



Executive Committee

**Wednesday, January 20, 2021
9:00 AM**

Henry Baker Hall, Main Floor, City Hall



OFFICE OF THE CITY CLERK

**Public Agenda
Executive Committee
Wednesday, January 20, 2021**

Approval of Public Agenda**Adoption of Minutes**

Minutes from the meeting held on January 6, 2021

Tabled Report

EX21-4 Water Utility Rate Information (Tabled from the September 23, 2020
Priorities and Planning Committee meeting)

Recommendation

That Priorities and Planning Committee receive and file this report.

Administration Reports

EX21-5 Sponsorship, Naming Rights & Advertising Policy

Recommendation

The Executive Committee recommends that City Council:

1. Approve the Sponsorship, Naming Rights & Advertising Policy as outlined in Appendix A of this report at its meeting on January 27, 2021.
2. Direct Administration to bring an information report to the Executive Committee in the Q4 2021 to provide an update on the implementation of the Policy.

EX21-6 Community Association Leases

Recommendation

The Executive Committee recommends that City Council:

1. Approve the leases of City-operated space to the respective Community Associations/Zone Boards as outlined in this report.
2. Authorize Administration to finalize any other commercially relevant terms and conditions of the lease documents.



OFFICE OF THE CITY CLERK

3. Instruct the City Clerk to execute the Lease Agreement documents as prepared by the City Solicitor.
4. Approve these recommendations at its meeting on January 27, 2021.

Resolution for Private Session

AT REGINA, SASKATCHEWAN, WEDNESDAY, JANUARY 6, 2021

AT A MEETING OF EXECUTIVE COMMITTEE

HELD IN PUBLIC SESSION

AT 9:00 AM

These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.

Present: Councillor Lori Bresciani, in the Chair
Mayor Sandra Masters
Councillor John Findura (Videoconference)
Councillor Bob Hawkins (Videoconference)
Councillor Dan LeBlanc (Videoconference)
Councillor Jason Mancinelli (Videoconference)
Councillor Landon Mohl
Councillor Terina Shaw (Videoconference)
Councillor Cheryl Stadnichuk (Videoconference)
Councillor Andrew Stevens
Councillor Shanon Zachidniak (Videoconference)

Also in Attendance: A/City Clerk, Amber Ackerman
Council Officer, Ashley Thompson
City Manager, Chris Holden
City Solicitor, Byron Werry (Videoconference)
Executive Director, Citizen Experience, Innovation & Performance Louise Folk
Executive Director, Citizen Services, Kim Onrait
Executive Director, City Planning & Community Dev., Diana Hawryluk
Executive Director, Financial Strategy & Sustainability, Barry Lacey
Director, Roadways & Transportation, Chris Warren (Videoconference)

(The meeting commenced in the absence of Councillor Findura)

APPROVAL OF PUBLIC AGENDA

Councillor Andrew Stevens moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted, at the call of the Chair.

ADOPTION OF MINUTES

Councillor Landon Mohl moved, AND IT WAS RESOLVED, that the minutes for the meeting held on December 9, 2020 be adopted, as circulated.

ADMINISTRATION REPORTS

EX21-2 Heritage Building Rehabilitation Program - 1401 Robinson Street

Recommendation

The Executive Committee recommends that City Council:

1. Approve a cash grant for the property known as Albert Library located at 1401 Robinson Street (as shown in Appendix A), in an amount equal to 50 per cent of eligible costs for the work described in Appendix B, with the following conditions:
 - a) That the property possesses and retains its formal designation as a Municipal Heritage Property in accordance with *The Heritage Property Act*.
 - b) That the property owner submits detailed written documentation of payments made for the actual costs incurred (i.e. itemized invoices and receipts) in the completion of the identified conservation work
 - c) That work completed and invoices submitted by December 15, 2021, would be eligible for the cash grant for up to 50 per cent of the cost of approved work.
2. Approve these recommendations at its meeting on January 13, 2021.

Uttam Barua, representing Buddhist Centre of Regina, addressed the Committee.

Councillor Andrew Stevens moved that the recommendations contained in the report be concurred in.

Councillor Andrew Stevens moved, in amendment that:

- 1. The City Solicitor be instructed to prepare the necessary grant agreement and authorizing bylaw for the cash grant to be brought forward at a future City Council date once the grant agreement has been signed.**
- 2. The City Clerk be authorized to execute the cash grant agreement with the property owner upon review and approval by the City Solicitor; and**
- 3. This report be forwarded to the January 27, 2021 City Council meeting.**

The Clerk called the vote on Councillor Stevens amendment.

	In Favour	Against
Councillor Andrew Stevens	✓	
Councillor Bob Hawkins	✓	
Councillor Cheryl Stadnichuk	✓	
Mayor Sandra Masters	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Lori Bresciani	✓	
	10	0

The motion was put and declared **CARRIED**.

The Clerk called the vote on the main motion, as amended.

	In Favour	Against
Councillor Andrew Stevens	✓	
Councillor Bob Hawkins	✓	
Councillor Cheryl Stadnichuk	✓	
Mayor Sandra Masters	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Lori Bresciani	✓	
	10	0

The main motion, as amended, was put and declared **CARRIED**.

EX21-1 Heritage Building Rehabilitation Program – 2340 Victoria Avenue

Recommendation

The Executive Committee recommends that City Council:

1. Approve a cash grant for the property known as Knox-Metropolitan United Church located at 2340 Victoria Avenue (as shown in Appendix A), in an amount equal to 50 per cent of eligible costs for the work described in Appendix B-1, with the following conditions:
 - a) That the property possesses and retains its formal designation as a Municipal Heritage Property in accordance with *The Heritage Property Act*.
 - b) That the property owner submits detailed written documentation of payments made for the actual costs incurred (i.e. itemized invoices

and receipts) in the completion of the identified conservation work.

- c) That work is completed according to the conservation plan as described in Appendix B-2 and invoices submitted by December 15, 2021, would be eligible for the cash grant for up to 50 per cent of the cost of approved work.

- 2. Approve these recommendations at its meeting on January 13, 2021.

Cameron Fraser, representing Knox Metropolitan United Church, addressed the Committee.

Councillor Bob Hawkins moved that the recommendations contained in the report be concurred in and that:

- 1. **The City Solicitor be instructed to prepare the necessary grant agreement and authorizing bylaw for the cash grant to be brought forward at a future City Council date once the grant agreement has been signed.**
- 2. **The City Clerk be authorized to execute the cash grant agreement with the property owner upon review and approval by the City Solicitor; and**
- 3. **This report be forwarded to the January 27, 2021 City Council meeting.**

The Clerk called the vote on Councillor Hawkins motion.

	In Favour	Against
Councillor Bob Hawkins	✓	
Councillor Andrew Stevens	✓	
Mayor Sandra Masters	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Cheryl Stadnichuk	✓	
Councillor Lori Bresciani	✓	
	10	0

The main motion was put and declared CARRIED.

