use in 2020 and first quarter of 2021. There are three stimulus streams:

- **Operational:** “Municipal Operational Support Transfer” program provides \$3.7 million to Spruce Grove to offset loss of revenue and incremental costs incurred between April 1, 2020 and March 31, 2021 due to COVID-19.
- **Capital:** “Municipal Stimulus Program” provides \$4.3 million to Spruce Grove to invest in key infrastructure needs of the municipality that will spur current and future economic activity.
- **Capital – Investing in Canada Infrastructure Program – COVID-10 Resilience Stream:** enables \$850,000 to be either retained in the original transit stream or redirected to other key infrastructure needs.

The City used a balance of these stimulus funds provided in 2020 to address 2021 needs and other revenue levers to address both the business case priorities and lifecycling requirements.

Debt

Debt can be used by municipalities for funding capital projects over time. The Province sets legislated limits for debt outstanding and debt servicing based on revenue earned by the City in a particular year. The provincial debt limit for the 2021 year is projected to be \$131 million for the City of Spruce Grove. By policy, the City has elected to limit debt to half of the provincial limit. This amount for 2021 would therefore be \$66 million. The City is projected to have \$41 million in debt at the close 2021. This would leave debt room of \$25 million based on the self-imposed municipal limit. Using this debt room in its entirety, would result in \$1.5 million in debt service costs that would have to be covered by the operating budget going forward.

Implementing Revenue Lever Options

As part of the Fiscal Sustainability Framework and to increase operating revenues that would enable lifecycle funding, Council considered a variety of revenue options that they could employ to address municipal programming and priority needs.

Council recognized the importance of balancing the fiscal realities facing residents and businesses with the long term growth strategy of the City. The following revenue options were initiated:

- implementing a five year dedicated tax stream for lifecycling. The tax increase will be 1% in 2021 and has been proposed to continue through to 2025 in future plans.
- implementing a seven year property tax rate split shift. The increase in the rate split will be 0.025 for 2021 and is proposed to increase by .0545 in the following six years.

Implementation of the tax rate increase and property tax rate split shift were seen by the Committee as the first steps towards fiscal sustainability by enabling the building of financial resources over the next several years to fund future lifecycle costs.

These revenue options are founded on the fiscal principles noted earlier; the dedicated tax increase is related to transparency and sustainability and the property tax rate split shift is related to equity. In 2021, Council will continue to deliberate on the question of “*Who should pay, the particular beneficiary or the greater community (i.e. tax base)?*”

Five year Dedicated Tax Increase for Infrastructure Renewal

A five year dedicated tax increase has been approved over a five year period for infrastructure renewal that will be transferred from the operating budget to reserves to fund lifecycle spending. The

compounding effect of a 1% annual increase for five years will generate \$2.09 million in dedicated transfers.

In 2021, a 1% increase to a taxpayer owning a median assessed house (\$360,800) would be \$1.90 per month or \$22.80 annually and would yield \$410,917. The monthly impact to residential ratepayers would be \$0.53 per \$100,000 of assessment and for non-residential ratepayer it would be \$0.73 per \$100,000 of assessment.

Tax Split Adjustment

In 2020, the residential/non-residential tax rate split was 1.38. When compared with other municipalities, this split is low and can be seen as inequitable to residential rate payers as residential ratepayers pay property taxes and cannot claim them as business expenses. Non-residential ratepayers can claim property taxes as a business expense.

The chart shows the splits for other municipalities within the province.

Analysis of Res/Non-Res Tax Split - 2020 Tax Rates			
Community	Res	Non Res	Split
Leduc	0.007603	0.008792	1.16
Stony Plain	0.006288	0.007443	1.18
St. Albert	0.008358	0.010382	1.24
Spruce Grove	0.006366	0.00877	1.38
Grande Prairie	0.009642	0.016077	1.67
Fort Saskatchewan	0.005609	0.009657	1.72
Lloydminster	0.006308	0.011354	1.80
Red Deer	0.007198	0.014064	1.95
Parkland County	0.004192	0.008384	2.00
Airdrie	0.004785	0.010048	2.10
Medicine Hat	0.007115	0.01571	2.21
Lethbridge	0.008892	0.02092	2.35
Edmonton	0.006817	0.018504	2.71
Calgary	0.004780	0.015828	3.31
Average			1.91

Even if the largest cities of Edmonton and Calgary are removed from this data, the average split is 1.73.

As part of the fiscal sustainability framework, Council is seeking to gradually increase the split between residential and non-residential ratepayers over a seven year period to move from the current split of 1.38 to reach the average of the communities currently yielding a split of 1.73.

Recognizing the current economic realities, 2021 will see a small shift of 0.025 toward the broader community average.

The impact of this shift in the split rate to the non-residential ratepayer would be \$15.84 per \$100,000 of assessment per year. The City currently charges non-residential ratepayers \$877 per \$100,000 of assessment. The average being charged by the other municipalities within the 1.73 average is \$1,180 per \$100,000 of assessment. At the end of the seven year period, non-residential ratepayers in Spruce

Grove would be projected to pay \$1,094 per \$100,000 of assessment, still less than the comparable average.

Budget 2021 Priorities Analysis

Business Cases

Administration evaluated the business cases brought forward to assess which business cases were priority and in alignment with Council's direction to date. Using an evaluation frame that started from the "triple bottom line" concept, Administration then evaluated the business cases based on the urgency and criticality of the work.

Key assumptions that Administration considered in their evaluation of the business cases were:

- current staffing levels for the organization at large are maintained at the 2020 level (which is a carryover from 2019 levels), and
- no new revenue outside of stimulus grants, existing grants and current tax and fee rates.

As such, the fiscal plan includes approved business cases. It was noted that with no new revenue, the business cases were only attainable with the use of stimulus funding, municipal surplus, existing reserves and debt.

The business cases were captured in the following categories for Council's review and direction:

1. Business Cases to be Re-assessed in 2021 – Administration Recommended
2. Business Cases to be Funded from One-Time Capital Stimulus Funding and Reallocations in the Investing in Canada Infrastructure Program - Administration Recommended
3. Business Cases to be Funded from the One-Time Municipal Operating Support Transfer Funding - Administration Recommended
4. Business Cases Funded from Deferred Developer Contributions – Administration Recommended
5. Business Cases Funded from Utility User Fees - Administration Recommended
6. Business Cases Funded from Utility User Fees and Municipal Capital – To Be Deliberated

The following demonstrates the result of Council's direction with respect to the business cases.

1. Business Cases to be Re-assessed in 2021

The following business cases will be either reconsidered in the 2022 Corporate Plan, or possibly at the 2021 Spring Adjustment. Future forecasted costs are presented for information and are currently allocated in the out years of the fiscal plan.

Business Case	2021 Budget \$000's	2022 Forecast \$000's	2023 Forecast \$000's	2024-31 Forecast \$000's
Arena Complex Project				
Operating – \$500,000/yr. General Operating Costs (starting in 2025) and Debt Servicing (starting in 2023)	0	0	457.3	16,010.80
Capital	4,000.0	20,000.0	18,750.0	12,750.0
Municipal Development Plan – deferred post Municipal Election 2021				

Business Case	2021 Budget \$000's	2022 Forecast \$000's	2023 Forecast \$000's	2024-31 Forecast \$000's
Operating– Deferred post Municipal Election 2021	0	0	85.0	245.0
Climate Change Adaptation Measures				
Operating – Hydrological Framework	0	125.0	0	0
Capital – Lightning detection moved to Lifecycle Plan	60.0	45.0	63.0	420.0
Climate Change Mitigation Measures				
Operating (Utility) Bi-weekly waste collection and Natural Area Management and annual operating including debt servicing (starting in 2025)	0	157.0	63.0	63.0 (2024) 75.0/yr. (after 2024)
Capital – Solar arrays (Protective Services Building)	0	0	0	424.9
Environmental Compliance				
Operating – Compliance Framework	0	22.0	1.7	103.9
Capital -Snow dump and well water site	0	0	0	1,998.1
Enforcement Services Staffing				
Operating	0	134.7	183.7	201.8 (avg/yr.)
Enforcement Services Vehicle				
Operating – Aligns with acquisition		12.0	12.0	12.0/yr.
Capital – Aligns with additional position	0	33.0	0	0
Protective Services Administrative Assistant				
Operating – Absorbed within	0	0	0	0
Building a Robust Long-Term Capital Plan				
Operating– Absorbed within	0	0	0	0
Jubilee Park Master Plan Implementation				
Operating – Trans Mountain Legacy Funding 2021 and debt servicing (starting in 2026)	200.0	0	0	2,209.5
Capital (2025-27)	0	0	0	8,800.0
Competitiveness in Investment Attraction				
Operating	0	65.0	0	0

Business Case	2021 Budget \$000's	2022 Forecast \$000's	2023 Forecast \$000's	2024-31 Forecast \$000's
Enable a Connected City				
Operating	27.5	64.2	14.7	66.4
Capital	0	445.8	175.6	1,229.0
Fire Services Staffing (4 Staff Members)				
Operating – Administration reviewing staffing and operations budget options	0	0	0	0

2. Business Cases to be Funded via One-Time Capital Stimulus Funding and Reallocations in the Investing in Canada Infrastructure Program

Business Case	2021 Budget \$000's	2022 Forecast \$000's	2023 Forecast \$000's	2024-31 Forecast \$000's
Fibre Optic Broadband Strategy Implementation				
Operating – Cost of running the broadband	0	0	136.9	136.9/yr.
Capital – Council approved Sept 2020	4,651.5	0	0	0
Implementation of Electronic Meeting Management				
Operating – Licensing/support	60.0	60.0	60.0	60.0/yr.
Capital – Address streaming capability	336.0	0	0	0
Workplace Renovations – Fleet Shop Expansion				
Capital – Additional safe fleet management shop space	175.0	0	0	0

3. Business Cases to be Funded via the One-Time Municipal Operating Support Transfer Funding

As detailed on page 35 of the fiscal plan, Administration analyzed the financial statements for 2020 to assess lost revenue and costs incurred due to COVID-19. This analysis demonstrated that the entire allotment of operational support funding directed to the City can be accounted for due to the ongoing effects of the pandemic.

Administration then reviewed the business cases as well as other anticipated COVID-19 costs to recommend the allocation of a portion of the operational support funding with the remaining balance of funds to be directed to surplus and prioritized to support some of the initial funding for lifecycle reserves. Unless otherwise noted, only 2021 costs and in some cases just those applicable to the first quarter of 2021 will be accounted for by the one-time operational stimulus funding.

Business Case	2021 Budget \$000's	2022 Forecast \$000's	2023 Forecast \$000's	2024-31 Forecast \$000's
2021 Municipal Election – COVID 19 and Governance measures				
Operating	137.0	0	0	0
Community Inclusion Initiative – all three years to be funded				
Operating	105.0	175.0	70.0	0
PathwaysHOME – all three years to be funded				
Operating	32.0	32.0	32.0	0
Industrial Land Strategy Implementation				
Operating	50.0	0	0	0
Climate Change Action Plan				
Operating	90.0	0	0	0
Business Process Mapping and Budget Enhancement				
Operating	75.0	30.0	0	0
Capital	177.3	0	0	0
Delivery of Technology Services				
Operating	198.8	86.9	16.9	16.9/yr.
Capital	114.0	146.0	0	0
Transit on Demand Service (from Transportation business case)				
Operating	35.0	0	0	0
Transportation Noise Study (from Transportation business case)				
Operating	60.0	0	0	0
Facility Renovations				
Operating – Pandemic response	21.5	65.0	35.0	315.0
Capital – Pandemic response	207.5	525.0	0	0
Competitiveness in Investment Attraction				
Operating – High load corridor study	0	15.0	0	0

Business Case	2021 Budget \$000's	2022 Forecast \$000's	2023 Forecast \$000's	2024-31 Forecast \$000's
*Spruce Ridge Development Deficiency (not a business case – all three years to be funded)				
Capital – Address developer deficiencies including drainage and fencing	500.0	450.0	310.00	0
*Spruce Grove Library (not a business case)				
Operating – Computers and books/audio/video	60.0	0	0	0
*Edmonton Global Initiative (not a business case – all three years to be funded)				
Operating	36.0	36.0	36.0	0

*Emerging pressures after business cases were developed.

4. Business Cases Funded via Deferred Developer Contributions

Only one business case will be funded from the deferred developer contributions:

Business Case	2021 Budget \$000's	2022 Forecast \$000's	2023 Forecast \$000's	2024-31 Forecast \$000's
Parks				
Operating	0	5.2	5.2	5.3/yr.
Capital (Developer)	170.0	220.0	185.0	360.0

5. Business Cases Funded via Utility Charges

These business cases are fully funded from the utility accounts and do not impact the municipal operating or capital budget.

Business Case	2021 Budget \$000's	2022 Forecast \$000's	2023 Forecast \$000's	2024-31 Forecast \$000's
Water Network (less City Centre ARP)				
Operating – Masterplan	0	102.0	1.0	1.0/yr.
Capital – Lifecycling/industrial watermain	2,160.0	1,200.0	1,320.0	2,820.0
Sanitary Sewer Network (New growth in Developer for Boundary Trunk Sewer 2024/25)				
Operating – Masterplan and debt servicing (starting in 2025)	100.0	0	0	2,245.1
Capital- Lifecycling	0	0	0	7,000.0
Storm Sewer Network				

Business Case	2021 Budget \$000's	2022 Forecast \$000's	2023 Forecast \$000's	2024-31 Forecast \$000's
Operating – Maintenance condition study and Masterplan	400.0	555.0	405.5	1,655.5
Capital- Lifecycling	1,314.0	0	800.0	800.0

6. Business Cases Funded via Municipal Capital and/or Utility Charges

These business cases are either funded by Municipal Capital or fully funded from the utility accounts and do not impact the municipal operating budget.

Business Case	2021 Budget \$000's	2022 Forecast \$000's	2023 Forecast \$000's	2024-31 Forecast \$000's
City Centre Area Redevelopment Plan – McLeod Avenue (King Street to Queen Street)				
Operating – Debt servicing (starting in 2022)	0	146.2	146.2	146.2/yr.
Capital – Utility	2,801.2	0	0	0
Capital – Municipal (streetscaping/park)	3,230.2	0	0	0
Transportation Network				
Operating – Includes debt servicing (starting in 2024)	0	3.5	3.3	3,168.3(Develop) 364.5 (Munic)
Capital - Municipal	3,640.0	2,650.0	2,930.0 (Munic) 1,200.0(Develop)	8,230.0/ 18,385.0

Reserves for Asset Management (Lifecycling)

To build a Fiscal Sustainability Framework for funding of lifecycle requirements for assets, Council chose to implement and fund lifecycle reserves through a five year dedicated tax stream that is reflected through a 1% tax rate increase for 2021 and through a shift in the non-residential tax rate split.

It is intended that the funding of reserves will be ongoing through these dedicated funding sources that are sustainable and operate as a continuous flow through with annual transfers coming in and capital expenditures going out. If one thinks about a reserve structure like a river versus a static pond, there is a realization that one-time money infusion does not create a sustainable source of funding for life-cycling. If one-time money is placed in a reserve and spent, it is gone. If a dedicated sustainable source is developed, money flows into the reserve annually and flows out to satisfy lifecycle requirements on an annual basis.

The Utility Fund and Developer Fund already have dedicated funding sources through the utility rates and developer levies so this new reserve program will be for municipal assets. The City's current accumulated surplus is projected to be \$14.854 million by the close of 2020. This is split into the three fund areas:

- Municipal Fund \$23.862 million
- Utility Fund \$6.693 million
- Developer Fund (\$15.701) million

The Municipal Fund will be divided to provide opening balances for the lifecycle reserves and leave an unrestricted portion for cash flow/emergency funding for the municipality. Based on the 2021 budget, unrestricted surplus would be between \$15 million and \$23 million to abide by best practice. The following table shows the opening balances that will be created in 2021 to support the seven lifecycle reserves through the allotment above. These opening balances are based on needed amounts to build appropriate plans to fund current lifecycle asks over a ten year period.

Opening Balance (from 2020 Surplus)		Required Annual Transfers (2021 forward)	
Civic Infrastructure	\$ 395,000	Civic Infrastructure	\$ 435,000
Community Facilities	\$ 652,000	Community Facilities	\$ 684,000
Parks and Open Spaces	\$ 552,000	Parks and Open Spaces	\$ 410,000
Public Safety	\$ 770,000	Public Safety	\$ 387,000
Public Works	\$ 100,000	Public Works	\$ 25,000
Transit	\$ 800,000	Transit	\$ 195,000
Transportation	\$ 3,300,000	Transportation	\$ 3,619,000
Unrestricted	\$ 17,293,000	Total	\$ 5,755,000

Lifecycling Costs

Lifecycling costs in the fiscal plan not currently brought forward in the business cases are presented as follows for 2021 and detailed further on page 51 of the fiscal plan:

Lifecycling Costs	
Civic Infrastructure	\$ 108,000
Community Facilities	\$ 369,446
Parks and Open Spaces	\$ 734,000
Public Safety	\$ 830,000
Public Works	\$ 298,000
Transit	\$ 108,500
Transportation	\$ 3,359,352
Total	\$ 5,807,298

Public Budget Submissions

In support of community driven initiatives, Council concurred with Administration's recommendations to fund the following public budget submissions:

Administration Recommended

- **Recovery for Signature Events** (Spruce Grove City Centre Business Association - CCBA) – The funding request for \$10,000 would support the relaunch of Public Market events cancelled due to COVID-19. There are five public markets in total and a range of events tied to each one. The relaunch costs are related to marketing, vendor and sponsor recruitment and community engagement. While the CCBA receives a Business Improvement Area levy each year, its ability to fundraise additional funds was hampered as a result of COVID-19. The request is recommended to support small businesses impacted by COVID-19 and support revitalization of City Centre.
- **Funding for Project Joy** (Project Joy) – This funding request of \$10,000 will go mainly towards the purchase of approximately 24 tablet computers to provide 200 local senior care residents with the ability to stay connected to their loved ones. This Recovery Framework identified support to vulnerable populations as a key focus area for recovery for COVID-19. Senior citizens in care facilities and the family members who care for them have been greatly impacted.

Addressed Outside of Corporate Plan Process

- **Core Communication Playground Sign** (Foundation for Cohesive Communities) – This proposal was removed from the Corporate Plan process as there was no financial request. Public Works is working with the organization to locate a suitable playground for the sign.

Administration Not Recommended

- **Elevator Site Improvements** (Spruce Grove and District Agricultural Society) – This funding request for \$20,000 would go towards the development of a replica of Spruce Grove Train Station at the entrance, inclusion of the Site in City marketing, publications, highway signage and landscaping. The organization received \$177,000 in funding from AGLC in December 2019 to make improvements. The requested funding from the City would supplement this work. As this project has already secured funding through another source, this proposal was not recommended to go forward.
- **Expansion of Jubilee Disc Golf Course** (Spruce Grove Disc Golf Association) – The funding request of \$11,500 would go towards the two-phased expansion of the disc golf course. The first phase in the fall of 2020 is installation of an additional nine holes that would allow users the opportunity to try and test the new "back-nine". Phase 2 would be the permanent expansion to be done in the spring/summer of 2021. This proposal is not recommended due to the need for further evaluation on the design approach.

ATCO Gas Franchise Fee

As approved in the 2019 – 2021 Corporate Plan, the City had a three year plan to phase in increases to the ATCO Gas franchise fee to bring the City to the maximum rate. The final year of increase was proposed to be 2021 and would yield \$447,593 in additional revenue. This revenue could be dedicated as an ongoing funding source for reserves and infrastructure lifecycling. This increase would cost rate payers \$2.19 per month or \$26.28 annually. Council did not support the franchise fee for the 2021 fiscal year but it may be considered in future years.

FISCAL PLAN SUMMARY

Overview

The fiscal plan reflects the financial requirements to support the City's three strategic portfolios: Investing in Our Service Supports, Investing in Our Interconnectivity, and Investing in Our Growth and Prosperity. Business cases were developed to provide detailed information on the work required to achieve the outcomes identified within the three strategic portfolios. The financial requirements of these business cases include revenues, expenses and expenditures on tangible capital assets used for service delivery and investment in new capital.

The main objective of this fiscal plan is to clearly explain and highlight financial information underlying the Corporate Plan. The information is intended to enhance the users' understanding of the City's financial position and results of operations – enabling the City to demonstrate accountability for the resources entrusted to it.

In the past, the City prepared a combined operating and capital budget that mirrored the financial statement reporting. The budget was balanced by attempting to meet the mandate for a resulting accumulated surplus number of 20% of overall expenses. This method did not clearly identify the separation between operating and capital costs such as lifecycle and rehabilitation costs. It also did not clearly show the magnitude of capital spending. This budget format also included non-cash items such as amortization and contributed assets. Balancing the budget based on these items did not clearly reveal the impact of financial decisions related to capital. The City also did not employ reserves for tracking lifecycle commitments or stabilization funds. All surplus funds went into one receptacle and therefore did not reveal whether the future was sustainably funded.

A new budget format is being implemented in the 2021 – 2023 Corporate Plan that more clearly demonstrates the impact of decisions, particularly capital decisions. This new format requires long-term capital plans to be compiled for lifecycle and proposed new spending and leads to the creation of reserves to be funded by transfers from the operating budget for all lifecycle and rehabilitation costs. The impact of decisions related to taking on new debt are also more readily apparent.

This fiscal plan is meant to provide information with a long term view. Ten years of future financial information has been presented. Readers are cautioned that long term forecasts may change significantly. The City will undertake a more robust review of the ten year capital plan in the 2021 fiscal year.

A fiscally sustainable Fiscal Plan has the following characteristics:

- The operating budget is balanced without dependency on reserves for ongoing funding.
- The operating budget includes transfers to reserves that adequately fund lifecycle costs.
- The capital budget is balanced and lifecycle costs are able to be funded from reserves.
- The municipal budget does not subsidize the utility or developer budgets. (The utility and developer funds have dedicated funding sources through utility rates and developer levies).

This Fiscal Plan has the following realities:

- The 2021 municipal operating budget is balanced without dependency on reserves for ongoing funding. The 2022 and 2023 budgets will be revisited during the 2021 – 2023 Corporate Planning process.

- The municipal operating budgets make transfers to lifecycle reserves reflecting the dedicated revenue streams created by Council in all three years.
- The municipal capital budget is proposed to be balanced through the use of grants for some lifecycle costs due to the need to build reserve funding.
- The utility and developer budgets are self-funding. However, the City advanced the construction of certain infrastructure projects resulting in a developer deficit balance to be repaid with proceeds from future developer levies.

Key Assumptions

The Corporate Plan is prepared in accordance with the City's financial bylaws and policies which are summarized in the notes to the fiscal plan statements. The resulting financial measures are reported in the financial discussion and analysis.

Assumptions about inflation, population growth and the economy are included in the notes to the fiscal plan statements.

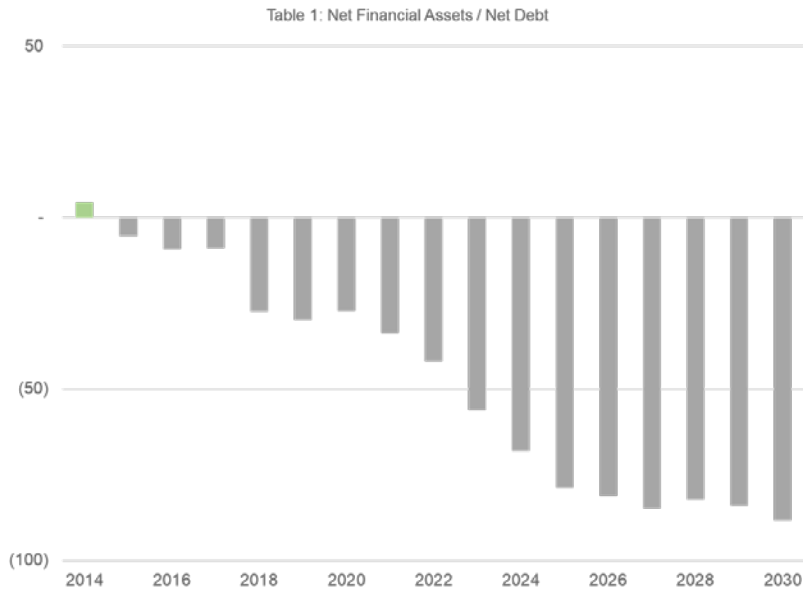
Key Measures

The City manages its finances with a long-term view emphasizing affordability, a healthy financial position and long-term planning. Measures of financial position indicate the City's ability to finance its activities and provide future services. Key measures include net financial assets or net debt, reserve levels and debt.

Net financial assets / net debt

Net financial assets or net debt indicates the affordability of additional spending. It is calculated as the difference between the City's financial assets and liabilities at a point in time.

The City maintained a net financial asset position to the end of 2014 and moved to a net debt position from 2015 onward. As illustrated in the chart below, the City is projecting to be in a net debt position for the duration of this plan and into the foreseeable future. To revert back to a net financial asset position, the City must earn more surplus than is being spent on assets. Beginning to build reserves to fund lifecycle spending will shift this position over time.



Net financial assets indicate that there are sufficient resources on hand to settle existing liabilities and pay for future operations. Net debt indicates that future revenues are required to pay for past transactions or events. The net debt position at the close of 2021 is projected to be \$33.7 million. Net debt becomes dangerous when it actually exceeds the amount of long-term debt the municipality holds. The City is forecasting to reach this magnitude of net debt position by 2025 based on the current ten year capital plan projections presented in this fiscal plan that will be revisited in fiscal 2021. This fiscal plan contains new revenue dedicated to lifecycle transfers in all three years to be funded by a dedicated 1% tax increase over five years and a non-residential property tax rate split shift over seven years.

Financial forecasts present, to the best of Administration's knowledge and belief, the City's expected financial position, results of operations, and cash flows for the forecast period. Accordingly, forecasts reflect judgments as of September 23, 2020, the date of these forecasts, of the expected conditions and administration's expected course of action. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Reserves

Prior to the 2021 – 2023 Corporate Plan, the City had not maintained reserves but rather had one large receptacle known as accumulated surplus which held amounts for the municipal, utility, and developer funds. To delineate appropriate funding for lifecycle spending and to smooth the impacts of capital changes, the City is establishing reserves to support the ebb and flow of lifecycle spending. In future years, the City could have reserves for tax levy stabilization as well as municipal capital for the funding of new projects. The opening balances for these reserves are set aside from the existing accumulated surplus. Long term capital plans for each lifecycle area will be used to determine transfers to the reserve from the operating budget and expenditures from the reserve in the capital budget.

Debt

The City maintains debt levels that allow for a healthy degree of flexibility in providing programs and services. The City recognizes that debt can be used to appropriately accelerate capital projects necessary for the well-being of the community, giving consideration to the associated inherent financing costs.

New debt is considered when funding from grants and other sources cannot be secured. When the balance of cash on hand allows, consideration is given to reducing or deferring new debt.

The City has a financial policy that requires maintaining debt at 50% of the provincial debt limit. The provincial limit is a requirement set out by the *Municipal Government Act* and the Debt Limit Regulation which requires that “the debt limit of a municipality at a point in time is, (a) in respect of the municipality’s total debt, 1.5 times the revenue of the municipality, and (b) in respect of the municipality’s debt service, 0.25 times the revenue of the municipality.” The City’s self-imposed debt limits are 50% of the provincial limits. Debt is projected to approach this limit in 2026.

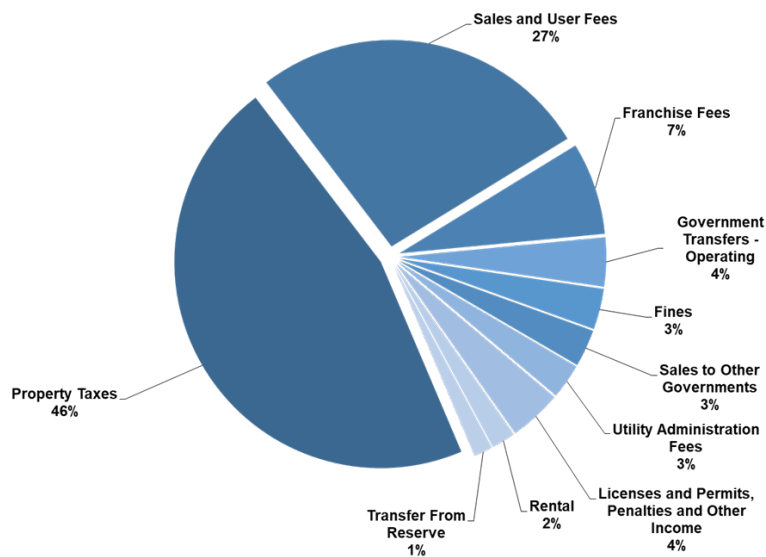


At the close of 2021, the City is projected to reach a debt level of \$41 million, which represents 31% of the provincial limit and 62% of the municipal policy limit. Long term debt contributes to the increase of the City’s net debt position and the service of that debt reduces available operating budget dollars.

Revenue

The most important driver of City revenue is economic activity which affects the number of taxable properties, influences construction activity, and impacts the demand for City services. Growth in 2021 is projected to be 1.25% and is projected to increase to 3.0% by 2023. This has an impact on the revenue the City collects.

Over the last several years, revenues per capita for the City have steadily declined when adjusted for inflation. Taxes per capita when adjusted for inflation have risen over the same period, but only by a nominal amount. In addition, the City has seen a decline in development activity which is in line with provincial forecasts.



Property taxes

The property tax increase helps fund ongoing service delivery and maintenance, debt service, and new initiatives and service changes that are not utility or developer related. Ensuring lifecycle maintenance of existing infrastructure, facilities, parks, fleet and equipment, and information systems remains a priority. The City also collects levies on behalf of the provincial government for education and on behalf of the Meridian Foundation, which provides local housing for seniors.

Property taxes are calculated in two steps. First, the City Assessor prepares an assessment of each property and calculates the city's total assessment. Second, the City sets tax rates each April for classes of properties such as residential and non-residential property based on the previous year's total assessment.

In Spruce Grove, a 1% tax increase is equivalent to:

- \$407,863 in 2020
- \$410,917 in 2021
- \$414,714 in 2022
- \$427,641 in 2023

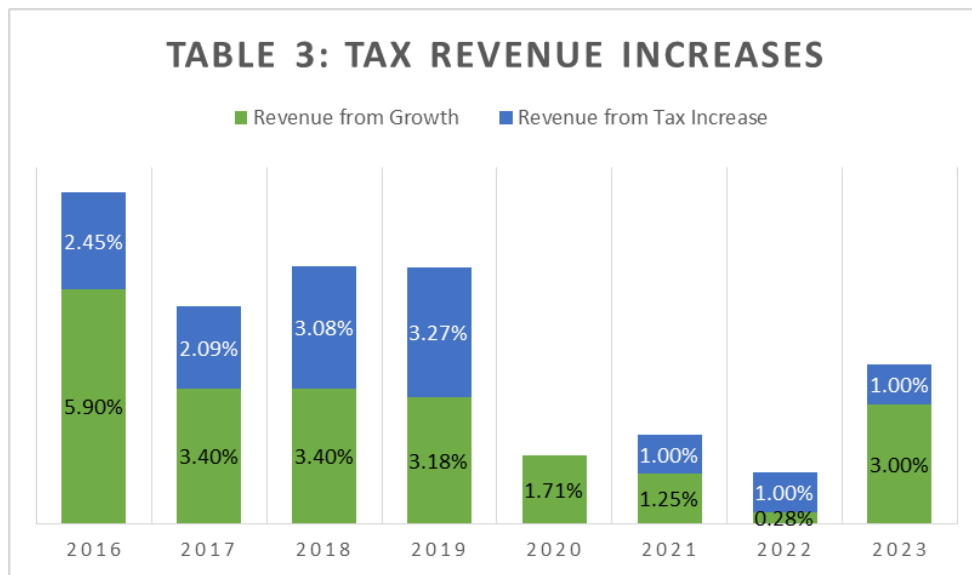
This fiscal plan includes a 1% increase for all three years in order to provide a dedicated revenue stream for transfers to municipal lifecycle reserves.

This fiscal plan also begins the shift of the residential/non-residential rate split to move to an average similar to other communities over a seven year period.

The median assessment value of single family detached homes in Spruce Grove is currently \$360,800.