EX21-3 2021 Budget Submission - Service Partners

Recommendation

That the 2021 budgets and related requests of City Council as submitted by the Regina Exhibition Association Limited (REAL), Economic Development Regina (EDR), and the Regina Public Library (RPL) be referred to and considered at City Council's 2021 budget meeting in March 2021.

Mayor Masters requested that Regina Exhibition Association Limited budget submission and presentation being considered separately.

(Mayor Masters declared a conflict of interest on the Regina Exhibition Association Limited budget submission and presentation, citing her previous role as Chairperson for the Regina Exhibition Association Limited Board of Directors, abstained from discussions and voting, and temporarily left the meeting.)

Tim Reid, Roberta Engel, Wayne Morsky, David Sinclair and Sinead Tierney, representing Regina Exhibition Association Limited, made a PowerPoint presentation and addressed the Committee. A copy of the presentation is on file in the Office of the City Clerk.

Councillor Terina Shaw moved That the 2021 budget and related requests of City Council as submitted by the Regina Exhibition Association Limited (REAL) be referred to and considered at City Council's 2021 budget meeting in March 2021.

The Clerk called the vote on the Councillor Shaw's motion.

	In Favour	Against
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Cheryl Stadnichuk	✓	
Councillor Bob Hawkins	✓	
Councillor Andrew Stevens	✓	
Councillor Dan LeBlanc	✓	
Councillor Lori Bresciani	✓	
	9	0

The motion was put and declared CARRIED.

(Mayor Masters returned to the meeting.)

Jeff Barber, Sean Quinlan and Gail Kruger, representing Regina Public Library, addressed the Committee.

John Lee, Tina Svedahl, Frank Hart, Kim Exner and Kerri Mitchell, representing Economic Development Regina, made a PowerPoint presentation and addressed the Committee. A copy of the presentation is on file in the Office of the City Clerk.

RECESS

Pursuant to the provisions of Section 34(13.1) of City Council's Procedure Bylaw No. 9004, a 15 minute recess was called.

The Committee recessed at 11:15 a.m.

The Committee reconvened at 11:30 a.m.

(Councillor Findura joined the meeting.)

Councillor Terina Shaw moved that the 2021 budgets and related requests of City Council as submitted by Economic Development Regina (EDR), and the Regina Public Library (RPL) be referred to and considered at City Council's 2021 budget meeting in March 2021.

Councillor Shanon Zachidniak moved, in amendment, that the City of Regina and Regina Public Library call on the province to increase financial support to our provincial libraries in recognition of the valuable roles they play in our communities, both during COVID and on an ongoing basis.

The Clerk called the vote on Councillor Zachidniak's amendment.

	In Favour	Against
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli		✓
Councillor Landon Mohl		✓
Councillor Cheryl Stadnichuk	✓	
Councillor Bob Hawkins		✓
Councillor Andrew Stevens	✓	
Mayor Sandra Masters		✓
Councillor John Findura	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw		✓
Councillor Lori Bresciani		✓
	5	6

The motion was put and declared LOST.

The Clerk called the vote on the main motion.

	In Favour	Against
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Cheryl Stadnichuk	✓	
Councillor Bob Hawkins	✓	
Councillor Andrew Stevens	✓	
Mayor Sandra Masters	✓	
Councillor John Findura	✓	
Councillor Dan LeBlanc	✓	
Councillor Lori Bresciani	✓	
	11	0

The motion was put and declared CARRIED.

TABLED REPORTSEX20-37 2021 Budget Update

Recommendation

That Executive Committee receive and file this communication.

Barry Lacey, Executive Director, Financial Strategy & Sustainability made a power-point presentation to the Committee. A copy of the presentation is on file in the Office of the City Clerk.

Councillor Bob Hawkins moved that this communication be received and filed.

The Clerk called the vote on Councillor Hawkins motion.

	In Favour	Against
Councillor Bob Hawkins	✓	
Councillor Andrew Stevens	✓	
Mayor Sandra Masters	✓	
Councillor John Findura	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Cheryl Stadnichuk	✓	
Councillor Lori Bresciani	✓	
	11	0

The motion was put and declared CARRIED.

Councillor Bob Hawkins moved that the meeting adjourn at 1:30 p.m.

The Clerk called the vote on Councillor Hawkins motion.

	In Favour	Against
Councillor Bob Hawkins	✓	
Councillor Andrew Stevens	✓	
Mayor Sandra Masters		✓
Councillor John Findura		✓
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw		✓
Councillor Shanon Zachidniak		✓
Councillor Jason Mancinelli		✓
Councillor Landon Mohl	✓	
Councillor Cheryl Stadnichuk		✓
Councillor Lori Bresciani		✓
	4	7

The motion was put and declared LOST.

RESOLUTION FOR PRIVATE SESSION

Councillor Jason Mancinelli moved, AND IT WAS RESOLVED, that in the interest of the public, the remaining items on the agenda be considered in private.

RECESS

Councillor Jason Mancinelli moved, AND IT WAS RESOLVED, that the Committee recess for ten minutes.

The Committee recessed at 1:10 p.m.

Chairperson

Secretary

Water Utility Rate Information (Tabled from the September 23, 2020 Priorities and Planning Committee meeting)

Date	January 20, 2021
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Office of the City Clerk
Item No.	EX21-4

RECOMMENDATION

That Priorities and Planning Committee receive and file this report.

ISSUE

At the December 9, 2019 City Council meeting, Council requested information on utility bill rates; specifically, an explanation of how the model and rates work, and the implications of lowering the daily base (fixed) rates and shifting the costs to the consumption (variable) rates to assist residents who are struggling with affordability. This report is in response to that request.

IMPACTS

The utility system is comprised of many different components and is complex. Within our current rate structure, the base rate revenue is not sufficient to pay the fixed utility costs. Lowering the base rates in favor of more revenue dependence on the variable rate may result in increased risk to the utility's sustainability due to the unpredictability of water usage (i.e., dry vs. wet summers).

When consumption drops, the fixed costs do not. While the City does want to encourage conservation, we need to ensure that the utility remains financially sustainable. Increased pressure on the variable consumption rate may result in further decreases in per capita consumption, eroding the revenue required to maintain and operate the infrastructure.

Consumption changes may be intentional or unintentional. For example, years with increased rainfall are typically lower water consumption years. This weather-related variability may also be further impacted by climate change, with extreme and/or more frequent rainfall and times of very dry or drought conditions. These changes may negatively impact revenue stability and financial projections in the Utility Model.

As well, significant changes in overall consumption may result in operational challenges related to system stagnation. For example, decreased water demand may result in longer periods of stagnant, odorous water, thereby affecting the quality of the water. To address, this may require more frequent monitoring and flushing of the system, which would increase operational costs.

In addition to potential funding shortfalls caused by revenue fluctuations, the utility's service delivery is challenged by deteriorating infrastructure, unforeseen weather events and regulatory changes. In order to ensure we continue on a financially sustainable path for our utility, we need to generally ensure the same amount of revenue is collected over the long term.

OTHER OPTIONS

Option 1: Establish Utility subsidy programs to assist customers in financial need.

At the May 27, 2020 meeting of Council, motion 20-6 requested that Administration prepare a report for Public Works and Infrastructure for Q3 of 2021 that:

1. Outlines options to help offset the cost of water and sewer for low income residents by way of means-tested grants, billing options, and fee waivers;
2. Establishes a political advocacy strategy aimed at the federal and provincial governments with the aim of alleviating the financial burden for low-income residents with regards to water and sewer billing and costs.

Option 2: Redevelop the Utility rate structure

With the implementation of the Advanced Metering Infrastructure (AMI) program, which will begin in 2021 and is estimated to be completed by 2024 the City will have more information and better tools to develop a more complex and integrated rate structure to potentially address affordability issues as well as sustainability. For example, an analysis of the data collected from AMI could be used to explore complex rate structures such as:

- Increased Block Rates: encourages conservation as the per unit charge increases as the amount of water used increases.
- Time of Day Pricing: charging a higher rate for water used during peak demand periods, encouraging the change of behavior to lessen the impact on our infrastructure.
- Summer Surcharges: charging a higher rate for households with large lawns and pools.

COMMUNICATIONS

None with respect to this report.

DISCUSSION

Regina's residents expect safe, consistent, high-quality water services, delivered in a manner that is fiscally, environmentally and socially responsible. Delivering these services in a sustainable way requires a long-term view that secures sufficient revenue to recover the system costs, buffer against unexpected circumstances, service debts and save for future capital needs.

While many Canadian municipalities still do not have full cost-recovery utility models, Regina has had a full cost-recovery utility for the past 50 years. Some costs are variable but 80 per cent of all costs associated with the utility are fixed costs. There is a water meter installed to measure consumption in every home and business in Regina. The City uses a 25-year financial model along with master plans to help prioritize and meet environmental and system challenges as well as to ensure a sustainable utility for many years to come.

When determining the utility rate required from year to year, the City aims to strike the right balance between sustainability, equity and affordability.

Sustainability

As mentioned previously, the City of Regina currently has a sustainable system, utilizing tools such as our 25-year utility financial model along with master plans to ensure that our systems are sustainable now and into the future. We still have vulnerabilities and will need to continue to adapt.

Equity

General guiding principles are outlined in *Design Regina, The Official Community Plan* (OCP) such that those who use a service are required to pay for it. Using a blend of rates, debt and reserves helps us ensure equity between user groups as well as intergenerational equity.

Affordability

Affordability refers to different types of customers being able to pay for water and wastewater services. It is measured by its cost relative to the amount residents are able to pay.

City of Regina Rates:

Our rates (attached as Appendix A) are structured to support a sustainable utility and to encourage conservation. The current structure uses a blend of approximately 35 per cent fixed fees and 65 per cent variable fees for water and wastewater. Services are charged through a daily base rate and through a volume (usage) charge, which provides an incentive to conserve valuable resources. These rates do not directly correlate to the utility's cost structure.

The fixed operating costs for water and wastewater are about 80 per cent, with variable costs accounting for the other 20 per cent. Fixed costs are relatively unimpacted by the amount of water consumed; however, infrastructure replacement and/or upgrades may be needed due to increased demand, population growth, economic growth, etc. The utility is responsible for infrastructure including water mains, storage reservoirs, pumping stations, building service connections, a wastewater treatment plant, wastewater and storm drainage sewers, and lift stations, as well as drainage channels and creeks. Additionally, the City of Regina is a joint owner of the Buffalo Pound Water Treatment Plant with the City of Moose Jaw.

Variable costs are those that fluctuate with the volume of water that goes through the system. This includes water purchase from Buffalo Pound Water Treatment Plant Corporation and electricity costs to manage water demand.

Under the City's current water rate structure, Regina's water sales have remained steady over the last 10 to 15 years, despite population growth. This is a result of increased conservation by residents and businesses.

The graphic below depicts a comparison of single-family water rates to utility costs for 31 water and wastewater utilities across Canada.

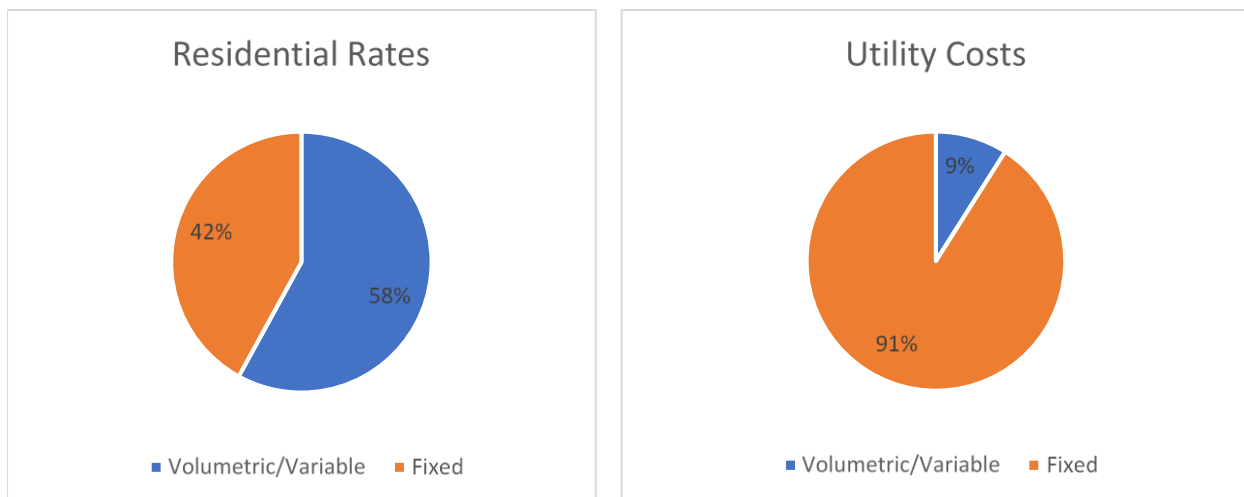


Figure 1 Comparison of single-family household rates to utility costs for 31 utilities in 2013 (Data Source: National Water and Wastewater Benchmarking Initiative (NWWBI))

The City's fixed water rate percentage (approximately 35 per cent) is lower than the average fixed water rate (42 per cent) across 31 utilities in Canada.

Changing the Rate Structure:

Lowering the Fixed Rates; No Adjustment to Variable Rates

The City of Regina's utility rate structure is similar to other utility systems across Canada in that our rates are not in direct alignment with the cost structure. To align, rates would need to shift greatly towards the fixed and away from the variable, rather than the opposite.

The implications of lowering the fixed rate and making no change to the variable rate would result in lack of funding required to maintain a sustainable model. There would need to be consideration as to what other funding sources would make up the difference. (e.g. property taxes), as the utility would no longer be self-sustaining.

Lowering the Fixed Rates; Adjustment to Variable Rates

Chart 1 below outlines the potential impact of decreasing the daily base (fixed) rates by 3, 5, 10, 25, and 50 per cent respectively with the associated increases needed to the consumption (variable) charge to offset the impact.