The Relationship between Historical Tax Rates and Growth

The history and future projections of revenue requirement included in this plan and the split between growth revenue and tax increases is shown in the following graph:



The green bars represent increases in tax revenue from growth in the community and the blue bars represent increases in tax revenue from rate increases. In 2016 the City experienced an overall increase in tax revenue of 8.35% of which 5.9% came from growth. This was a high growth year. In 2017 to 2019, growth was lower in the 3.0-3.5% range, and declined to 1.71% in 2020. Growth is projected to be 1.25% in 2021 and to reach 3.0% by 2023. This has an impact on the revenue the municipality collects. The municipality has enjoyed tax rate increase relief due to growth being higher than originally projected over the last five years as the following table shows:

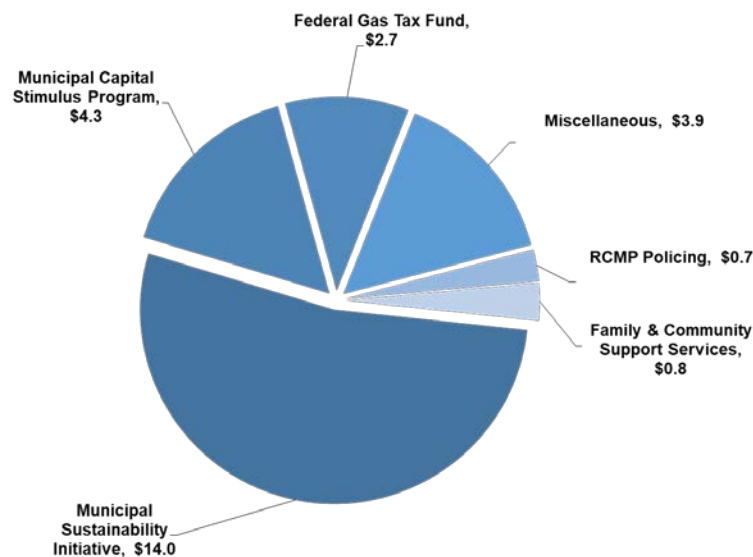
	Increase in Revenue Requirement	Revenue Requirement Increase	Projected Increase from Growth	Approved Tax Increase	Actual Increase from Growth	Actual Tax Increase
2016	\$ 2,606,096	8.35%	4.45	3.90	5.90	2.45
2017	\$ 1,857,315	5.49%	2.59	2.90	3.40	2.09
2018	\$ 2,313,203	6.48%	2.58	3.90	3.40	3.08
2019	\$ 2,451,429	6.45%	2.95	3.50	3.18	3.27
2020	\$ 691,696	1.71%	0.84	0.00	1.71	0.00
			13.41	14.20	17.59	10.89
2021	\$ 410,917	1.00%	1.25	1.00		

Actual tax increases in 2016 – 2019 were less than the approved increases due to growth revenue being higher than originally projected. The City taxes based on the approved revenue requirement in the budget. In March of 2020 the City completed the first spring budget adjustment, which was approved by Council April 14, 2020 and resulted in a reduction of the approved tax increase for 2020 from 3.9% to 0%.

Government transfers

Government transfers, otherwise referred to as grants, make up a large proportion of the financing for capital acquisitions. Grant funding is not used to support utility infrastructure programs. Utility user fees support all water, sewer, storm and solid waste costs.

Partnerships with the provincial and federal governments and neighboring communities help provide funding for projects such as new roads, buildings, parks, sports fields and other recreation facilities.



The 2021 budget uses \$26.5 million in grant funding, which has been represented in the chart above in millions of dollars. Municipal Sustainability Initiative (MSI) funding reflects both operating and capital grants. The City receives a large portion of its funding for municipal infrastructure from the MSI grant program, which is currently projected to decline. In 2020, the City received a small portion of the one-time capital stimulus funding of \$4.3 million for the purpose of implementing a Broadband Strategy in the industrial and commercial areas of the City. The remaining funds will be received in 2021 as costs are incurred.

The City received a \$3.7 million one-time Municipal Operating Support Transfer (MOST) in 2020 under the Safe Restart Agreement. These funds will cover incremental costs and reduced revenues associated with the COVID-19 pandemic and also help fund actions taken in response to it. The table below summarizes the City's proposed uses of the MOST funds and was discussed earlier on pages 24 and 25 of the plan. Any funds not allocated to projects in this table will flow through and remain part of the City's

municipal operating reserves

Table 5: Municipal Operating Support Transfer (MOST)

		2021 Budget (\$000s)	2022 Fore cast (\$000s)	2023 Fore cast (\$000s)
Opening Balance		3,714	2,161	1,468
Projects - Operating Costs				
IS-026	Business Process Mapping and Budget Enhancement	(75)	-	-
IS-029	Delivery of Technology Services	(114)	-	-
	Workplace Renovations - City Hall Pandemic			
F&F-018.1	Response	(10)	-	-
	Workplace Renovations - Planning and Engineering			
F&F-018.2	Pandemic Response	(12)	-	-
CITYC-028	2021 Municipal Election	(139)	-	-
CSD-019	Community Inclusion Initiative	(105)	(175)	(70)
CSD-020	Implement PathwaysHOME	(32)	(32)	(32)
ECDEV-017	Industrial Land Strategy Implementation	(50)	-	-
ECDEV-864	Edmonton Global Initiative	(36)	(36)	(36)
	Transportation & Transit Portfolio - Transit on Demand			
ENG-003	Service	(35)	-	-
ENG-003	Transportation & Transit Portfolio - Noise Study	(60)	-	-
ENV-008	Climate Change Action Plan	(90)	-	-
	Public Submission - CCBA	(10)	-	-
	Public Submission - Project Joy	(10)	-	-
	High Load Corridor Study	(15)	-	-
	SG Library - Computers and Collections	(60)	-	-
		(852)	(243)	(138)
Projects - Capital Costs				
IS-026	Business Process Mapping and Budget Enhancement	(177)	-	-
IS-029	Delivery of Technology Services	(24)	-	-
TRAN-105	Spruce Ridge Gardens - Stage 3	(500)	(450)	(310)
		(701)	(450)	(310)
Amounts Recognized		(1,553)	(693)	(448)
Closing Balance		2,161	1,468	1,020

Deferred revenue

The City receives a substantial amount of grant funding from the provincial and federal government under the Municipal Sustainability Initiative (MSI) and Federal Gas Tax Fund (GTF) programs as depicted in the chart below.

	2019 Actual (\$000s)	2020 Budget (\$000s)	2020 Forecast (\$000s)	2021 Budget (\$000s)	2022 Forecast (\$000s)	2023 Forecast (\$000s)
Municipal Sustainability Initiative (MSI)						
Opening Balance	16,994	23,207	23,207	26,732	19,793	8,586
Amounts Received	20,024	7,654	7,654	6,123	6,123	6,123
Interest Earned	642	601	676	745	571	291
Projects						
Fibre-Optic Broadband Strategy Implementation				(400)		
ECDEV-015						
ENG-001 Environmental Compliance	(147)	(1,566)	(50)			
ENG-003 Transportation and Transit Portfolio	(1,469)	(3,323)	(2,440)	(3,640)	(2,650)	(2,930)
ENG-006 Support to City Center ARP	-	(173)		(3,230)		
IS-016 Enable a Connected City					(446)	(176)
IS-029 Delivery of Technology Services	7			(90)	(146)	-
Enterprise-Wide Asset Management System		(135)	(61)	(74)		
REC-013 Arena Complex Project		(900)		(4,000)	(12,500)	(4,550)
Transit Infrastructure - Park and Ride Hub		(2,365)		(219)		
Common Equipment				(902)	(1,063)	(834)
Design and Construct New Protective Services Facility	(9,772)	(1,519)	(1,219)			
Furniture Lifecycle				(354)	(293)	(593)
Integrated RCMP facility	(3,040)					
Protective Services Vehicles and Equipment				(820)	(805)	(150)
Relocation of Eco Centre to Public Works	(34)	(660)	(660)			
Transit Lifecycle						(750)
Transit System Growth - Local Service Westwind Lands	-	(3,828)	-	(77)	-	-
Amounts Recognized	(14,453)	(14,469)	(4,806)	(13,806)	(17,902)	(9,982)
Closing Balance	23,207	16,993	26,732	19,793	8,586	5,018
Federal Gas Tax						
Opening Balance	2,072	3,194	3,194	2,815	2,231	1,394
Amounts Received	4,042	2,081	2,046	2,046	2,046	2,046
Interest Earned	26	95	105	96	81	60
Projects						
ENG-003 Transportation and Transit Portfolio	(2,946)	(2,781)	(2,531)	(2,726)	(2,964)	(3,209)
Amounts Recognized	(2,946)	(2,781)	(2,531)	(2,726)	(2,964)	(3,209)
Closing Balance	3,194	2,590	2,815	2,231	1,394	292

User fees

User fees are charged to customers in exchange for the use of City services and facilities, and they form a significant portion of the City's operating revenues. Adjustments for population growth and reduced service levels are being used as a starting point for estimating 2021 volumes.

Utility charges

The cost of both operating and capital replacement of water, sewer, storm and solid waste systems is recovered through utility charges to the users of each system. Utility costs are not currently subsidized by grants or property taxes. Separate rates are charged for water and sewer customers, storm and solid waste customers. Utility revenue increases with the rise in rates and with growth in the number of customers and with increased consumption.

- **Water and sewer**

The water and sewer utility rate increase recommended for 2021 to cover operating and capital costs is \$0.12 per cubic metre (2.0% increase) which is approximately \$1.70 per month for a household consuming 14 cubic metres of water.

- **Solid waste**

The solid waste rate is affected by growth in the community, contracted costs and new initiatives. There is no increase planned for solid waste utility for 2021.

- **Storm utility**

On September 14, 2020, a new storm utility rate was brought forward to Council and was approved for implementation to take effect October 1, 2020. Monthly fees are \$7.30 for small customers and \$37.20 for large customers and are not projected to change for 2021.

Electric franchise fees

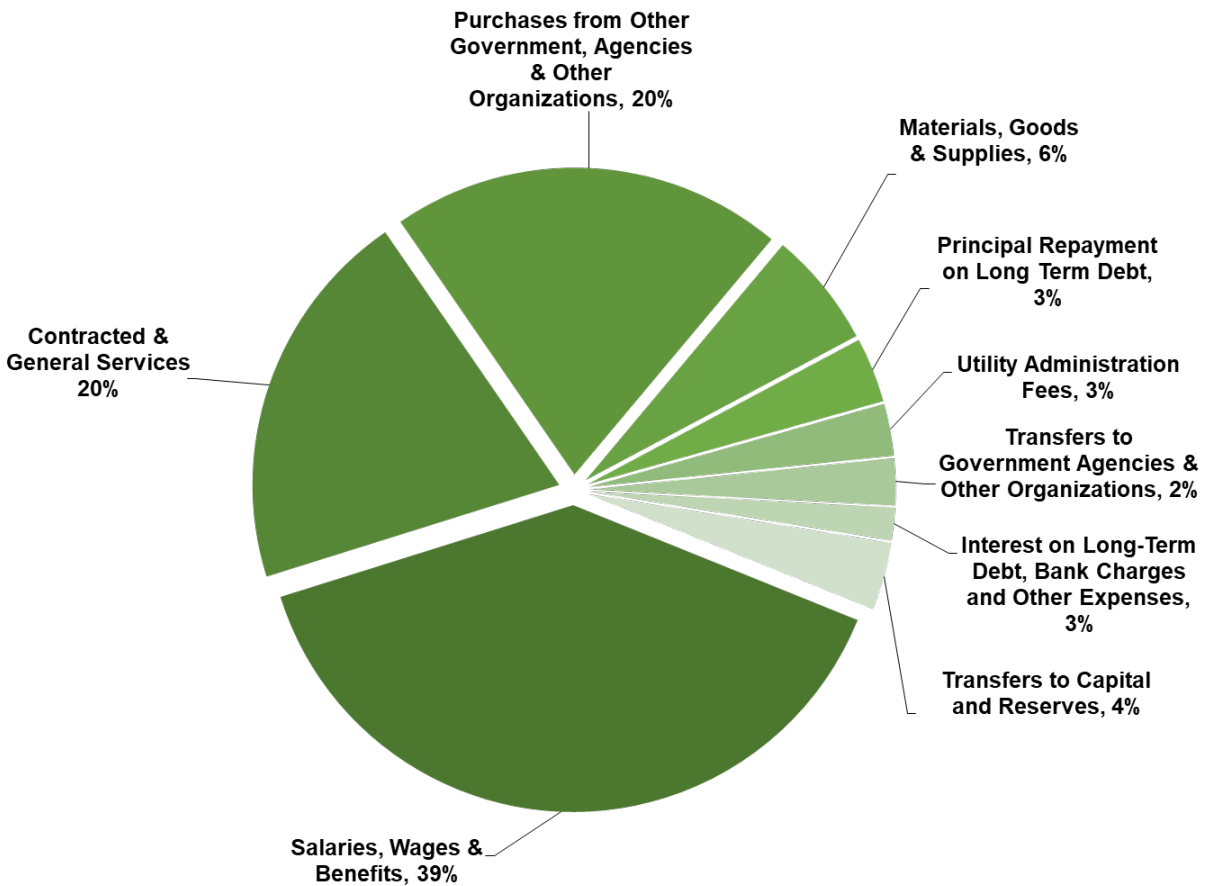
Electric franchise fees are charged by the City to Fortis Alberta for the exclusive right to provide and operate related assets. Fortis Alberta passes along the cost of the franchise fee to the consumer as a separate charge on the electric bills. The City has reached a maximum rate of 20%.

Natural gas franchise fees

Franchise fees for natural gas are charged by the City to ATCO Gas for the exclusive right to provide natural gas services within the City as well as for access to City lands to construct, maintain and operate related assets. ATCO passes along the cost of the franchise fee to the consumer as a separate charge on the natural gas bills. The 2020 rate has been maintained for 2021 budget, and will be revisited with Council in 2021 to determine if it will be increased 5.0% in 2022 to reach a maximum rate of 35%.

Expenses

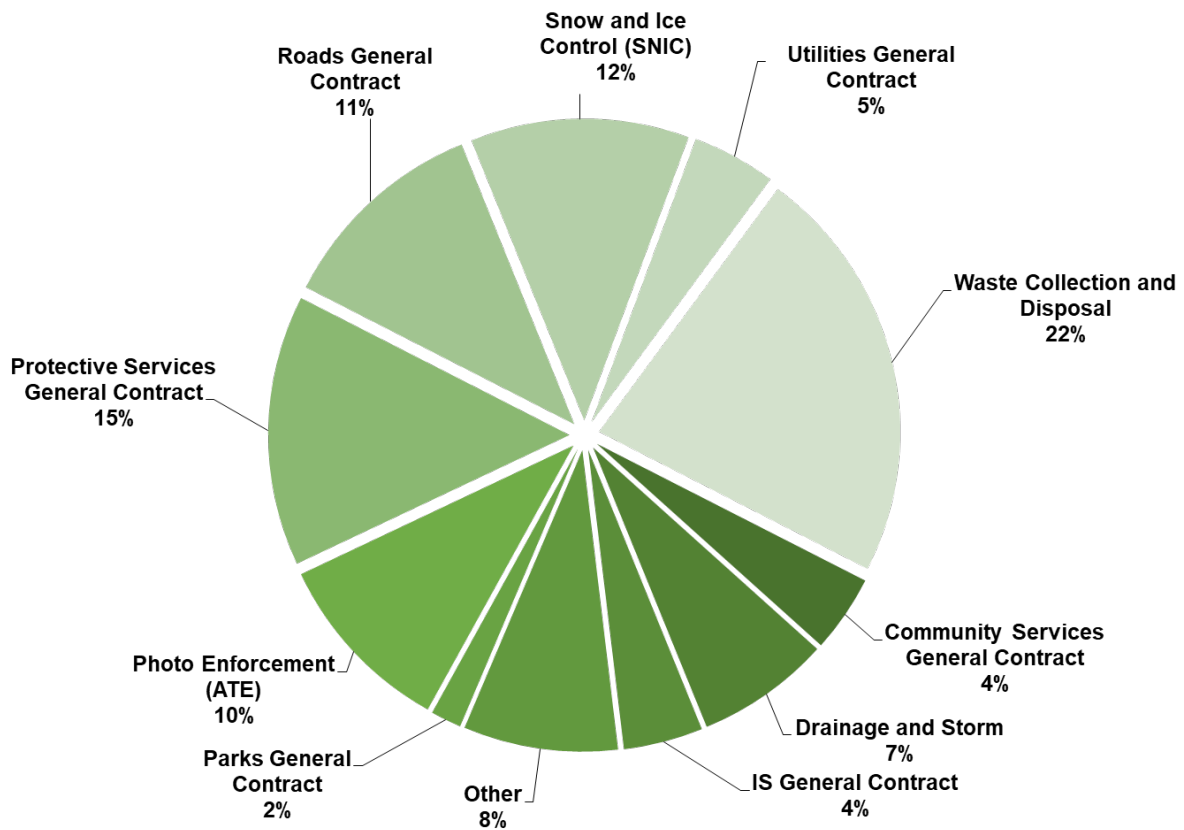
The 2021 budget includes \$91.7 million in expenses, primarily allocated to three categories: contracted and general services - \$18.5 million; purchases from other government, agencies and other organizations - \$19.0 million, and salaries, wages and benefits - \$35.8 million.



Contracted and general services

The City holds major contracts for the below noted services, which make up 20% of expenses and includes the following:

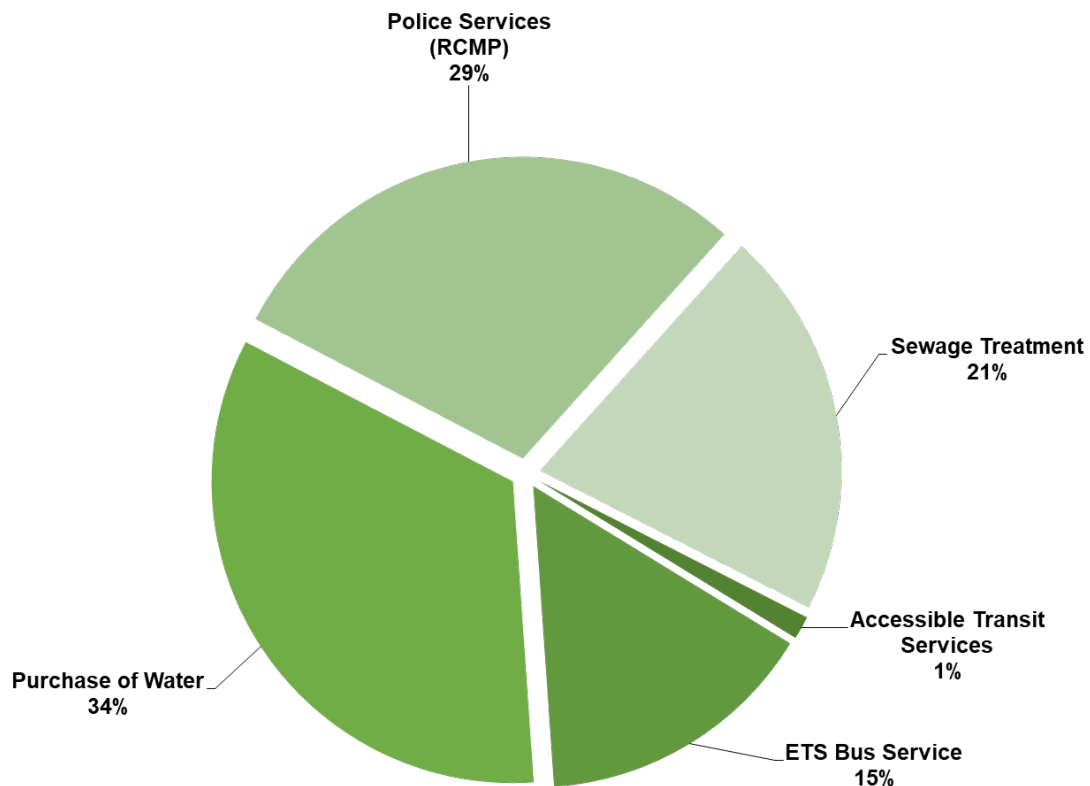
- roads general contract,
- information systems general contracts,
- waste collection and disposal,
- snow and ice control (SNIC),
- community services general contracts, and
- Automated Traffic Enforcement (ATE).



Purchases from other government, agencies and other organizations

The City also purchases good and services from other governments, agencies and other organizations to offer the below noted services, which make up 21% of expenses and includes the following:

- police services (RCMP)
- purchase of water
- sewage (wastewater) treatment, and
- Edmonton Transit (ETS) bus service.



Other

Contingency funds have been included in other expenses. The 2021 budget for contingency is \$200,000, which is 0.48% of municipal property tax revenue. Adequate contingency levels are required to cover urgent or unforeseen expenditures.

	2021 Budget (\$000s)	2022 Forecast (\$000s)	2023 Forecast (\$000s)
Council Contingency	75	75	75
City Manager Contingency	125	125	125
	200	200	200

Grants to other organizations

The City provides grants and contributions to not-for-profit organizations and residents in the areas of special events, recreation and cultural development, as well as operational funding and capital renovations and development. Additional grants are provided for the delivery of preventative social services, heritage programming and services, and library services. Partnerships are also funded with community groups for the delivery of sport and recreation programs. The numbers represented in the table below are reviewed annually and may be amended through a variety of agreements and performance outcomes.

Table 8: Grants to other organizations

	2019 Actual (\$000s)	2020 Budget (\$000s)	2020 Forecast (\$000s)	2021 Budget (\$000s)	2022 Forecast (\$000s)	2023 Forecast (\$000s)
Accessible Transit Services	-	218	218	-	-	-
Allied Arts Council	23	23	23	23	23	23
Domestic Violence	30	30	30	30	30	30
Heritage grant - Nelson Homestead	65	-	-	-	-	-
Mayor's award	1	1	1	1	1	1
Night Owls Citizens Patrol Society	10	-	-	-	-	-
Parent Link Centre	3	3	-	3	3	3
Project Joy	-	-	-	10	-	-
Spruce Grove Ag Society	25	25	25	25	25	25
Spruce Grove City Centre Business Association	-	-	-	10	-	-
Spruce Grove Public Library	924	961	924	984	924	924
TransAlta Tri Leisure Centre	1,138	1,140	1,138	1,138	1,138	1,138
Tri Region Drug Strategy	5	-	-	-	-	-
Victim Services	11	11	11	11	11	11
Visitor Information Centre	-	35	35	20	20	20
	2,239	2,447	2,405	2,255	2,175	2,175

Salaries, wages and benefits

The 2021 budget includes salaries, wages & benefits of \$35.8 million, which is 39% of expenses. The City's staffing complement consists of full-time, part-time and casual positions equal to 304.43 full-time equivalents (FTEs) in 2021. This amount of staffing is consistent with 2020 levels. In addition to City staff, municipal services are also delivered by third party agencies, including the Spruce Grove Public Library and the TransAlta Tri Leisure Centre, and through many contracts such as Edmonton Transit, RCMP and Accessible Transit.

Interest on long-term debt

Interest on long-term debt and principal repayments are the two components of debt servicing. Debt servicing levels are restricted by the province and by City policy. The City's debt management policy sets a debt servicing target of one half (50%) of the provincial limit.

Debt servicing costs, as shown in the table below, are a significant portion of overall revenue requirements and will only increase should new debt be taken on.

Table 9: Debt Servicing % of Revenue

Year	% of tax base supporting debt service	% of overall revenue supporting debt service
2021	9.97%	3.73%
2020	9.84%	4.19%
2019	7.94%	2.82%

Materials, goods and supplies

The 2021 budget for materials, equipment and supplies is \$5.6 million, or 6% of expenses, and includes office expenses, supplies, and equipment operating costs.

Tangible capital assets

The corporate plan includes a ten year capital plan that safeguards City assets through extensive life cycle and rehabilitation programs. Tangible capital assets that are required for lifecycle, rehabilitation and replacement are included in the capital budget. All new tangible capital assets are included in department business cases.

Tangible capital asset acquisitions up to the end of 2030 are projected to be \$254.6 million. The recommended 2021 capital budget amounts to \$34.7 million in spending to acquire tangible capital assets and includes costs of life cycle and rehabilitation programs.

Financial Summaries

Table 10: 2021 Fund Balances

	Operating (\$000)	Capital (\$000)	Reserve (\$000)	Total (\$000)
Revenues				
Property Taxes	42,205	-	-	42,205
Sales & User Fees	24,428	-	-	24,428
Franchise Fees	6,634	-	-	6,634
Government Transfers	3,514	22,978	-	26,492
Fines	2,923	-	-	2,923
Sales to Other Governments	2,667	-	-	2,667
Rental	1,724	-	-	1,724
Licenses & Permits	1,407	-	-	1,407
Other	1,185	-	-	1,185
Penalties	860	-	-	860
Investment Income	322	-	-	322
Debenture Proceeds	-	2,397	-	2,397
Developer Contributions & Levies	-	170	-	170
	87,869	25,545	-	113,414
Expenses				
Salaries, Wages & Benefits	35,831	-	-	35,831
Contracted & General Services	18,530	-	-	18,530
Purchases from Other Governments	19,006	-	-	19,006
Materials, Goods, Supplies	5,609	-	-	5,609
Principal Repayment on Long Term Debt	3,144	-	-	3,144
Transfers to Government, Agencies and Other Organizations	2,255	-	-	2,255
Interest on Long Term Debt	1,066	-	-	1,066
Other	370	-	-	370
Bank Charges	141	-	-	141
Capital Expenditures	-	34,716	-	34,716
	85,952	34,716	-	120,668
Other Financing Sources (Uses)				
Transfers In	2,105	9,170	3,772	(15,047)
Transfers Out	4,021	-	11,026	15,047
Total	(1,916)	9,170	(7,254)	-
Net Change in Fund Balance	-	-	(7,254)	(7,254)
FUND BALANCES - Beginning of Year	-	-	14,854	14,854
FUND BALANCES - End of Year	-	-	7,600	7,600

Table 11: Consolidated Operating Budget

	2019 Actuals (\$000)	2020 Budget (\$000)	2020 Forecast (\$000)	2021 Budget (\$000)	2022 Forecast (\$000)	2023 Forecast (\$000)
Revenues						
Property Taxes	40,372	41,073	41,280	42,205	43,166	45,497
Sales & User Fees	22,174	23,826	22,756	24,428	26,266	27,742
Franchise Fees	5,443	6,509	6,187	6,634	6,840	7,053
Government Transfers - Operating	3,116	3,210	3,064	3,514	3,364	3,309
Fines	3,484	3,910	3,214	2,923	2,923	2,923
Sales to Other Governments	2,667	2,667	2,667	2,667	2,667	2,667
Utility Administration Fees	2,834	2,976	2,308	2,508	2,661	2,702
Rental	1,586	1,918	1,456	1,724	1,728	1,749
Licenses & Permits	1,609	1,735	1,115	1,407	1,408	1,410
Other	1,343	947	602	1,185	987	987
Penalties	970	836	486	860	885	911
Investment Income	473	206	319	322	311	301
Transfer From Capital	-	339	255	-	-	-
Transfer From Reserves - MOST				852	243	138
Transfer From Reserves	804	930	1,236	1,253	1,795	1,323
	86,876	91,082	86,946	92,481	95,244	98,712
Expenses						
Salaries, Wages & Benefits	33,372	36,048	34,373	35,831	36,540	37,570
Contracted & General Services	15,706	18,554	14,615	18,530	18,823	18,176
Purchases from Other Governments	16,520	18,100	17,309	19,006	19,907	20,655
Materials, Goods, Supplies	4,730	5,618	4,758	5,609	5,588	5,495
Principal Repayment on Long Term Debt	1,942	2,512	2,965	3,144	3,022	3,336
Transfers to Government, Agencies and Other Organizations	2,239	2,447	2,405	2,255	2,175	2,175
Interest on Long Term Debt	1,265	1,164	1,097	1,066	1,003	1,067
Other	350	716	364	371	373	375
Bank Charges	165	153	120	140	141	140
Utility Administration Fee	2,834	2,976	2,308	2,508	2,661	2,702
Transfer To Capital	5,164	-	-	248	33	-
Transfer To Lifecycle Reserves				618	1,484	2,363
Transfer To Reserves	2,588	2,794	6,632	3,154	3,494	4,658
	86,876	91,082	86,946	92,481	95,244	98,712

Table 12: Municipal Operating Budget

	2019 Actuals (\$000)	2020 Budget (\$000)	2020 Forecast (\$000)	2021 Budget (\$000)	2022 Forecast (\$000)	2023 Forecast (\$000)
Revenues						
Property Taxes	40,372	41,073	41,280	42,205	43,166	45,497
Franchise Fees	5,443	6,509	6,187	6,634	6,840	7,053
Government Transfers - Operating	3,116	3,210	3,064	3,514	3,364	3,309
Utility Administration Fees	2,834	2,976	2,308	2,508	2,661	2,702
Fines	3,484	3,910	3,214	2,923	2,923	2,923
Sales to Other Governments	2,667	2,667	2,667	2,667	2,667	2,667
Sales & User Fees	2,353	2,605	1,720	2,276	2,462	2,465
Rental	1,586	1,918	1,456	1,724	1,728	1,749
Licenses & Permits	1,575	1,677	1,040	1,320	1,320	1,320
Other	1,306	945	599	1,183	985	985
Penalties	891	836	486	860	885	911
Investment Income	473	206	319	322	311	301
Transfer From Capital	-	339	255	-	-	-
Transfer From Reserves - MOST	-	-	-	852	243	138
Transfer From Reserves	-	-	-	-	599	146
	66,100	68,871	64,596	68,988	70,154	72,166
Expenses						
Salaries, Wages & Benefits	31,281	33,666	32,138	33,497	34,180	35,176
Contracted & General Services	11,768	14,998	11,445	14,561	14,456	14,109
Purchases from Other Governments	7,688	8,569	7,997	9,379	9,847	10,058
Materials, Goods, Supplies	4,257	5,039	4,240	5,112	5,075	4,984
Transfers to Government, Agencies and Other Organizations	2,239	2,447	2,405	2,255	2,175	2,175
Principal Repayment on Long Term Debt	1,541	1,812	1,917	1,983	1,780	2,088
Interest on Long Term Debt	871	798	766	701	629	718
Other	339	704	354	354	354	354
Bank Charges	165	153	120	141	141	141
Transfer To Capital	5,164	-	-	248	33	-
Transfer To Lifecycle Reserves	-	-	-	618	1,484	2,363
Transfer To Reserves	788	685	3,213	139	-	-
	66,100	68,871	64,596	68,988	70,154	72,166

Table 13: Utility Operating Budget

	2019 Actual (\$000)	2020 Budget (\$000)	2020 Forecast (\$000)	2021 Budget (\$000)	2022 Forecast (\$000)	2023 Forecast (\$000)
Revenues						
Sales & User Fees	19,821	21,221	21,035	22,152	23,804	25,278
Licenses & Permits	34	57	75	87	88	90
Penalties	79	-	-	-	-	-
Other	37	2	4	2	2	2
	19,971	21,280	21,114	22,241	23,894	25,370
Expenses						
Purchases from Other Governments	8,832	9,532	9,312	9,627	10,060	10,597
Contracted & General Services	3,926	3,557	3,170	3,969	4,367	4,067
Utility Administration Fees	2,834	2,976	2,308	2,508	2,661	2,702
Salaries, Wages & Benefits	2,091	2,382	2,234	2,334	2,359	2,393
Materials, Goods, Supplies	473	579	518	497	513	511
Principal Repayment on Long Term Debt	-	84	84	176	279	285
Interest on Long Term Debt	2	53	58	99	142	136
Other	11	11	11	16	19	21
Transfer To Reserves	1,802	2,106	3,418	3,015	3,494	4,658
	19,971	21,280	21,114	22,241	23,894	25,370

Table 14: Developer Operating Budget

	2019 Actual (\$000)	2020 Budget (\$000)	2020 Forecast (\$000)	2021 Budget (\$000)	2022 Forecast (\$000)	2023 Forecast (\$000)
Revenues						
Transfer From Reserves	803	930	1,236	1,253	1,196	1,177
	803	930	1,236	1,253	1,196	1,177
Expenses						
Contracted & General Services	11	-	-	-	-	-
Principal Repayment on Long Term Debt	401	616	963	986	963	963
Interest on Long Term Debt	391	314	273	267	233	214
	803	930	1,236	1,253	1,196	1,177

Table 15: Consolidated Capital Budget

	2019 Actual (\$000)	2020 Budget (\$000)	2020 Forecast (\$000)	2021 Budget (\$000)	2022 Forecast (\$000)	2023 Forecast (\$000)
Revenues						
Government Transfers	19,948	18,901	8,348	22,978	20,866	13,191
Debenture Proceeds	5,600	2,864	2,558	2,397	7,500	15,400
Recovered Costs						
Contributed TCA						
Gain on Disposal of TCA	(2,788)	1,670	131	-	-	-
Developer Contributions & Levies	1,974	3,711	-	170	220	185
Transfer From (To) Operating	5,164	(339)	(255)	248	33	-
Transfer From Reserves	3,740	117	3,835	8,922	6,602	7,739
	33,638	26,924	14,617	34,716	35,221	36,515
Expenses						
Engineered Structures	12,223	10,823	10,363	22,641	10,849	13,562
Buildings	13,712	5,436	2,176	4,853	20,525	18,750
Machinery & Equipment	2,800	2,727	1,215	3,511	2,288	2,689
Land Improvement	1,243	1,793	396	3,092	450	285
Vehicles	2,052	667	467	619	1,109	1,229
Land	1,607	5,478	-	-	-	-
Leasehold Improvement	1	-	-	-	-	-
	33,638	26,924	14,617	34,716	35,221	36,515

Amortization and Contributed Tangible Capital Assets (TCA) are non-cash budget items that are necessary to comply with legislative requirements and do not impact the tax levy. Contributed TCA are donated assets from external third parties and generally result from development of new sites where developers have completed the base infrastructure and the assets are then turned over to the City. The City recognizes the Contributed TCA as a tangible capital asset and also recognizes a contributed assets revenue amount. The asset and revenue amounts are reported in the City's consolidated annual financial statements.