Chart 1 – Percentage Decreases to the Fixed Rates and the Associated Increases Necessary to the Variable Rates to Offset the Impact

Percent Decrease to Fixed Rate	Percent Increase to Variable Rate
Decrease ↓ 3%	Increase ↑ 8.5%
Decrease ↓ 5%	Increase ↑ 10%
Decrease ↓ 10%	Increase ↑ 14%
Decrease ↓ 25%	Increase ↑ 25%
Decrease ↓ 50%	Increase ↑ 45%

A standard utility bill consists of water, sewer, drainage, and recycling charges. Water and sewer charges consist of both fixed and variable components. Drainage and recycling consist only of a fixed component. Appendix A has the complete breakdown of the 2020 Utility Rates.

Chart 2 below outlines seven types of customers and how they would each be impacted by the potential adjustments to the fixed rates for water, sewer, and drainage along with

variable rates for water and sewer. The figures below are simply meant to provide estimates for different customer types.

Chart 2 – Potential Impacts to Different Customers

*Assuming a typical level of consumption among each customer type

Customer Types	Current Sample Monthly Utility Bill	Same Utility Bill with Changes to Fixed/Variable Utility Rates	Monthly Increase / Decrease in Utility Bill
Customer 1 Single resident living in a condo	\$77.95	Fixed ↓ 3% \$76.76 Fixed ↓ 5% \$75.63 Fixed ↓ 10% \$72.84 Fixed ↓ 25% \$64.36 Fixed ↓ 50% \$50.37	Decrease ↓ \$1.19 Decrease ↓ \$2.32 Decrease ↓ \$5.11 Decrease ↓ \$13.59 Decrease ↓ \$27.58
Customer 2 Family of 2 living in a single-family dwelling	\$100.64	Fixed ↓ 3% \$101.38 Fixed ↓ 5% \$100.60 Fixed ↓ 10% \$98.71 Fixed ↓ 25% \$92.73 Fixed ↓ 50% \$83.28	Increase ↑ \$0.74 Decrease ↓ \$0.04 Decrease ↓ \$1.93 Decrease ↓ \$7.91 Decrease ↓ \$17.36
Customer 3 Family of 5 living in a single-family dwelling	\$154.86	Fixed ↓ 3% \$160.21 Fixed ↓ 5% \$160.24 Fixed ↓ 10% \$160.52 Fixed ↓ 25% \$160.51 Fixed ↓ 50% \$161.90	Increase ↑ \$5.35 Increase ↑ \$5.38 Increase ↑ \$5.66 Increase ↑ \$5.65 Increase ↑ \$7.04
Customer 4 Family of 7 living in a single-family dwelling	\$170.93	Fixed ↓ 3% \$177.64 Fixed ↓ 5% \$177.91 Fixed ↓ 10% \$178.83 Fixed ↓ 25% \$180.59 Fixed ↓ 50% \$185.19	Increase ↑ \$6.71 Increase ↑ \$6.98 Increase ↑ \$7.90 Increase ↑ \$9.66 Increase ↑ \$14.26
		Fixed ↓ 3% \$1,307.76	Increase ↑ \$84.90

Customer 5 Multi-Residential complex with 2-inch water meter	\$1,222.86	Fixed ↓ 5% \$1,320.31	Increase ↑ \$97.45
		Fixed ↓ 10% \$1,354.32	Increase ↑ \$131.46
		Fixed ↓ 25% \$1,445.78	Increase ↑ \$222.92
		Fixed ↓ 50% \$1,615.83	Increase ↑ \$392.97
Customer 6 Commercial property with 3-inch water meter	\$1,362.68	Fixed ↓ 3% \$1,358.27	Decrease ↓ \$4.41
		Fixed ↓ 5% \$1,342.12	Decrease ↓ \$20.56
		Fixed ↓ 10% \$1,302.53	Decrease ↓ \$60.15
		Fixed ↓ 25% \$1,180.60	Decrease ↓ \$182.08
Customer 7 Large Industrial Water User in Regina	\$211,328.58	Fixed ↓ 50% \$982.66	Decrease ↓ \$380.02
		Fixed ↓ 3% \$228,839.94	Increase ↑ \$17,511.36
		Fixed ↓ 5% \$231,917.70	Increase ↑ \$20,589.12
		Fixed ↓ 10% \$241,158.82	Increase ↑ \$29,830.24
		Fixed ↓ 25% \$263,723.51	Increase ↑ \$52,394.93
		Fixed ↓ 50% \$305,802.09	Increase ↑ \$94,473.51

Adjusting the rates to have more revenue coming from the variable consumption rates would benefit some residents and disadvantage others. The benefit would not necessarily be connected to a customer's ability to pay but rather to their water use profile.

For example, a low-income renter with a five-person household (similar to Customer 3), with outdated plumbing and no low-flow devices would see an increased utility bill if the rate were shifted towards the variable component, whereas a high-income condo-owner (similar to Customer 1) with new plumbing and no yard would see a decrease. Alternatively, a portion of the Customer 1 group may be single seniors on fixed income and a portion of the Customer 3 group may be a family with two incomes having no issues with affordability.

As no customer group above will consist of everyone in the same economic situation, establishing a program to address affordability within a specific demographic or income bracket may be best done through mechanisms other than adjusting the fixed and variable utility rates.

The impacts on Commercial properties will vary based on meter size and water usage. Many Commercial properties with a small meter and low water usage may only see a slight increase or decrease in their utility bills. Commercial properties with very large meters and high-water usage (e.g., Industrial properties) are likely to see significant increases to their utility bills as the variable rate increases.

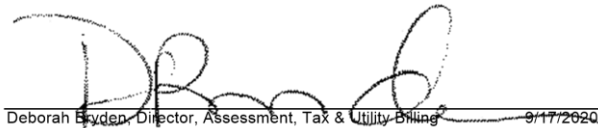
While some customers may benefit to changes in our current rate structure, when we reduce the base rates and rely more heavily on the variable rates we increase the risk the sustainability of the utility model as a whole.

DECISION HISTORY

On December 9, 2019, City Council approved the 2020 Utility Budget with Report CM19-15 2020 General and Utility Operating Budget and 2020 - 2024 General and Utility Capital Plan.

Respectfully submitted,

Respectfully submitted,


Deborah Bryden, Director, Assessment, Tax & Utility Billing 9/17/2020


Barry Lacey, Exec. Director, Financial Strategy & Sustainability 9/17/2020

Prepared by: Tony Petrulias, Manager, Property Tax & Utility Billing

ATTACHMENTS

Appendix A - 2020 Utility Rates

Appendix A – 2020 Utility Rates

Daily Base Charge for Water & Sewer

Meter Size	Water	Wastewater (Sewer)
15mm (5/8") & 20mm (3/4")*	\$0.85	\$0.66
25mm (1")	\$1.19	\$0.92
40mm (1.5")	\$1.53	\$1.19
50mm (2")	\$2.47	\$1.91
75mm (3")	\$9.35	\$7.26
100mm (4")	\$11.90	\$9.24
150mm (5")	\$17.85	\$13.86
200mm (8")	\$24.65	\$19.14

*Most residential properties have 15 or 20mm meter.