Non Cash Budget

Amortization	16,601	16,765	15,973	18,413	18,904	19,615
Contributed TCA	11,507	6,556	5,256	1,836	2,641	2,004
	28,108	23,321	21,229	20,249	21,545	21,619

Table 16: Municipal Capital Budget

	2019 Actual (\$000)	2020 Budget (\$000)	2020 Forecast (\$000)	2021 Budget (\$000)	2022 Forecast (\$000)	2023 Forecast (\$000)
Revenues						
Government Transfers	19,948	18,901	8,348	22,978	20,866	13,191
Recovered Costs						
Gain on Disposal of TCA	(2,760)	1,670	131	-	-	-
Debenture Proceeds	1,200	300	398	-	7,500	14,200
Transfer From (To) Operating	5,164	(339)	(255)	248	33	-
Transfer From Reserves	-	-	-	1,834	1,821	1,466
	23,552	20,532	8,622	25,061	30,220	28,857
Expenses						
Engineered Structures	3,145	5,444	5,421	13,435	6,510	6,625
Buildings	13,712	4,976	1,676	4,853	20,525	18,750
Machinery & Equipment	2,442	2,212	700	3,232	1,904	2,194
Land Improvement	589	1,793	396	2,922	230	100
Vehicles	2,056	629	429	619	1,051	1,188
Land	1,607	5,478	-	-	-	-
Leasehold Improvement	1	-	-	-	-	-
	23,552	20,532	8,622	25,061	30,220	28,857

Amortization and Contributed Tangible Capital Assets (TCA) are non-cash budget items that are necessary to comply with legislative requirements and do not impact the tax levy. Contributed TCA are donated assets from external third parties and generally result from development of new sites where developers have completed the base infrastructure and the assets are then turned over to the City. The City recognizes the Contributed TCA as a tangible capital asset and also recognizes a contributed assets revenue amount. The asset and revenue amounts are reported in the City's consolidated annual financial statements.

Non Cash Budget

Amortization	13,042	13,036	12,338	14,559	14,953	15,478
Contributed TCA	-	-	-	-	-	-
	13,042	13,036	12,338	14,559	14,953	15,478

Table 17: 10 Year Municipal Repair, Maintain, Replace (RMR) Capital Plan

Service Type	Business Case ID RMR ID	Business Case Name	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Civic Infrastructure												
	IS-100	IS Lifecycle Replacement Plan	108,000	397,654	577,277	235,089	316,565	128,633	228,820	675,861	242,139	331,800
	F&F-102	Vehicle Lifecycle Replacement Plan			34,000		34,000	148,000	156,500	99,000	79,500	122,000
Civic Infrastructure Total			108,000	397,654	611,277	235,089	350,565	276,633	385,320	774,861	321,639	453,800
Community Facilities												
	F&F-100	Equipment Lifecycle Replacement Plan	15,000		121,000				15,000	12,000		121,000
	F&F-101	Furniture Lifecycle Replacement Plan	354,446	332,553	592,686	931,257	898,896	353,725	715,922	447,327	849,499	219,677
	F&F-018.2	Workplace Renovations - Planning & Engineering Pandemic Response	32,500	525,000								
Community Facilities Total			401,946	857,553	713,686	931,257	898,896	353,725	730,922	459,327	849,499	340,677
Parks and Open Spaces												
	F&F-100	Equipment Lifecycle Replacement Plan	349,000	191,000	179,700	140,000	33,000	191,000	77,000	108,500	138,000	252,300
	PW-101	Parks & Open Spaces Rehabilitation Program	150,000			150,000			150,000			150,000
	F&F-102	Vehicle Lifecycle Replacement Plan	110,000	150,000	33,000	48,000	61,000	41,500		59,000	37,000	48,000
	ENG-100	Parks & Open Spaces Rehabilitation Program	125,000	230,000	100,000	175,000	100,000	120,000	100,000	100,000	100,000	200,000
	ENG-006	Support to City Center ARP	1,312,302									
Parks and Open Spaces Total			2,046,302	571,000	312,700	513,000	194,000	352,500	327,000	267,500	275,000	650,300
Public Safety												
	F&F-100	Equipment Lifecycle Replacement Plan	830,000	815,000		448,500	161,000	232,000	70,000		210,000	995,000
	F&F-102	Vehicle Lifecycle Replacement Plan			150,000	46,100	181,000	82,000	82,000	181,000	200,000	
Public Safety Total Total			830,000	815,000	150,000	494,600	342,000	314,000	152,000	181,000	410,000	995,000
Public Transit												
	TRAN-101	Transit Bus Lifecycle Replacement Plan	108,500	74,600	824,600	750,000		74,600			40,000	74,600
Public Transit Total			108,500	74,600	824,600	750,000	-	74,600	-	-	40,000	74,600
Public Works												
	F&F-100	Equipment Lifecycle Replacement Plan	298,000		21,000		10,000	29,000	21,000			58,000
	F&F-018.3	Workplace Renovations - Fleet Shop Expansion	175,000									
Public Works Total			473,000	-	21,000	-	10,000	29,000	21,000	-	-	58,000
Transportation												
	F&F-100	Equipment Lifecycle Replacement Plan	633,641	756,500	702,700		992,000	849,200	606,500	392,000		560,000
	PW-100	Road Rehabilitation Program	2,725,711	2,963,767	3,208,869	3,486,538	3,786,420	4,097,295	4,447,078	4,824,845	5,217,832	5,658,458
	F&F-102	Vehicle Lifecycle Replacement Plan		58,000	146,000					87,500	55,000	55,000
	ENG-006	Support to City Center ARP	1,917,891									
	ENG-003	Transportation & Transit Portfolio	3,640,000	2,650,000	2,930,000	2,650,000	2,700,000	1,600,000	600,000	680,000		
Transportation Total			8,917,243	6,428,267	6,987,569	6,136,538	7,478,420	6,546,495	5,653,578	5,984,345	5,272,832	6,273,458
RMR TOTAL			12,884,991	9,144,074	9,620,832	9,060,484	9,273,881	7,946,953	7,269,820	7,667,033	7,168,970	8,845,835

Table 18: 10 Year Municipal Growth Capital Plan

Service Type	Business Case ID	Business Case Name	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Civic Infrastructure	CITYC-027	Implementation of Electronic Meeting Management Software	336,000									
	IS-016	Enable a Connected City		445,763	175,638	226,300	154,813	594,113	253,775			
	IS-026	Business Process Mapping and Budget Enhancement	177,250									
	IS-029	Delivery of Technology Services	114,000	146,000								
	IS-163	Enterprise-Wide Asset Management System	74,000									
	IS-1314	Cityview Software Upgrade and Enhancement	248,445									
	ECDEV-014	Fibre-Optic Broadband Strategy Implementation	4,651,472									
Civic Infrastructure Total			5,601,167	591,763	175,638	226,300	154,813	594,113	253,775	-	-	-
Community Facilities												
	REC-013	Arena Complex Project	4,000,000	20,000,000	18,750,000	12,750,000						
Community Facilities Total			4,000,000	20,000,000	18,750,000	12,750,000	-	-	-	-	-	-
Parks and Open Spaces												
	ENG-011	Environmental Compliance				272,500						
	REC-012	Jubilee Park Master Plan Implementation					2,630,000	4,170,000	2,000,000			
Parks and Open Spaces Total			-	-	-	272,500	2,630,000	4,170,000	2,000,000	-	-	-
Public Safety												
	ENV-010	Climate Change Mitigation Measures				424,911						
	POLI-022	Enforcement Services Bylaw Vehicle		33,000								
Public Safety Total			-	33,000	-	424,911	-	-	-	-	-	-
Public Transit												
	IS-101	Smart Fare	94,000									
	TRAN-265	Transit Infrastructure - Park and Ride Hub	1,750,000									
	TRAN-507	Transit System Local Growth - Local Service	230,248									
Public Transit Total			2,074,248	-	-	-	-	-	-	-	-	-
Public Works												
	ENG-011	Environmental Compliance				1,725,600						
Public Works Total			-	-	-	1,725,600	-	-	-	-	-	-
Transportation												
	TRAN-105	Spruce Ridge Gardens Phase 3	500,000	450,000	310,000							
Transportation Total			500,000	450,000	310,000	-	-	-	-	-	-	-
GROWTH TOTAL			12,175,415	21,074,763	19,235,638	15,399,311	2,784,813	4,764,113	2,253,775	-	-	-

Table 19: 2021 Municipal Capital Funding

Service Type	Business Case ID		BUDGET	Transfer from Operating	Transfer from Reserves	MSI	FGTF	Other Grants	Debt	Donations / Sponsorships	Capital Reserves
	RMR ID	Business Case Name / RMR Description									
Civic Infrastructure											
	IS-100	IS Lifecycle Replacement Plan	108,000		108,000						
Civic Infrastructure Total			108,000	-	108,000	-	-	-	-	-	-
Community Facilities											
	F&F-100	Equipment Lifecycle Replacement Plan	15,000		15,000						
	F&F-101	Furniture Lifecycle Replacement Plan	354,446			354,446					
	F&F-018.2	Workplace Renovations - Planning & Engineering Pandemic Response	32,500		32,500						
Community Facilities Total			401,946	-	47,500	354,446	-	-	-	-	-
Parks and Open Spaces											
	F&F-100	Equipment Lifecycle Replacement Plan	349,000			349,000					
	PW-101	Parks & Open Spaces Rehabilitation Program	150,000		150,000						
	F&F-102	Vehicle Lifecycle Replacement Plan	110,000		110,000						
	ENG-100	Parks & Open Spaces Rehabilitation Program	125,000		125,000						
	ENG-006	Support to City Center ARP	1,312,302			1,312,302					
Parks and Open Spaces Total			2,046,302	-	385,000	1,661,302	-	-	-	-	-
Public Safety											
	F&F-100	Equipment Lifecycle Replacement Plan	830,000		10,000	820,000					
Public Safety Total			830,000	-	10,000	820,000	-	-	-	-	-
Public Transit											
	TRAN-101	Transit Bus Lifecycle Replacement Plan	108,500		108,500						
Public Transit Total			108,500	-	108,500	-	-	-	-	-	-
Public Works											
	F&F-100	Equipment Lifecycle Replacement Plan	298,000			298,000					
	F&F-018.3	Workplace Renovations - Fleet Shop Expansion	175,000		95,000			80,000			
Public Works Total			473,000	-	95,000	298,000	-	80,000	-	-	-
Transportation											
	PW-100	Road Rehabilitation Program	2,725,711				2,725,711				
	ENG-006	Support to City Center ARP	1,917,891			1,917,891					
	ENG-003	Transportation and Transit Portfolio	3,640,000			3,640,000					
	F&F-100	Equipment Lifecycle Replacement Plan	633,641		379,000	254,641					
Transportation Total			8,917,243	-	379,000	5,812,532	2,725,711	-	-	-	-
RMR TOTAL			12,884,991	-	1,133,000	8,946,280	2,725,711	80,000	-	-	-

Table 19: 2021 Municipal Capital Funding (continued)

Service Type	Business Case ID		BUDGET	Transfer from Operating	Transfer from Reserves	MSI	FGTF	Other Grants	Debt	Donations / Sponsorships	Capital Reserves
	RMR ID	Business Case Name / RMR Description									
Civic Infrastructure											
	CITYC-027	Implementation of Electronic Meeting Management Software	336,000					336,000			
	IS-026	Business Process Mapping and Budget Enhancement	177,250		177,250						
	IS-029	Delivery of Technology Services	114,000		24,000	90,000					
	IS-163	Enterprise-Wide Asset Management System	74,000			74,000					
	IS-1314	Cityview Software Upgrade and Enhancement	248,445	248,445							
	ECDEV-014	Fibre-Optic Broadband Strategy Implementation	4,651,472			400,000		4,251,472			
Civic Infrastructure Total			5,601,167	248,445	201,250	564,000	-	4,587,472	-	-	-
Community Facilities											
	REC-013	Arena Complex Project	4,000,000			4,000,000					
Community Facilities Total			4,000,000	-	-	4,000,000	-	-	-	-	-
Public Transit											
	IS-101	Smart Fare	94,000					94,000			
	TRAN-265	Transit Infrastructure - Park and Ride Hub	1,750,000			219,428		1,530,572			
	TRAN-507	Transit System Local Growth - Local Service	230,248			76,750		153,498			
Public Transit Total			2,074,248	-	-	296,178	-	1,778,070	-	-	-
Transportation											
	TRAN-105	Spruce Ridge Gardens Phase 3	500,000		500,000						
Transportation Total			500,000	-	500,000	-	-	-	-	-	-
GROWTH TOTAL			12,175,415	248,445	701,250	4,860,178	-	6,365,542	-	-	-
TOTAL			25,060,406	248,445	1,834,250	13,806,458	2,725,711	6,445,542	-	-	-

* MSI is Municipal Sustainability Initiative Funding

** FGTF is Federal Gas Tax Funding

Table 20: 2021 Municipal Capital Projects – Operating Impacts

Service Type	Business Case ID	Business Case Name	10 Year Capital Budget	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Civic Infrastructure													
	CITYC-027	Implementation of Electronic Meeting Management Software	336,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
	CITYC-028	2021 Municipal Election		136,967									
	CSD-019	Community Inclusion Initiative		105,000	175,000	70,000							
	CSD-020	Implement PathwaysHOME		32,000	32,000	32,000							
	ECDEV-014	Competitiveness and Investment Attraction			80,000								
	ECDEV-015	Fibre-Optic Broadband Strategy Implementation	4,651,472			136,890	136,890	136,890	136,890	136,890	136,890	136,890	136,890
	ECDEV-017	Industrial Land Strategy Implementation		50,000									
	ENG-011	Environmental Compliance	1,998,100		22,000	1,700	1,700	31,700	9,700	9,700	31,700	9,700	9,700
	ENV-008	Climate Change Action Plan		90,000									
	ENV-009	Climate Change Adaptation Measures		60,000	170,000	63,000	115,000	120,000	37,000	37,000	37,000	37,000	37,000
	ENV-010	Climate Change Mitigation Measures	424,911		107,000	13,000	13,000	24,915	24,915	24,915	24,915	24,915	24,915
	IS-016	Enable a Connected City	1,850,402	27,500	64,200	14,700	22,250	44,120					
	IS-026	Business Process Mapping and Budget Enhancement	177,250	75,000	30,000								
	IS-029	Delivery of Technology Services	260,000	198,803	86,895	16,895	16,895	16,895	16,895	16,895	16,895	16,895	16,895
	PLAN-001	Replacement of the Municipal Development Plan				85,000	180,000	65,000					
Civic Infrastructure Total			9,698,135	835,270	827,095	493,185	545,735	499,520	285,400	285,400	307,400	285,400	285,400
Community Facilities													
	F&F-018.1	Workplace Renovations - City Hall Pandemic Response	557,500	10,000									
	F&F-018.2	Workplace Renovations - Planning and Engineering Pandemic Response		11,500	65,000								
	F&F-018.3	Workplace Renovations - Fleet Shop Expansion	175,000										
	F&F-018.4	Workplace Renovations - City Hall Roof Restructure				35,000	315,000						
Community Facilities Total			732,500	21,500	65,000	35,000	315,000	-	-	-	-	-	-
Parks and Open Spaces													
	ENG-006	Support to City Center ARP	3,230,193										
	ENG-007	Parks Portfolio			5,200	5,200	5,300	5,300	5,300	5,300	5,300	5,300	5,300
	REC-012	Jubilee Park Master Plan Implementation	8,800,000	200,000				165,349	419,590	541,528	541,528	541,528	541,528
	REC-013	Arena Complex Project	55,500,000			457,269	1,323,031	2,447,965	2,447,965	2,447,965	2,447,965	2,447,965	2,447,965
Parks and Open Spaces Total			67,530,193	200,000	5,200	462,469	1,328,331	2,453,265	2,618,614	2,872,855	2,994,793	2,994,793	2,994,793
Public Safety													
	POLI-021	Enforcement Services Staffing			134,665	183,743	188,038	192,440	196,954	201,581	206,324	211,187	216,172
	POLI-022	Enforcement Services Bylaw Vehicle	33,000		12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Public Safety Total			33,000	-	146,665	195,743	200,038	204,440	208,954	213,581	218,324	223,187	228,172
Public Transit													
	ENG-003	Transportation and Transit Portfolio	17,450,000	95,000	3,500	3,250	193,500	3,500	3,500	153,500	3,500	3,500	3,500
Public Transit Total			17,450,000	95,000	3,500	3,250	193,500	3,500	3,500	153,500	3,500	3,500	3,500
TOTAL			95,443,828	1,151,770	1,047,460	1,189,647	2,582,604	3,160,725	3,116,468	3,525,336	3,524,017	3,506,880	3,511,865

Table 21: Utility Capital Budget

	2019 Actual (\$000)	2020 Budget (\$000)	2020 Forecast (\$000)	2021 Budget (\$000)	2022 Forecast (\$000)	2023 Forecast (\$000)
Revenues						
Government Transfers	-	-	-	-	-	-
Debenture Proceeds	2,200	2,564	2,160	2,397	-	-
Recovered Costs	-	-	-	-	-	-
Contributed TCA	-	-	-	-	-	-
Gain on Disposal of TCA	(28)	-	-	-	-	-
Developer Contributions & Levies	-	-	-	-	-	-
Transfer From Reserves	3,036	3,828	3,835	7,088	4,781	6,273
	5,208	6,392	5,995	9,485	4,781	6,273
Expenses						
Engineered Structures	4,831	5,379	4,942	9,206	4,339	5,737
Machinery & Equipment	377	515	515	279	384	495
Buildings	-	460	500	-	-	-
Vehicles	-	38	38	-	58	41
Land	-	-	-	-	-	-
Leasehold Improvement	-	-	-	-	-	-
Land Improvement	-	-	-	-	-	-
	5,208	6,392	5,995	9,485	4,781	6,273

Amortization and Contributed Tangible Capital Assets (TCA) are non-cash budget items that are necessary to comply with legislative requirements and do not impact the tax levy. Contributed TCA are donated assets from external third parties and generally result from development of new sites where developers have completed the base infrastructure and the assets are then turned over to the City. The City recognizes the Contributed TCA as a tangible capital asset and also recognizes a contributed assets revenue amount. The asset and revenue amounts are reported in the City's consolidated annual financial statements.

Non Cash Budget						
Amortization	3,559	3,729	3,635	3,854	3,951	4,137
Contributed TCA	-	-	-	-	-	-
	3,559	3,729	3,635	3,854	3,951	4,137

Table 22: 10 Year Utility Repair, Maintain, Replace (RMR) Capital Plan

Service Type	Business Case ID RMR ID	Business Case Name	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Utilities												
	F&F-100	Equipment Lifecycle Replacement Plan		105,000	216,000	450,000						216,000
	F&F-102	Vehicle Lifecycle Replacement Plan		58,000	41,000		42,000	41,200	131,000		39,000	54,000
	STORM-100	Storm Sewer Rehabilitation (Catch Basins)	250,000	300,000	350,000	350,000	375,000	375,000	375,000	375,000	400,000	400,000
	STORM-101	Sanitary Sewer Rehabilitation	250,000	250,000	262,000	262,000	262,000	275,000	275,000	275,000	290,000	290,000
	WTR-100	Water Rehabilitation Program	2,360,849	2,519,658	2,695,231	2,938,849	3,176,957	3,461,114	3,768,003	4,099,443	4,432,399	4,818,991
	WTRMTR-101	Water Meter Lifecycle Replacement Program	70,000	69,600	309,900	310,000	309,900	309,900	309,900	309,600	309,700	310,000
	ENG-002	Water Network Portfolio	2,160,000	1,200,000	1,320,000	900,000	900,000	1,020,000				
	ENG-005	Storm Sewer Network Portfolio	844,000									
	ENG-005	Storm Sewer Network Portfolio	470,000		800,000		800,000					
	ENG-006	Support to City Center ARP	2,801,211									
Utilities Total			9,206,060	4,502,258	5,994,131	5,210,849	5,865,857	5,482,214	4,858,903	5,059,043	5,471,099	6,088,991
UTILITIES RMR TOTAL			9,206,060	4,502,258	5,994,131	5,210,849	5,865,857	5,482,214	4,858,903	5,059,043	5,471,099	6,088,991

Table 23: 10 Year Utility Growth Capital Plan

Service Type	Business Case ID	Business Case Name	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Utilities												
	WTR-105	Water Meters Growth Plan	278,940	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000
Utilities Total			278,940	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000
Growth Total			278,940	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000

Table 24: 2021 Utility Capital Funding

Service Type	Business Case ID RMR ID	Business Case Name / RMR Description	BUDGET	Transfer from Reserves	MSI	FGTF	Other Grants	Debt	Donations / Sponsorships	Capital Reserves
Utilities										
	STORM-100	Storm Sewer Rehabilitation (Catch Basins)	250,000	250,000						
	STORM-101	Sanitary Sewer Rehabilitation	250,000	250,000						
	WTR-100	Water Rehabilitation	2,360,849	2,360,849						
	WTRMTR-100	Water Meters - Lifecycle Replacement Program	70,000	70,000						
	ENG-002	Water Network Portfolio	2,160,000	2,160,000						
	ENG-005	Storm Sewer Network Portfolio	844,000	844,000						
	ENG-005	Storm Sewer Network Portfolio	470,000	470,000						
	ENG-006	Support to City Center ARP	2,801,211	403,760				2,397,451		
RMR TOTAL			9,206,060	6,808,609	-	-	-	2,397,451	-	-
Utilities										
	WTR-105	Water Meters Growth Plan	278,940	278,940						
GROWTH TOTAL			278,940	278,940	-	-	-	-	-	-
TOTAL			9,485,000	7,087,549	-	-	-	2,397,451	-	-

Table 25: 2021 Utility Capital Projects – Operating Impacts

Service Type	Business Case ID	Business Case Name	10 Year Capital Budget	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Utilities													
	ENG-002	Water Network Portfolio	7,500,000		102,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	ENG-004	Sanitary Sewer Network Portfolio		100,000									
	ENG-005	Storm Sewer Network Portfolio	2,914,000	400,000	555,000	405,500	554,000	531,500	554,000	4,000	4,000	4,000	4,000
	ENG-006	Support to City Center ARP	2,801,211		146,170	146,170	146,170	146,170	146,170	146,170	146,170	146,170	146,170
	ENV-010	Climate Change Mitigation Measures			50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Utilities Total			13,215,211	500,000	853,170	602,670	751,170	728,670	751,170	201,170	201,170	201,170	201,170
TOTAL			13,215,211	500,000	853,170	602,670	751,170	728,670	751,170	201,170	201,170	201,170	201,170

Table 26: Developer Capital Budget

	2019 Actual (\$000)	2020 Budget (\$000)	2020 Forecast (\$000)	2021 Budget (\$000)	2022 Forecast (\$000)	2023 Forecast (\$000)
Revenues						
Government Transfers	-	-	-	-	-	-
Recovered Costs						
Contributed TCA						
Gain on Disposal of TCA	-	-	-	-	-	-
Developer Contributions & Levies	1,974	3,711	-	170	220	185
Debenture Proceeds	2,200	-	-	-	-	1,200
Transfer From (To) Reserves	704	(3,711)	-	-	-	-
	4,878	-	-	170	220	1,385
Expenses						
Engineered Structures	4,224	-	-	0	0	1,200
Equipment	-	-	-	-	-	-
Facilities	-	-	-	-	-	-
Fleet	-	-	-	-	-	-
Land	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Leasehold Improvement	-	-	-	-	-	-
Land Improvement	654	-	-	170	220	185
	4,878	-	-	170	220	1,385

Amortization and Contributed Tangible Capital Assets (TCA) are non-cash budget items that are necessary to comply with legislative requirements and do not impact the tax levy. Contributed TCA are donated assets from external third parties and generally result from development of new sites where developers have completed the base infrastructure and the assets are then turned over to the City. The City recognizes the Contributed TCA as a tangible capital asset and also recognizes a contributed assets revenue amount. The asset and revenue amounts are reported in the City's consolidated annual financial statements.

Non Cash Budget						
Amortization	-	-	-	-	-	-
Contributed TCA	11,507	6,556	5,256	1,836	2,641	2,004
	11,507	6,556	5,256	1,836	2,641	2,004

Table 27: 10 Year Developer Growth Capital Plan

Service Type	Business Case ID	Business Case Name	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Parks and Open Spaces												
	ENG-007	Parks Portfolio	170,000	220,000	185,000	185,000	175,000					
Parks and Open Spaces Total			170,000	220,000	185,000	185,000	175,000	-	-	-	-	-
Transportation												
	ENG-004	Sanitary Sewer Network Portfolio				1,250,000	5,750,000					
	ENG-003	Transportation and Transit Portfolio			1,200,000	200,000	2,700,000	2,600,000	4,400,000	100,000	3,900,000	4,485,000
Transportation Total			-	-	1,200,000	1,450,000	8,450,000	2,600,000	4,400,000	100,000	3,900,000	4,485,000
GROWTH TOTAL			170,000	220,000	1,385,000	1,635,000	8,625,000	2,600,000	4,400,000	100,000	3,900,000	4,485,000

Table 28: 2021 Developer Capital Funding

Service Type	Business Case ID	Business Case Name	BUDGET	Transfer from Reserves	Developer Contributions	MSI	FGTF	Other Grants	Debt	Donations / Sponsorships	Capital Reserves
Parks and Open Spaces											
	ENG-007	Parks Portfolio	170,000		170,000						
Parks and Open Spaces Total			170,000	-	170,000	-	-	-	-	-	-
GROWTH TOTAL			170,000	-	170,000	-	-	-	-	-	-
TOTAL			170,000	-	170,000	-	-	-	-	-	-

Table 29: 2021 Developer Projects – Operating Impacts

Service Type	Business Case ID	Business Case Name	10 Year Capital Budget	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Parks and Open Spaces													
	ENG-007	Parks Portfolio	935,000										
Parks and Open Spaces Total			935,000	-	-	-	-	-	-	-	-	-	-
Transportation													
	ENG-003	Transportation and Transit Portfolio	19,585,000				76,962	76,962	250,127	416,878	699,072	699,072	949,198
	ENG-004	Sanitary Sewer Network Portfolio	7,000,000				5,000	81,211	431,784	431,784	431,784	431,784	431,784
Transportation Total			26,585,000	-	-	-	81,962	158,173	681,911	848,662	1,130,856	1,130,856	1,380,982
TOTAL			27,520,000	-	-	-	81,962	158,173	681,911	848,662	1,130,856	1,130,856	1,380,982

Reserves

Within this fiscal plan, the City will be moving in the direction of dedicated lifecycle reserves for municipal capital. The 2020 closing municipal accumulated surplus will become the 2021 opening balance that will be apportioned to create reserves. Annual transfers from the operating budget will be added to these reserves to fund lifecycle spending. At the close of 2020, the Municipal Fund is projected to contain \$23.8 million which will be divided into the following amounts as opening balances in each reserve and the balance will remain as the City’s Unrestricted Reserve for cash flow and emergency. This amount is recommended to be two to three months of operating expenses.

Table 30: 2021 Opening Balances from Accumulated Surplus

	2021 Opening Balances
Civic Infrastructure	395,000
Community Facilities	652,000
Parks and Open Spaces	552,000
Public Safety	770,000
Public Works	100,000
Public Transit	800,000
Transportation	3,300,000
Unrestricted Reserve	17,293,000
	23,862,000

The opening balances will be added to over time with annual transfers from the operating budget. Based on the current planned lifecycle spending over a ten year period, the annual amount required to be added to the lifecycle reserves is shown in the following chart:

Table 31: Required Annual Transfers Based on 10 Year Spending

	2021 Opening Balances	
Civic Infrastructure	435,000	7.56%
Community Facilities	684,000	11.89%
Parks and Open Spaces	410,000	7.12%
Public Safety	387,000	6.72%
Public Works	25,000	0.43%
Public Transit	195,000	3.39%
Transportation	3,619,000	62.88%
	5,755,000	

The City will need to build up to this level of reserve transfer over time, so achievable reserve transfers in each year will be apportioned to reserves using the percentage allocation shown above.

The fiscal plan includes two dedicated streams for creating annual transfers to reserves:

- Five year dedicated 1% property tax increase to all ratepayers.
- Seven year property tax split shift for non-residential ratepayers. The split will increase by 0.025 in year one and 0.0545 each year after that for six years.

The following table demonstrates the dedicated transfers that could result from these two dedicated revenue streams over the next ten year period. These numbers are subject to change over time dependant on patterns of growth within the community.

Table 32: Actual Transfers to Municipal Reserve and Revenue Impacts

		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1% increase	Year 1	410,917	410,917	410,917	410,917	410,917	410,917	410,917	410,917	410,917	410,917
	Year 2		414,714	414,714	414,714	414,714	414,714	414,714	414,714	414,714	414,714
	Year 3			427,641	427,641	427,641	427,641	427,641	427,641	427,641	427,641
	Year 4				430,452	430,452	430,452	430,452	430,452	430,452	430,452
	Year 5					433,263	433,263	433,263	433,263	433,263	433,263
Tax Rate Split Shift	Year 1 - .025	206,753	206,753	206,753	206,753	206,753	206,753	206,753	206,753	206,753	206,753
	Year 2 - .0545		451,688	451,688	451,688	451,688	451,688	451,688	451,688	451,688	451,688
	Year 3 - .0545			451,688	451,688	451,688	451,688	451,688	451,688	451,688	451,688
	Year 4 - .0545				451,688	451,688	451,688	451,688	451,688	451,688	451,688
	Year 5 - .0545					451,688	451,688	451,688	451,688	451,688	451,688
	Year 6 - .0545						451,688	451,688	451,688	451,688	451,688
	Year 7 - .0545							451,688	451,688	451,688	451,688
Total Reserves		617,670	1,484,072	2,363,401	3,245,541	4,130,492	4,582,180	5,033,868	5,033,868	5,033,868	5,033,868

The following page demonstrates the condition of each reserve over the ten year period. The table shows the apportioned transfers to reserve and the planned spend from those reserves. For the lifecycle reserves, the optimum transfer is shown off to the right as well as the average spend for each reserve. The reserve balances dip into negative amounts in some years and this is due to the time it will take to reach optimum transfer levels. In those years, alternate sources of funding will have to be determined for lifecycle costs until full optimum transfer level is achieved.

There are also tables for the Unrestricted Reserve and the Utility and Developer Funds. The Unrestricted Reserve shows the inflow and outflow of the Municipal Operating Stimulus Transfer (MOST) funds. This reserve table also shows the minimum reserve balance (2 months of operating expenses) and

the optimum reserve balance (3 months of operating expenses). The Utility Fund and Developer Fund are self-supporting. In the years when the Utility Fund dips into a negative balance, it indicates that a rate increase may be necessary or debt financing of expenditures may be required.

Table 33: Municipal Reserve

Reserve Type	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	
Civic Infrastructure											
Opening Balance	395,000	333,687	48,209	(384,427)	(374,232)	(412,622)	(342,939)	(347,802)	(742,205)	(683,387)	
Dedicated Transfers to Reserve	46,687	112,176	178,641	245,284	312,174	346,316	380,457	380,457	380,457	380,457	435,000 Optimum
Annual Spend - RMR	(108,000)	(397,654)	(611,277)	(235,089)	(350,565)	(276,633)	(385,320)	(774,861)	(321,639)	(453,800)	(391,484) Average
Civic Infrastructure	Ending Balance	333,687	48,209	(384,427)	(374,232)	(412,622)	(342,939)	(347,802)	(742,205)	(683,387)	
Community Facilities											
Opening Balance	652,000	677,912	(3,254)	(436,043)	(981,611)	(1,389,640)	(1,198,813)	(1,331,499)	(1,192,589)	(1,443,852)	
Dedicated Transfers to Reserve	73,412	176,387	280,898	385,688	490,867	544,552	598,237	598,237	598,237	598,237	684,000 Optimum
Annual Spend - RMR	(47,500)	(857,553)	(713,686)	(931,257)	(898,896)	(353,725)	(730,922)	(459,327)	(849,499)	(340,677)	(618,304) Average
Community Facilities	Ending Balance	677,912	(3,254)	(436,043)	(981,611)	(1,389,640)	(1,198,813)	(1,331,499)	(1,192,589)	(1,443,852)	(1,186,292)
Parks and Open Spaces											
Opening Balance	552,000	211,004	(254,267)	(398,593)	(680,405)	(580,172)	(606,259)	(574,667)	(483,575)	(399,983)	
Dedicated Transfers to Reserve	44,004	105,729	168,374	231,187	294,233	326,413	358,592	358,592	358,592	358,592	410,000 Optimum
Annual Spend - RMR	(385,000)	(571,000)	(312,700)	(513,000)	(194,000)	(352,500)	(327,000)	(267,500)	(275,000)	(650,300)	(384,800) Average
Parks and Open Spaces	Ending Balance	211,004	(254,267)	(398,593)	(680,405)	(580,172)	(606,259)	(574,667)	(483,575)	(399,983)	(691,691)
Public Safety											
Opening Balance	770,000	801,536	86,333	95,262	(181,119)	(245,392)	(251,290)	(64,814)	92,662	21,138	
Dedicated Transfers to Reserve	41,536	99,798	158,929	218,218	277,728	308,102	338,476	338,476	338,476	338,476	387,000 Optimum
Annual Spend - RMR	(10,000)	(815,000)	(150,000)	(494,600)	(342,000)	(314,000)	(152,000)	(181,000)	(410,000)	(995,000)	(386,360) Average
Public Safety	Ending Balance	801,536	86,333	95,262	(181,119)	(245,392)	(251,290)	(64,814)	92,662	21,138	(635,386)
Public Works											
Opening Balance	100,000	7,683	14,130	3,397	17,494	25,435	16,338	17,203	39,069	60,934	
Dedicated Transfers to Reserve	2,683	6,447	10,267	14,097	17,941	19,903	21,865	21,865	21,865	21,865	25,000 Optimum
Annual Spend - RMR	(95,000)	-	(21,000)	-	(10,000)	(29,000)	(21,000)	-	-	(58,000)	(23,400) Average
Public Works	Ending Balance	7,683	14,130	3,397	17,494	25,435	16,338	17,203	39,069	60,934	24,799
Public Transit											
Opening Balance	800,000	712,429	688,115	(56,405)	(696,450)	(556,510)	(475,865)	(305,315)	(134,765)	(4,215)	
Dedicated Transfers to Reserve	20,929	50,286	80,080	109,955	139,940	155,245	170,550	170,550	170,550	170,550	195,000 Optimum
Annual Spend - RMR	(108,500)	(74,600)	(824,600)	(750,000)	-	(74,600)	-	-	(40,000)	(74,600)	(194,690) Average
Public Transit	Ending Balance	712,429	688,115	(56,405)	(696,450)	(556,510)	(475,865)	(305,315)	(134,765)	(4,215)	91,735
Transportation											
Opening Balance	3,300,000	3,309,418	540,113	(2,235,533)	(3,605,709)	(5,761,270)	(6,700,865)	(6,463,501)	(6,556,904)	(5,938,794)	
Dedicated Transfers to Reserve	388,418	933,250	1,486,212	2,040,651	2,597,148	2,881,189	3,165,231	3,165,231	3,165,231	3,165,231	3,619,000 Optimum
Annual Spend - RMR less FGTF	(379,000)	(3,702,556)	(4,261,858)	(3,410,827)	(4,752,709)	(3,820,784)	(2,927,867)	(3,258,634)	(2,547,121)	(3,547,747)	(3,260,910) Average
Transportation	Ending Balance	3,309,418	540,113	(2,235,533)	(3,605,709)	(5,761,270)	(6,700,865)	(6,463,501)	(6,556,904)	(5,938,794)	(6,321,311)
Total Municipal Reserve	6,053,670	1,119,379	(3,412,341)	(6,502,033)	(8,920,171)	(9,559,693)	(9,070,394)	(8,978,308)	(8,388,159)	(9,474,875)	