Consumption Rates for Water & Sewer

Water Charge per m3	\$2.04
Sewer Charge per m3	\$1.81

Daily Base Charge for Storm Drainage

Property Lot Size	Storm Drainage
up to 1000 m ² *	\$0.57
1,001 - 3000 m ²	\$1.14
3,001 - 5,000 m ²	\$2.28
5,001 - 7,000 m ²	\$3.42
7,001 - 9,000 m ²	\$4.56
9,001 - 11,000 m ²	\$5.70
11,001 - 13,000 m ²	\$6.84
13,001 - 15,000 m ²	\$7.98
15,001 - 17,000 m ²	\$9.12
17,001 - 19,000 m ²	\$10.26
19,001 - 21,000 m ²	\$11.40
21,001 - 23,000 m ²	\$12.54
23,001 - 25,000 m ²	\$13.68
25,001 - 27,000 m ²	\$14.82
27,001 - 29,000 m ²	\$15.96
29,001 - 31,000 m ²	\$17.10
over 31,000 m ²	\$18.24

*Most Residential lots are up to 1000 m²

Daily Charge for Recycling

Recycling charge per cart	\$0.25
Additional 240L cart	\$0.32
Additional 360L cart	\$0.43

Special Services

Service fee	\$25.00
Fee for issuing Delinquent Notice	\$15.00
Reconnection fee	\$75.00
Handling fee for NSF cheques	\$20.00
Transfer of Misapplied Payments	\$15.00
Monthly interest rate on overdue accounts	1.25%
Fee for collecting or transferring overdue charges to property taxes	\$25.00
Fee to replace a broken seal	\$35.00
Meter Interface Unit (MXU) only	\$187.00
MXU replaced at the same time as a meter	\$172.00
Removal and testing of water meter 25mm or smaller	\$87.50
Removal and testing of meter larger than 25mm	TBD
Water Meter Repair or Replacements	
- 15mm (⁵ / ₈ ") meter	\$162.50
- 20mm (³ / ₄ ") meter	\$237.50
- 25mm (1") meter	\$262.50
- 40mm (1 ¹ / ₂ ") meter	\$652.50
- 50mm (2") meter	\$950.00
- 75mm (3") meter or larger	TBD
Meter removal & installation of larger/smaller meter	
- Removal of 15mm meter & installation of 20mm meter	\$237.50
- Removal of 20mm meter & installation of 15mm meter	\$162.50
- Removal of 15mm meter & installation of 25mm meter	\$262.50
- Removal of 20mm meter & installation of 25mm meter	\$262.50
- Removal of 25mm meter & installation of 15mm meter	\$162.50
- Removal of 25mm meter & installation of 20mm meter	\$237.50
Bulk Water Rate per m ³	\$2.57

Sponsorship, Naming Rights & Advertising Policy

Date	January 20, 2021
To	Executive Committee
From	Citizen Experience, Innovation & Performance
Service Area	Citizen Experience
Item No.	EX21-5

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the Sponsorship, Naming Rights & Advertising Policy as outlined in Appendix A of this report at its meeting on January 27, 2021.
2. Direct Administration to bring an information report to the Executive Committee in the Q4 2021 to provide an update on the implementation of the Policy.

ISSUE

In November 2019, Council directed Administration to proceed with a Sponsorship, Naming Rights and Advertising Program under the model of an Internal Sales Strategy. Administration assessed the potential impacts of COVID-19 on the Program and proceeded with its development in the third quarter of 2020 with the goal to launch in early 2021 pending approval of the Sponsorship, Naming Rights & Advertising Policy by Council.

IMPACTS

Financial

Over the first five years, revenue and expenses are expected to vary from year to year until the program is fully established. It is expected that in the first two years, the Program will achieve net revenue between \$100,000 and \$250,000 annually. This considers potential COVID-19 impacts and that sponsorship development is relationship-based with the

common timeframe from prospect identification to closing taking approximately 18 to 22 months.

The pre-COVID-19 business cases projects the City will generate net revenues in excess of \$3.65 million over the first five years using an Internal Sales Strategy. In 2021, the Program will focus on strengthening existing relationships and building new partnerships, as well as continuing to gain an understanding of how COVID-19 has affected potential stakeholders and financial opportunities.

Revenue generated by the City for Sponsorship, Naming Rights and Advertising Program will be centralized. Funds received are to be credited to a specific sponsorship account that will be part of general revenue and allocated by Council through the budget process.

Policy and/or Strategic

One of the community priorities in the *Official Community Plan: Design Regina* is to achieve long-term financial viability which includes searching for new ways to generate revenue to ensure that the City has the financial resources to meet residents' needs now and in the future. The information in this report highlights the development a new revenue stream.

OTHER OPTIONS

Alternative options would be:

1. Approve the Policy with housekeeping amendments.
2. Refer the Policy back to Administration. If Council has specific feedback on the Policy, it may refer it back to Administration for further revisions. Referral of the Policy back to Administration will affect launch dates of the Program as outlined in report.

COMMUNICATIONS

A formal communications and marketing strategy has been developed to launch the Program in February 2021 pending approval of the Policy by Council.

DISCUSSION

Municipalities including Calgary, Edmonton, Saskatoon and Toronto have Council approved policies in place that guide Administration by providing concrete direction and written support for a Sponsorship, Naming Rights & Advertising Program.

The Partnership Group – Sponsorship Specialists provided a draft policy based on their experience and expertise with these and other municipalities. The Policy was provided to Council for feedback in November 2019 as part of CR19-111. If approved by Council, the proposed policy will allow the City to implement city-wide protocols for sponsorship, naming rights and advertising with principles and conditions for pursuing agreements.

The Policy clearly lays out definitions, scope, guiding principles, requirements, sponsorship/advertising criteria, restrictions, and procedures for delegation of authority, accountability, documentation, evaluation and review. The Policy restricts sponsorship, naming rights and advertising to be pursued with companies or organizations that compromise the City's reputation or contradict any law or City bylaw. Specific restrictions are in place for companies or organizations:

- Whose business is derived from the sale or production of tobacco
- Whose business is derived from the sale or production of cannabis
- Whose business is derived from pornography or sexual services
- Who promote or sell alcohol or potentially other addictive substances at venues geared primarily to children or youth
- Whose business is derived from armaments and weapons manufacturing or other unsafe products or sale of such weapons excluding recreational firearms
- Who are not in good standing with the City (i.e. currently in violation of a bylaw or under litigation)
- That discriminate by way of race, religion or sex in employment, marketing or advertising practices

The Policy stipulates that Council approval is needed for any sponsorship which involves the naming or renaming of a City asset, as well as entering into a sponsorship or advertising agreement that exceeds the delegated authority outlined in the Policy.