Table 34: Unrestricted Reserve

	2021 Budget	2022 Forecast	2023 Forecast
Opening Balance	17,293,000	19,593,000	18,301,000
Transfers to Reserve - MOST funding	3,714,000	-	-
Operating Spend - MOST funding	(852,000)	(243,000)	(138,000)
Capital Spend - MOST funding	(701,000)	(450,000)	(310,000)
Transfer to (from) Reserve - Operating	139,000	(599,000)	(146,000)
		-	-
Ending Balance	19,593,000	18,301,000	17,707,000
Annual Consolidated Operating Expenses	88,710,000	90,266,000	91,691,000
Minimum Reserve Balance	14,785,000	15,044,333	15,281,833
Maximum Reserve Balance	22,177,500	22,566,500	22,922,750

Work will be done during 2021 to split the Utility Fund into the separate utility entities of Water/Wastewater, Storm, and Waste Management to ensure that there is a clear line of sight to each rate. The Developer Fund is in a perpetual negative balance indicating that projects have been completed by the City, awaiting developer levies to bring the fund back into a positive balance. Transfers to the Deferred Developer Contributions are dependent on inflows of developer offsite levy payments in each year.

Table 35: Utility Reserve

Reserve Type	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	
Utility Reserve											
Opening Balance	6,693,000	2,620,451	1,333,193	(281,938)	(1,113,787)	(2,600,644)	(3,703,858)	(4,183,761)	(4,863,804)	(5,955,903)	
Dedicated Transfers to Reserve	3,015,000	3,494,000	4,658,000	4,658,000	4,658,000	4,658,000	4,658,000	4,658,000	4,658,000	4,658,000	
Annual Spend - RMR	(7,087,549)	(4,781,258)	(6,273,131)	(5,489,849)	(6,144,857)	(5,761,214)	(5,137,903)	(5,338,043)	(5,750,099)	(6,367,991)	(5,813,189) Average
Total Utility Reserve Ending Balance	2,620,451	1,333,193	(281,938)	(1,113,787)	(2,600,644)	(3,703,858)	(4,183,761)	(4,863,804)	(5,955,903)	(7,665,894)	

Table 36: Deferred Developer Contributions

Reserve Type	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	
Developer Reserve											
Opening Balance	(15,701,000)	(15,871,000)	(16,091,000)	(17,476,000)	(19,111,000)	(27,736,000)	(30,336,000)	(34,736,000)	(34,836,000)	(38,736,000)	
Dedicated Transfers to Reserve	-	-	-	-	-	-	-	-	-	-	
Annual Spend - RMR	(170,000)	(220,000)	(1,385,000)	(1,635,000)	(8,625,000)	(2,600,000)	(4,400,000)	(100,000)	(3,900,000)	(4,485,000)	(2,752,000) Average
Total Developer Reserve Ending Balance	(15,871,000)	(16,091,000)	(17,476,000)	(19,111,000)	(27,736,000)	(30,336,000)	(34,736,000)	(34,836,000)	(38,736,000)	(43,221,000)	

Risks and Uncertainties

Economy

Assumptions for growth in 2021 were based on general economic opinion as of July 31, 2020 and updated again in the fall. If the actual economic activity differs from what is expected, many of the key revenue and expense projections may be significantly affected.

Front-ending development

Front-ending represents debts owed to the City for past construction undertaken by the City to facilitate future development. The City will front-end development projects when it is necessary to construct infrastructure in advance of new development. Debt servicing costs are generally repaid through subsequent receipt of developer levies. However, there is a risk that developer levies may not be collected, or may not be sufficient to cover the full cost of servicing the debt.

Unpredictable revenue

Revenue with a greater than normal risk of varying by more than \$100,000 is listed below. The list of unpredictable revenue makes up a large part of total revenue, but only a portion of this revenue is at risk of varying from budget:

- Government transfers - Some government transfers are subject to changes in provincial and federal policies.
- Growth in new assessment - Estimates of additional tax revenue generated from growth in new properties relies on the unpredictable rate of development.
- Building permits - Revenue from building permits is directly dependent on timing of construction and is unpredictable.
- Developer contributions - Revenue from developer contributions is directly dependent on timing of development, which is unpredictable.
- Franchise fees - Franchise fee revenue depends on consumption and commodity prices.
- Traffic fines - Revenue from traffic fines depends on the number and type of infractions.
- Utility charges - Utility revenue depends on customer consumption, growth and weather.
- Interest revenue - Interest earned on bank balances and temporary investments varies with interest rates as well as the balance of bank accounts and temporary investments.

Overall Corporate Plan Impact to Ratepayers

The following chart breaks down the monthly impact of the tax rate change, as well as utility (water and sewer) and franchise fee increases to the average residential taxpayer:

2021 Residential Rate Changes	Monthly Impact	
Residential Taxes	\$0.53	Based on an approved 1% tax rate increase per \$100,000 of assessment for the next 5 years. *
Water and Sewer	\$1.70	2.0% rate increase based on monthly consumption of 14 cubic metres of water
Solid Waste	NIL	No planned increase
Electric Franchise Fees	NIL	No planned increase
Natural Gas Franchise Fees	NIL	No planned increase
Total Monthly Impact	\$2.23	

* The median assessment value of Single Family Detached Homes in Spruce Grove is \$360,800.

The following chart represents the monthly impact to non-residential customers. The impacts of monthly utility costs and franchise fees (natural gas and electric) would be directly related to the unique consumption levels and as such are not represented on this chart.

2021 Non-residential Rate Changes	Monthly Impact	
Non-residential Taxes – 1% Increase	\$0.73	Based on an approved 1% tax rate increase per \$100,000 of assessment for the next five years.
Non-residential Taxes – Tax Rate Split Shift	\$1.32	Based on a property tax split shift by 0.0250 in year one and 0.545 each year after that for six years.
Total Monthly Impact	\$2.05	

Notes to the Fiscal Plan Statements

The annual Corporate Plan is the City's key control over its operations – directing program delivery and authorizing planned expenses and expenditures on tangible capital assets.

The unconsolidated fiscal plan statements follow the same accounting policies and methods of computation as the December 31, 2019 year-end financial statements, which is in accordance with Generally Accepted Accounting Principles established by Canadian Public Sector Accounting Standards ("PSAS") and conforms to the Municipal Government Act ("MGA") of the Province of Alberta.

Actual financial results achieved for the years ending December 31, 2021 - 2023 will vary from the budgets presented in the 2021 - 2023 Corporate Plan and variations may be significant.

1. Significant accounting policies

a. Reporting entity

The unconsolidated fiscal plan statements reflect the revenues, expenses and expenditures on tangible capital assets of the City. The financial results of organizations that are owned or controlled by the City, such as the Spruce Grove Public Library and the TransAlta Tri Leisure Centre, are not reflected in the fiscal plan statements. The City is associated with various other boards and commissions that are not included in the fiscal plan statements.

b. Use of estimates

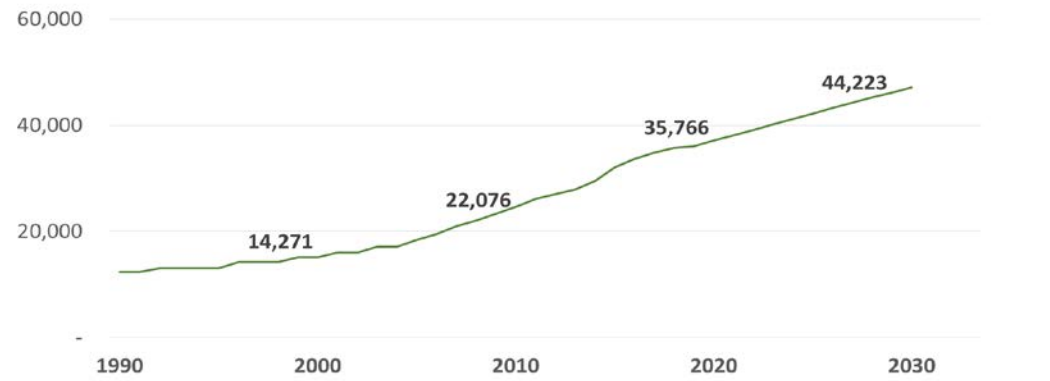
The following assumptions were used in preparing the Corporate Plan. Actual financial results could differ from these estimates. Unless otherwise noted, the Corporate Plan assumes that the City will deliver the same services and service levels as provided in 2020.

i. Economy

General inflation is estimated at 0.90%. Non-residential construction inflation is forecasted at 1.90%.

Key Assumptions	Actuals	Forecast	Budget	Forecast	
	2019	2020	2021	2022	2023
Canada and Provincial					
Prime Lending Rate (Canada)	3.95%	2.45%	2.45%	2.45%	2.75%
Deposit Rate = Prime - 1.6%	2.35%	0.85%	0.85%	0.85%	1.15%
Consumer price index	2.12%	0.60%	0.90%	1.30%	1.70%
Wages & Salaries (Alberta)	2.09%	2.00%	2.00%	2.75%	2.85%
Construction Inflation (Alberta)	2.30%	1.00%	1.90%	2.00%	2.00%
Economic Growth (Alberta)	1.30%	1.20%	1.20%	1.70%	2.20%
City of Spruce Grove					
Population (Spruce Grove)	36,012	37,081	38,122	39,148	40,179
Median Assessment of Single Family Detached Home	\$389,555	\$361,600	\$360,800	\$360,800	\$360,800
New Housing Starts	120	120	184	184	184

ii. Population



Data used to populate this graph is obtained from a growth study completed by the City in 2016 that is updated periodically as new census data is obtained and new trends are identified. The City's population according to the 2018 census was 35,766. Growth has been on a downward trend since the last census was performed. The population is anticipated to grow at an average annual rate of 2.71% over the next three years, and an average annual rate of 2.43% over the next 10 years. Based on this trend, projected population is 47,160 by 2030.

iii. Property tax and permit revenue

Based on current information, 2021 construction activity is expected to be down from 2020 levels.

2. Key financial policies

The City's financial policies are reviewed during the corporate planning process to determine if Council is considering a change in governance level financial policy. The pertinent sections of the Corporate Plan document reference how the key measures set out in the financial policies are impacted by corporate planning decisions. The financial policies set out Council direction on balanced budget, parameters for investment, accumulated surplus, debt, approaches to tax revenue, one-time revenue and unpredictable revenue, and the approach to providing grants to other organizations. Existing approved bylaws and financial policies are summarized below.

a. Balanced Budget

Council shall plan for a balanced budget, in which total revenues and transfers in over a three-year period are less than total expenditures and transfers out for the same period, unless as a result of extraordinary circumstances Council determines that it is consistent with prudent fiscal policy to have a deficit. If a deficit is planned, Council shall develop a recovery plan for

achieving a balanced budget in the future and the recovery plan must specify the manner and the period in which the balanced budget will be achieved.

b. Fees and Charges Bylaw

User fees must be established by bylaw or policy.

c. Investment Policy

The City Manager may authorize the investment of funds in a prudent manner in accordance with the Municipal Government Act, providing optimum investment returns and ensuring that the City meets its cash flow requirements.

The City Manager may authorize the use of professional investment services, so long as the investment vehicles are within the approved list of investments set out under the Municipal Government Act.

d. Funding to Charitable/Not-For-Profit Organizations Policy

The City of Spruce Grove shall not make any charitable donations directly to the residents of Spruce Grove or other charitable/not-for-profit organizations except for:

- grants provided under Grant Policies
- subsidies provided under the Recreation Services Pricing Policy
- grants provided under partnership programs
- grants provided through the annual budgeting process

e. Property Tax Distribution Policy

The annual property tax rate will be adjusted either upwards or downwards to negate the impact of market valuation adjustments. Where new growth has occurred, property tax will be levied through supplementary assessments.

Non-residential and multi-family properties shall be responsible for a higher rate of taxation than single-family residential properties. The property tax distribution policy will be reviewed by Council and updated to reflect the new policy direction built within this plan.

f. One-Time Revenue Policy

One-time revenue is non-recurring revenue exceeding \$100,000; typically from the disposal of capital assets, unanticipated new revenue, infrequent revenue from land development and non-recurring grants.

One-time revenue may be used only for the acquisition of tangible capital assets and one-time projects. The budget and other financial reports shall disclose:

- Sources of one-time revenue
- Uses of one-time revenue
- Estimated future operating costs and commitments from non-recurring expenses.

g. Debt Management Policy

Long-term debt may be used to finance certain capital projects as determined by Council to be necessary for the well-being of the community, giving consideration to the associated inherent financing costs.

The City recognizes that the provincially legislated debt limits, being total debt of 1.5 times revenue and debt servicing of 0.25 times revenue, provide too great a potential tax burden to the community. To establish consistent and well defined limits, the City shall use the same basis of calculating debt limits as established by the Debt Limit Regulation, except that the City debt limits will be one half of those allowed by the regulation.

The debt limit of the City of Spruce Grove at any point in time shall be, in respect of the City's total debt, 0.75 times revenue (75%), and, in respect of the City's debt service, 0.125 times revenue (12.5%).

h. Unpredictable Revenue Policy

Unpredictable revenue is revenue with a more than normal risk of varying from budget by more than \$100,000. The collection of revenue shall be considered when determining whether revenue is unpredictable. Financial reports including the budget, interim financial reports and the annual financial reports shall identify unpredictable revenues. The budget amount for unpredictable revenues source shall be the City's best estimate at the time of the budget.

i. Accounting Policy

The significant accounting policies used by the City when there is more than one acceptable accounting treatment are summarized as follows.

i. Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Works of art and cultural and historic assets are not recorded as tangible capital assets.

3. Deferred revenue

Municipal Sustainability Initiative Grant (MSI) and Federal Gas Tax Fund (GTF) are multi-year grant programs that provide annual funding and allow the funding to be applied to projects over five years. Funding to be used in future years is recorded as deferred revenue. As required by the grant programs, interest earned by the City is allocated to the deferred balance until the funds are expended.

a. Municipal Sustainability Initiative

In 2014 Municipal Affairs consolidated the MSI capital program with the Basic Municipal Transportation Grant (BMTG). The combined program provides non-matching grants for a wide range of core and community infrastructure projects with incentives for regional municipal collaboration. When MSI was launched in 2007, it was only intended to be a 10-year program, but was extended for another two years. The MSI grant program is expected to come to an end in 2021-2022, and it will be replaced with the Local Government Fiscal Framework.

There are three components to MSI. The operating component for 2020 is \$254,222, which the City has designated to fund transit operations. The capital component is limited to projects

with a minimum value of \$382,702 (5% of the annual capital portion of the grant) and the third component is the BMTG, which is based on a combination of population and length of primary highways.

b. Federal Gas Tax Fund

The Federal Gas Tax Fund provided \$57.21 per capita in 2020, (2018 population used) based on each municipality's previous year's population as recorded by Alberta Municipal Affairs Population List. This grant program is based on a non-matching basis strictly for capital infrastructure. This grant program is currently in effect until 2024.