Delegated Authority, as outlined in the Policy, adheres to guidelines within the *Administration Bylaw, No. 2003-09* whereas:

The City Manager, and Executive Director, Financial Strategy and Sustainability are authorized to approve and enter into Revenue Agreements, provided:

- (a) the term of the agreement or contract does not exceed 5 years;
- (b) where applicable, the agreement includes clauses with respect to policies established by Council in relation to advertising content, the use of environmentally sensitive products or other matters; and,
- (c) the value of the agreement:
 - i. on an annual basis is \$100,000 or less; or,
 - ii. is greater than \$100,000 and the agreement is awarded pursuant to a competitive process to the compliant bidder whose bid meets the specifications and provides the greatest revenue to the City.

Upon Council approval of the Policy, Administration will proceed to launch the program and report on program status in December of 2021.

DECISION HISTORY

November 25, 2019, City Council approved the motion to proceed with developing the Program based on an internal sales approach and bring the final Policy for Council approval (CR19-111 Priorities and Planning Committee Recommendation).

The recommendations contained within this report require City Council approval.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Jill Sveinson".

Jill Sveinson, Director
Citizen Experience

Respectfully Submitted,

A handwritten signature in blue ink that reads "Louise Folk".

Louise Folk, Executive Director
Citizen Experience, Innovation &
Performance

Prepared by: Corey Nyhagen, Manager, Sponsorship, Naming Rights & Advertising

ATTACHMENTS

Appendix A Council Policy Sponsorship Naming Rights Advertising

Policy Title: Sponsorship, Naming Rights & Advertising Policy	Applies to: All Employees	Reference # ###-XXX-##
Approved by:	Dates:	Total # of Pages
	Effective:	8
	Last Review:	
	Next Review: Annual Review	
Authority:		

1.0 Purpose

The City of Regina is committed to providing high quality programs and services for residents. To enrich the lives of residents by enhancing projects, programs and services the City welcomes sponsorship and advertising from qualified businesses and organizations whose support aligns to the City's mission, values and priorities.

The purpose of the Sponsorship, Naming Rights & Advertising Policy is to create an authorized environment and city-wide protocol for sponsorship and advertising that establishes the principals and conditions under which the City will pursue and accept sponsorship and advertising agreements and that:

- 1.1 Safeguards the City's image, values, priorities, assets and interests.
- 1.2 Protects the City from any risk.
- 1.3 Aligns with City projects, programs and services.
- 1.4 Provides City employees with guidelines based on industry recognized best practices.
- 1.5 Provides guidelines and procedures which facilitate opportunities for sustainable revenue generation.

2.0 Scope

- 2.1 This policy applies to all City business units, departments and divisions.
- 2.2 This policy applies to all City-owned and managed assets including but not limited to built and natural infrastructure, transportation, facilities, events, communications, programs and services, special projects, features (i.e. rooms, ice pads, playgrounds) and other relevant properties.
- 2.3 Commercial naming rights within City owned facilities unless allocated such as to the Saskatchewan Roughriders / Regina Exhibition Association Ltd. / Economic Development Regina / Provincial Capital Commission.

- 2.4 Paid advertising on City property, at City events and in City publications.
- 2.5 The policy does not apply to:
 - 2.5.1 Private-public partnerships (P3s)
 - 2.5.2 Partnered facilities until such time as an existing agreement between the City and an operating organization expires
 - 2.5.3 Philanthropic contributions, gifts or donations
 - 2.5.4 The City's Civic Naming Guidelines
 - 2.5.5 The City's Heritage Naming / Bronze Plaque Program
 - 2.5.6 Outgoing grants or sponsorships given by the City
 - 2.5.7 Streets

3.0 Definitions

3.1 Sponsorship

Sponsorship is a mutually beneficial business relationship where a corporation or organization provides a rights fee in cash or in a value in kind arrangement for the right to exploit the commercial potential associated with an asset (property) owned by the City.

Sponsorship is a marketing-based activity and, unlike with philanthropic programs (donations), there is a commercial expectation on the part of the buyer (sponsor).

3.2 Sponsorship Asset

A *sponsorship asset*, also referred to as a 'property' has a broad application which includes but is not limited to real property (buildings/facilities/green space), events (i.e. I Love Regina Day), communications (i.e. leisure guide, web site and social media) programs and services, special projects (i.e. volunteer program), features (i.e. rooms, ice pads, playgrounds) and other relevant properties.

3.3 Advertising

Advertising is the sale or lease of City owned property and space and is universally accepted as a commodity transaction rather than a partnership. Unlike sponsorship, there are no associative values and the commercial use and or lease of City space is based on predetermined industry standard rates of cost per thousand (CPM).

Advertising does not imply a reciprocal relationship between the advertiser and the property owner and as such the advertiser is not entitled to additional benefits beyond the space being purchased.

3.4 Acceptable Commercial Coverage (ACQ)

ACQ is the level of advertising and or sponsorship presence that is acceptable with any one asset. The ACQ will vary significantly according to an individual asset and is influenced by various measurement variables such as, but not limited to, the user group demographic and psychographic profile associated with an individual asset.

3.5 Commercial Naming Rights

Commercial Naming Rights is a type and level of sponsorship whereby a company or organization purchases the exclusive rights to name a physical structure such as a facility or event with a commercial name, typically for a defined period of time under specific contractual terms.

3.6 Title Sponsorship

Title Sponsorship is the highest level of sponsorship designation in a property such as an event or program. The level is typically the largest contributor in a property and includes rights to name the property.

3.7 Ethics Scan

An *Ethics Scan* is an assessment used to qualify sponsorship and advertising against the potential sponsor or advertiser's overall business.

The process provides a guideline that fairly and equitably determines: the acceptable and unacceptable areas of involvement, if a sponsor or advertiser meets the requirements defined by the City's sponsorship and advertising policy or is otherwise affected by the restrictions section of the policy.

3.8 Value in-kind Sponsorship

Value In-kind Sponsorship refers to payment (full or partial) of a sponsorship rights fee in goods or services equal to a cash amount and provided in lieu of cash. Other terms: In kind, VIK, Contra barter.

3.9 Category Exclusivity

Category Exclusivity gives a sponsor the rights to be the only company within its business category (product or service) associated with a property being sponsored. A property can have more than one area of exclusivity and a business may be required to have more than one category of exclusivity such as SaskTel-internet; cellular; home security; TV etc. to cover all their lines of business.

4.0 Guiding Principals and Conditions

4.1 Guiding Principals

4.1.1 Sponsorship and advertising presence with a City asset must reflect the target audience and user group demographic and psychographic profile associated with the asset.

4.1.2 Sponsorship and advertising with a City asset must be mindful and respectful of the community associated with the asset so as not to disrupt or interfere with the experience of the asset. As such, the City will determine and manage an acceptable level of commercial presence (ACQ) with each City asset.

4.1.3 Sponsorships are associative in nature and therefore alignment to predetermined City values is necessary.

4.1.4 As a collaborative arrangement, in return for cash or value in kind consideration, a sponsor shall receive benefits commensurate with the assessed fair market value of an asset being sponsored.