Deferred Revenue Statement

	2019 Actual (\$000s)	2020 Budget (\$000s)	2020 Forecast (\$000s)	2021 Budget (\$000s)	2022 Forecast (\$000s)	2023 Forecast (\$000s)
Opening Balance						
Government Transfers						
Developer Contribution	3,233	2,915	2,915	2,639	2,182	1,834
Capital Grants	20,385	26,541	26,541	29,713	22,202	10,269
Operating Grants	170	143	143	353	143	143
	23,788	29,600	29,600	32,705	24,527	12,246
Other Deferred Amounts	1,466	1,432	1,432	1,432	1,432	1,432
	25,253	31,032	31,032	34,137	25,959	13,678
Amounts Received						
Government Transfers						
Developer Contribution	1,588	5,408	-	-	-	-
Capital Grants	25,413	11,386	11,351	8,664	15,669	15,669
Operating Grants	3,089	3,210	3,274	3,344	3,405	3,369
	30,091	20,004	14,625	12,008	19,074	19,038
Other Deferred Amounts	13,599	417	200	216	216	216
	43,689	20,422	14,825	12,224	19,290	19,254
Interest Earned						
Government Transfers						
Developer Contribution	68	216	73	75	72	68
Capital Grants	691	696	808	852	763	465
Operating Grants	1	-	-	-	-	-
	760	912	881	927	835	534
Other Deferred Amounts	0	-	-	-	-	-
	760	912	881	927	835	534
Amounts Recognized						
Government Transfers						
Developer Contribution	(1,974)	(3,711)	(349)	(531)	(420)	(187)
Capital Grants	(19,948)	(18,901)	(8,348)	(22,978)	(20,866)	(13,191)
Operating Grants	(3,116)	(3,210)	(3,064)	(3,514)	(3,364)	(3,309)
	(25,038)	(25,822)	(11,761)	(27,024)	(24,649)	(16,686)
Other Deferred Amounts	(13,632)	(417)	(200)	(216)	(216)	(216)
	(38,670)	(26,240)	(11,961)	(27,240)	(24,866)	(16,903)
Closing Balance						
Government Transfers						
Developer Contribution	2,915	4,828	2,639	2,182	1,834	1,716
Capital Grants	26,541	19,722	29,713	22,202	10,269	5,712
Operating Grants	143	143	353	143	143	143
	29,600	24,693	32,705	24,527	12,246	7,571
Other Deferred Amounts	1,432	1,432	1,432	1,432	1,432	1,432
	31,032	26,126	34,137	25,959	13,678	9,003

4. Long-term debt

	2019 Actual (\$000s)	2020 Budget (\$000s)	2020 Forecast (\$000s)	2021 Budget (\$000s)	2022 Budget (\$000s)	2023 Budget (\$000s)
RCMP Facility	8,703	8,351	8,260	7,818	7,375	6,933
Protective Services Facility	5,683	5,355	5,355	5,017	4,668	4,308
Arena Complex	-	-	-	-	7,500	21,390
Public Works Facility	4,651	4,475	4,481	4,306	4,123	3,933
Local Improvements	3,941	3,623	3,619	3,287	2,946	2,596
Agrena	855	679	679	496	304	104
Library	801	653	653	499	339	173
Tri-Leisure Centre	602	330	329	41	-	-
Westwind Lands	452	452	452	452	452	452
Printer Leases	187	142	142	95	45	-
Solar Panel Leases	-	-	380	359	337	315
City Centre Redevelopment	-	300	-	-	-	-
Total Municipal Loans Outstanding	25,874	24,362	24,352	22,371	28,090	40,203
Storm System Upgrades	2,200	2,116	2,116	2,029	1,940	1,848
Industrial Watermain and Surface Rehab (Uti	-	2,160	2,160	2,071	1,980	1,887
ARP Infrastructure	-	404	-	2,397	2,298	2,198
Total Utility Loans Outstanding	2,200	4,680	4,276	6,497	6,218	5,933
New Growth - Transportation	12,979	12,406	12,089	11,199	10,309	10,619
Water Reservoir	1,069	1,026	996	901	827	754
Total Developer Loans Outstanding	14,049	13,432	13,086	12,100	11,137	11,373
	42,122	42,474	41,713	40,968	45,445	57,509

Principal and interest repayments as of December 31, 2021 are as follows:

Year	Principal (\$000s)	Interest (\$000s)	Total (\$000s)
2022	3,022	1,003	4,025
2023	3,336	1,067	4,403
2024	3,876	1,292	5,168
2025	4,146	1,433	5,579
2026	4,665	1,559	6,224
Subsequent	104,305	21,182	125,486
	123,349	27,536	150,885

Debenture debt, other than land assembly debt, is repayable to the Alberta Capital Financing Authority, Canadian Imperial Bank of Commerce and Pacific and Western Bank bearing interest at rates ranging from 1.968% to 6.375% per annum, before Provincial subsidy, and matures in periods 2022 to 2062. Debenture debt is issued on the credit and security of the City of Spruce Grove.

5. Debt limits

The Province sets legislated limits for debt outstanding and debt servicing. These limits are based on revenue earned by the City in a particular year. Revenue as defined in Alberta Regulation 255/00 is calculated using the total revenue for the reporting year less capital government transfers and contributed tangible assets recognized in the year.

	2019 Actual (\$000s)	2020 Budget (\$000s)	2020 Forecast (\$000s)	2021 Budget (\$000s)	2022 Budget (\$000s)	2023 Budget (\$000s)
Total Revenue	113,876	117,673	96,880	112,853	114,273	109,929
Contributed Tangible Capital Assets	(11,507)	(6,556)	(5,256)	(1,836)	(2,641)	(2,004)
Government Transfers - Capital	(19,948)	(18,901)	(8,348)	(22,978)	(20,866)	(13,191)
Revenue for Debt Limit	82,422	92,217	83,276	88,040	90,766	94,734

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the City be disclosed as follows:

	2019 Actual (\$000s)	2020 Budget (\$000s)	2020 Forecast (\$000s)	2021 Budget (\$000s)	2022 Budget (\$000s)	2023 Budget (\$000s)
Total Debt Limit (1.5 X Revenue),	123,633	138,325	124,914	131,131	133,948	138,280
Less Total Debt	(42,122)	(42,474)	(41,713)	(40,968)	(45,445)	(57,509)
Amount of Debt Limit Unused	81,511	95,851	83,201	90,163	88,502	80,771
Debt Servicing Limit (0.25 X Revenue)	20,606	23,054	20,819	22,010	22,692	23,683
Less Debt Servicing	(3,207)	(3,677)	(4,062)	(4,209)	(4,025)	(4,403)
Amount of Debt Servicing Limit Unused	17,399	19,378	16,757	17,801	18,666	19,280

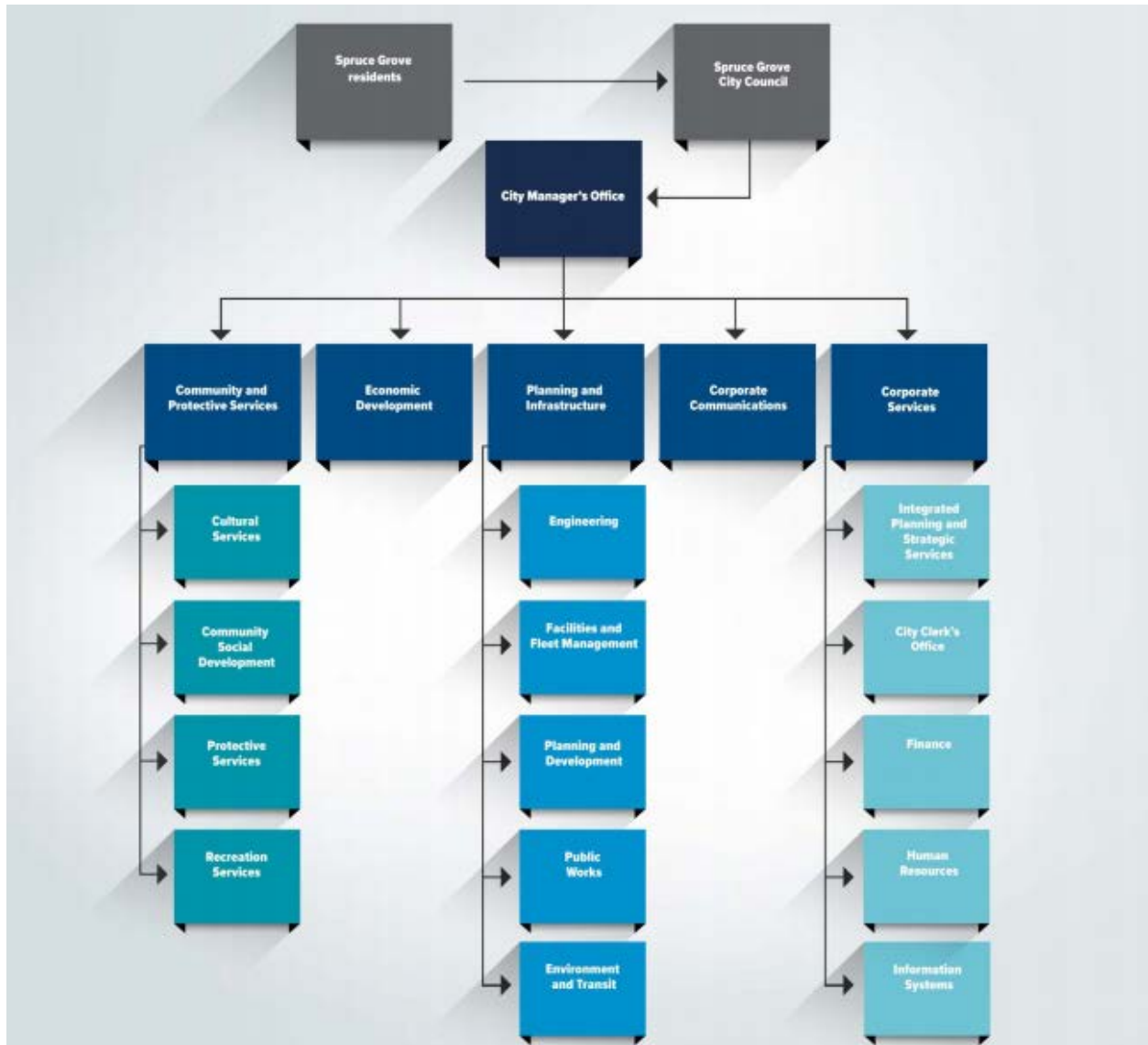
Schedule 1 – Property Taxes

	2019 Actual (\$000s)	2020 Budget (\$000s)	2020 Forecast (\$000s)	2021 Budget (\$000s)	2022 Forecast (\$000s)	2023 Forecast (\$000s)
Property Taxes						
Residential	43,644	44,369	44,482	45,434	45,925	46,739
Non-Residential						
Commercial	10,673	10,813	11,138	11,179	11,661	13,536
Industrial	2,360	2,340	2,363	2,413	2,545	2,728
Linear	334	338	343	352	369	387
Agriculture	2	2	2	2	2	2
	57,013	57,862	58,328	59,380	60,502	63,392
Less Requisitions						
Alberta Education	13,996	12,522	12,718	12,811	12,931	13,351
Evergreen Catholic Schools	2,341	3,954	4,016	4,046	4,084	4,216
Meridian Foundation	301	310	311	314	317	326
Designated Industrial Property	3	3	3	3	3	3
	16,641	16,789	17,048	17,174	17,335	17,896
	40,372	41,073	41,280	42,205	43,166	45,497

Schedule 2 – Government Transfers

	2019 Actual (\$000s)	2020 Budget (\$000s)	2020 Forecast (\$000s)	2021 Budget (\$000s)	2022 Forecast (\$000s)	2023 Forecast (\$000s)
Government Transfers - Capital						
Gas Tax Fund	2,946	2,781	2,531	2,726	2,964	3,209
Sustainability	14,453	14,469	4,806	13,806	17,902	9,982
Other	2,549	1,651	1,011	6,446	-	-
	19,948	18,901	8,348	22,978	20,866	13,191
Government Transfers - Operating						
Policing	701	701	701	701	720	720
Social	821	821	821	821	821	821
Sustainability	239	239	239	239	239	239
Other	1,355	1,449	1,303	1,753	1,584	1,529
	3,116	3,210	3,064	3,514	3,364	3,309
	23,064	22,111	11,412	26,492	24,230	16,500

YOUR CITY



Spruce Grove City Council

The City of Spruce Grove is governed by an elected Council of a mayor and six councillors. Spruce Grove City Council is responsible for identifying the overall vision for the community and developing a long-term strategic plan for the City. Council also reviews and approves new or amended policies, procedures, and bylaws and approves the annual Corporate Plan, which is the City's principal guiding document for providing residents with a high quality of life at an affordable rate, while also staying the strategic course of municipal economic sustainability.

Corporate Office

The Corporate Office includes the Chief Administrative Officer (CAO) who is responsible for the overall administration of the City of Spruce Grove and provides a key administrative leadership role to the organization. The CAO acts as a liaison between Spruce Grove City Council and Administration and ensures the implementation of City policies and programs. Corporate Communications and Economic and Business Development are also part of this area. Corporate Communications leads communications planning and consulting, branding and visual identity, writing and editing, issues management, crisis communications and media relations for the organization and supports the communication needs of other departments within the City. Economic and Business Development is responsible for facilitating programs and services intended to help local businesses prosper and grow, and attract new business and investment to Spruce Grove.

Corporate Services

Corporate Services is comprised of several areas that focus on integrated strategic planning, legislative and policy administration, information management, insurance, risk and legal administration, election and census administration and customer service program coordination. Other responsibilities include human resource management, labour and employee relations, financial planning and reporting, information technology and network administration, corporate planning and asset management.

Community and Protective Services

Community and Protective Services is comprised of several areas with responsibilities including preventative social programming, counselling, indoor and outdoor facility management, open space planning, recreation, community events, Horizon Stage, volunteer development, Enforcement Services and integrated Fire/EMS. In addition, Community and Protective Services works as the City's administrative liaison to the Spruce Grove Public Library, RCMP Officer in Charge, TransAlta Tri Leisure Centre, Specialized Transit Service, Yellowhead Regional Library and Allied Arts Council, and facilitates a number of boards and committees including the Community Police Advisory Committee, Horizon Stage Theatre Advisory Board, and the Joint Use Committee.

Planning and Infrastructure

Planning and Infrastructure is comprised of several areas that are responsible for long-range planning, construction-related projects, monitoring the construction of new infrastructure by private interests, sustainability initiatives, and the ongoing maintenance of most of the City's traditional servicing infrastructure and physical assets. In addition, Planning and Infrastructure is responsible for providing a number of primary services through contract arrangements, including Spruce Grove Transit, solid waste, organics and recyclable materials collection, and all building, plumbing, electrical and gas inspections for new construction.

2021 FTE Summary

Staffing is expressed as FTEs (full-time equivalents) in four major categories: full-time, permanent part-time, temporary part-time and casual.

Permanent positions have regularly scheduled hours established to be ongoing, whether full-time or permanent part-time. Temporary part-time positions are created outside of the established permanent work force as required by the City. Casual positions fill in for a permanent or temporary position due to the absence of the incumbent or for periodic assignments on an as needed basis, whether full-time or part-time.

The total 2021 FTE count for the City is 304.43. This staffing level is consistent with 2020.

PERFORMANCE MEASUREMENT

Serving a maturing City calls for systems that inform evidence-based decision-making. With limited options for growth in revenue for the foreseeable future, there is a greater need for those systems to inform the City's investments and the necessary trade-off discussions.

In 2021, the City will start to build a performance measurement framework with clear lines of sight to program outputs and outcomes. This will start to tell us how efficient our programs and services are in each of the three strategic portfolios. Targets will be developed to ensure services are delivered at levels that are cost-effective and responsive to community needs. The data will also provide information on whether we are achieving the triple bottom line of sustainability.

While a full performance measurement framework will not be available in 2021, we will build off of previous work done on key performance indicators to develop outcomes, outputs and targets that best reflect what we want our City's programs and services to look like. Other municipal frameworks will also be reviewed to inform the development of these measures

An example of how performance measures generate useful information for decision-making relates to asset management. The City has many capital assets such as roadways, public transit and utility systems. The collected data can tell us how well those assets are meeting their intended function and what the City can do to optimize their use. This information helps us to more accurately budget maintenance and replacement programs for the future to ensure the City's assets reach desired performance and service levels for years to come.

Transparency and accountability are parts of good governance. Performance measurement and regular reporting of progress to the public are essential to good governance. As the data matures, we will be able to show the costs of achieving specific service levels to meet desired outcomes.

LOOKING TO THE FUTURE

2020 started with building mechanisms to shift our financial trajectory and bring forward a more sustainable roadmap that aligned our investment with our current growth rates. This work prepared us for the agility and resilience that would be needed to respond to the COVID-19 pandemic. It is this mindset that we will use as we continue to build a great city into the future.

Council appreciates and understands that every policy decision they make is part of a larger picture and has both an immediate and longer term impact. Administration will be implementing and evolving organizational programs to support informed decision making, where the future impacts of today's decisions are known before they are implemented.

Other work Administration will be engaging in over the short-term is shifting some of our focus to the corporate support systems of the organization. It will be important to mature and elevate them to be best positioned to support a maturing municipality.

We also recognize that in order to have a positive impact on our own sustainability we must look beyond our own boundaries and not only be prepared to be responsive to the global economy but also be in a position to capitalize on the opportunities that are forthcoming. This will include pursuing partnerships both within and beyond our municipal borders so to have a positive impact on the social wellbeing of our citizens.