4.2 Requirements

4.2.1 General

- 4.2.1.1** The City does not endorse the products, services or ideas of any sponsor or advertiser.
- 4.2.1.2** As sponsorship and advertising is a revenue generation activity it is intended only to supplement City funding for the purpose of enhancing City programs and services. Sponsorship or advertising cannot displace or be seen to displace City funding, nor be perceived solely as a budget advantage.
- 4.2.1.3** In order to expedite the sponsorship process, a formal competitive process is not required. However, in the event of a competitive situation between two or more companies with rights fees being equal, the City will defer to the company which aligns best to the values and priorities of the City.
- 4.2.1.4** Sponsorships shall take into consideration City capacity implications on staffing and financial resources.
- 4.2.1.5** Sponsorship and advertising must comply with the City's visual identity guidelines in all relevant situations.
- 4.2.1.6** All political advertising must indicate that it is paid by a party or candidate, to avoid any impression that the City is supporting any particular party or candidate.
- 4.2.1.7** Advertisement must not communicate the City's endorsement of product or service over another.
- 4.2.1.8** The City reserves the right to accept advertising and sponsorship from companies that do not violate this policy.

4.2.2 Sponsorship/Advertising Criteria

- 4.2.2.1** Sponsorships and advertising must conform to all applicable federal and provincial statutes and all applicable City bylaws, policies and practices.
- 4.2.2.2** Sponsorships and advertising must conform to the standards set out by the Canadian Advertising Standards Council as amended from time to time.
- 4.2.2.3** The sponsorship must not unduly detract from the character, integrity, aesthetic quality or safety of a City asset or unreasonably interfere with its enjoyment or use.
- 4.2.2.4** The City will consider all sponsorship proposals but retains the discretion not to accept sponsorship from any entity at its sole discretion.
- 4.2.2.5** The sponsorship must not confer a personal benefit, directly or indirectly, to any particular City employee or elected official.
- 4.2.2.6** The City shall retain ownership and control over all City-owned and managed assets.
- 4.2.2.7** Benefits provided to the sponsor by the City are limited to those stated in the sponsorship agreement.

4.2.2.8 The Category Exclusivity rights clause provides exclusivity rights to the asset being sponsored and does imply exclusivity privileges with the City itself.

4.2.2.9 Revenue Agreements will follow procurement policies and procedures as outlined in the Administration Bylaw No. 2003-69 or Purchasing Manual.

4.3 Restrictions

4.3.1 The City will not solicit nor accept sponsorship or advertising from companies or organizations whose business contradict any bylaw or policy of the City in anyway.

4.3.2 The City will not solicit nor accept sponsorship or advertising from companies or organizations that will compromise the reputation of the City's public image.

4.3.3 The City will not solicit nor accept sponsorship or advertising from companies or organizations;

4.3.3.1 Whose business is derived from the sale or production of tobacco

4.3.3.2 Whose business is derived from the sale or production of cannabis

4.3.3.3 Whose business is derived from pornography or sexual services

4.3.3.4 Who promote or sell alcohol or potentially other addictive substances at venues geared primarily to children and youth

4.3.3.5 Whose business is derived from armaments and weapons manufacturing or other unsafe products or sale of such weapons excluding recreational firearms

4.3.3.6 Who are not in good standing with the City (i.e. currently in violation of a bylaw or under litigation)

4.3.3.7 That discriminate by way of race, religion or sex in employment, marketing or advertising practices

5.0 Procedures

5.1 Responsibilities

Parties involved in sponsorship/advertising decisions undertake the following specific responsibilities:

5.1.1 City Council will:

5.1.1.1 Approve any sponsorship which:

- Involves the naming or renaming of a City asset in excess of an annual investment over \$100,000
- Involves the naming or renaming of a City building overall

5.1.1.2 Approve any proposal which exceeds the preauthorized limits

- 5.1.1.3 Become involved should the provisions of the policy not be satisfied
- 5.1.1.4 Approve any revisions to the Sponsorship, Naming Rights & Advertising Policy as necessary

5.1.2 Citizen Experience, Innovation & Performance will:

- 5.1.2.1 Manage the City's sponsorship and advertising program
- 5.1.2.2 Lead planning, development and evaluation
- 5.1.2.3 Provide program guidance and assistance to support the City's divisions, departments and business units
- 5.1.2.4 Provide program information to the general public
- 5.1.2.5 Ensure communications guideline continuity
- 5.1.2.6 Manage city-wide agreements
- 5.1.2.7 Conduct annual policy review and revise the Sponsorship, Naming Rights and Advertising Policy for Council consideration as necessary

5.1.3 Delegation of Authority

- 5.1.3.1 The City staff are authorized to enter into sponsorship and advertising agreements pursuant to the guidelines outlined in the *Administration Bylaw, No. 2003-09*:
 - The City Manager, and Executive Director, Financial Strategy and Sustainability are authorized to approve and enter into Revenue Agreements, provided:
 - (a) The term of the agreement or contract does not exceed 5 years
 - (b) Where applicable, the agreement includes clauses with respect to policies established by Council in relation to advertising content, the use of environmentally sensitive products or other matters
 - (c) The value of the agreement:
 - i. On an annual basis is \$100,000 or less; or,
 - ii. Is greater than \$100,000 and the agreement is awarded pursuant to a competitive process to the compliant bidder whose bid meets the specifications and provides the greatest revenue to the City

5.1.4 Accountability

- 5.1.4.1** Funds received by the City for sponsorship and advertising are to be credited to a specific sponsorship account that will be part of general revenues and allocated through budgeting process. It will not be allocated to the specific area or naming right of a building as sponsorship agreements will include assets from multiple touch points across the City.
- 5.1.4.2** Sponsorship sales and revenue generation will be centralized and not the responsibility of specific departments.

5.1.5 Documentation

- 5.1.5.1** All sponsorships must be documented and arranged in a fixed term. A legally binding agreement must be entered into for each sponsorship arrangement consistent with the size, complexity and scope of the sponsorship and in accordance with the City's protocol of procedures and delegations associated with agreements.
- 5.1.5.2** Sponsorships over \$15,000 per year will require a contract. In these cases, consultation with legal services will occur to ensure appropriate terms and conditions are being identified.

5.1.6 Evaluation

- 5.1.6.1** Any sponsorship and advertising opportunities will be evaluated to determine fit and alignment to the City's image, values and brand and to assess that all provisions in the policy are satisfied.
- 5.1.6.2** Ethical scans will be conducted on all sponsorships \$15,000 or more in value.

5.1.7 Review

- 5.1.7.1** The Sponsorship, Naming Rights and Advertising policy shall be reviewed on an annual basis in the first two years of the program start up with any recommendations to alterations brought forth to Council.

6.0 Related Policies

City of Regina Signage By-Law
City of Regina Civic Naming Policy (Guideline)
City of Regina Heritage Bronze Plaque Naming Program
City of Regina Street and Park Naming Policy

7.0 Reference Material

Canadian Code of Advertising Standards

8.0 Revision History

Date	Description of Change	(Re)-Approval Required (y/n)
dd-mmm-yyyy	Initial Release.	Yes

Community Association Leases

Date	January 20, 2021
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Land, Real Estate & Facilities
Item No.	EX21-6

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the leases of City-operated space to the respective Community Associations/Zone Boards as outlined in this report.
2. Authorize Administration to finalize any other commercially relevant terms and conditions of the lease documents.
3. Instruct the City Clerk to execute the Lease Agreement documents as prepared by the City Solicitor.
4. Approve these recommendations at its meeting on January 27, 2021.

ISSUE

The City of Regina (City) currently provides space to three Community Associations and one Zone Board operating out of City-operated facilities. These groups have been operating without formal lease agreements. The City's Real Estate Branch is working to finalize lease agreements with all four ensuring the responsibilities of the City and the groups are clearly documented going forward.

The Community Associations and Zone Board that require formal leases with the City are:

- Heritage Community Association (HCA)
- Cathedral Area Community Association (CACA)

- Al Ritchie Community Association (ARCA)
- Regina West Zone Recreation and Community Service Development Board Inc.

One of these groups, the Al Ritchie Community Association, also has a separate lease for a federally funded wellness centre located within the same building that is currently up for renewal.

Administration is recommending the approval of four (4) leases at no charge except for costs associated with parking, and the approval of one (1) lease at less than fair market related to the wellness centre that receives federal funding.

As the proposed leases are below fair market value and the leased space will not be made publicly available, they require City Council approval pursuant to Section 4 of *The Regina Administration Bylaw 2003-69*.

IMPACTS

Accessibility Impact

The groups currently operating within these facilities have been located there for several years. The locations are all within existing community centres that provide for easy public access and accessibility for people with mobility challenges.

Financial Impact

Four of the five leases are at zero cost to the Lessee. This allows the groups' funding to be used wholly for programming as opposed to paying for the lease of space. This is consistent with past practices. There is no charge to the groups for operational costs as the buildings are being operated as City facilities. Currently, Heritage Community Association (HCA) pays approximately \$1,550 for utilities annually; however, those costs have been waived within the recommended formal lease to ensure consistency across all leases and ensure the Associations' core operations are fully supported. Three of the four organizations - ARCA, CACA and the HCA - have requested designated parking spaces at their respective locations. Both the ARCA and the CACA are requesting one parking space and the HCA is requesting two. Each space will be charged at a cost of \$13 bi-weekly.

The ARCA also leases 950 square feet of space that is specific to the federally funded Wellness Centre they operate. The funding provided includes costs for rental space. The proposed lease rate is \$14,200 + GST per annum, which is below the current market value of \$17,016 +GST. Without the federal funding provided for the Wellness Centre, ARCA would not be leasing this space. The lease provides for a renegotiation of the annual rental upon each renewal term, although funding for the space is limited by the federal government and may not fully support the market value of the rental space.

Policy/Strategic Impact

The City has a long-standing commitment to community associations and zone boards. They provide valuable community development services by offering a foundation for growth,

community engagement and sustainable community ownership for creative, positive events in local neighbourhoods. City Council supports the Community Investment Grants Program through which strong support for the Associations has been committed for many years.

The City recognizes the important work of Community Associations. Providing rent free space demonstrates our commitment to Social Development priorities within Design Regina: The Official Community Plan.

- Promote and enhance social sustainability by recognizing that quality of life in a community depends on both its physical and community resources.
- 13.1- Develop community resources to provide opportunities for social activities, events and programming for Regina Residents.
- 13.3- Encourage the use of activity centres, open space, community resources and other areas within the public realm for neighbourhood gatherings.
- 13.4- Collaborate with partners and the community to identify required social programs and services to address the diverse needs of residents, including the most vulnerable populations.

The continued leasing of these properties to the respective groups offers stability to the citizens of Regina.

OTHER OPTIONS

Option 1

Approve all four (4) leases at no cost including providing the parking spots at no cost and approve one (1) lease at less than fair market value due to federal funding constraints. This is not the recommended approach as it is not consistent with the agreements that we have with other community associations. Charges for parking are consistent with our approach for City employees and consistent with our agreement with Mobile Crisis. Parking is also not a requirement for the groups' core operations therefore is not provided free of charge. The recommendation requiring paid parking also supports the Community Association Review recommendations taken to and approved by City Council. A level of consistency was created by providing additional funds for each group to make decisions about what was important for their members, volunteers and staff.

Option 2

Charge fair market value for all leases. With all spaces taken into consideration, charging fair market value would equate to annual revenues in the amount of approximately \$100,275 plus operating costs. This is not the recommended option as it would cause financial hardship that would curtail most, if not all, of their activities. Much of their revenue comes from City grants and fees associated with their programming.

COMMUNICATIONS

Public notice is required for City Council to approve the lease of City-owned property without a public offering and below market value. Notice regarding this proposal will be advertised in accordance with public notice requirements.

All four groups will be informed of the decision made by Council.

DISCUSSION

The HCA has been the tenant at 1654 11th Avenue (Old #1 Fire Hall) subject property for at least the last 25 years. HCA occupies approximately 2,797 square feet that includes offices, a kitchen and storage room. They will also be provided with two designated parking spaces.

The ARCA has been at 2230 Lindsay Street (Core Ritchie Neighbourhood Centre) for at least the last 17 years. They occupy approximately 2,650 square feet that includes office and the upstairs mezzanine. ARCA will also be provided with one designated parking space. ARCA also occupies approximately 950 square feet for its wellness centre. This area is provided funding through federal public funds.

The Regina West Zone Recreation and Community Service Development Board Inc. has been a tenant of 1127 N Arnason Street (North West Leisure Centre) for several years. It occupies approximately 150 square feet of office space and has access to storage space within the building.

The CACA has been a tenant of 2900 13th Avenue (Cathedral Neighbourhood Centre) for several years. CACA will also be provided with one designated parking space. It occupies approximately 490 square feet of space that includes office space.

All the proposed leases have been prepared and reviewed by the City Solicitor's office and have been reviewed by the community associations and zone board to ensure they meet their needs. Each lease has an initial term of five years with one option to renew for a second five-year term. The exception to this is the lease for the ARCA's wellness centre. This lease is an initial three-year term with an option to renew for two additional three-year terms. Each renewal will be offered under the same terms and conditions as the initial lease except for the federally funded wellness centre for ARCA. The lease rate for this area will be reviewed and renegotiated upon each notice of renewal.

The City's relationship with these four groups differs from other Community Associations operating in city-owned facilities. These four groups do not operate the centre in which they reside and are simply leasing space from us. These buildings are fully staffed and operated by the Land, Real Estate & Facilities department. Other Community Associations have Community Centre Operating Agreements; there are no City staff within those buildings which are fully operated by the Community Association.

DECISION HISTORY

The recommendation(s) contained in this report require City Council approval.

Respectfully Submitted,

Respectfully Submitted,



Shauna Szdel, A, Exec. Dir., Financial Strategy & Sustainability

1/8/2021



Barry Lacey, Exec. Director, Financial Strategy & Sustainability

1/15/2021

Prepared by: Sherri Hegyi, Real Estate Officer