



# **EXECUTIVE COMMITTEE**

**Wednesday, September 9, 2015  
11:45 AM**

**Henry Baker Hall, Main Floor, City Hall**



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Office of the City Clerk

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**Revised Public Agenda  
Executive Committee  
Wednesday, September 9, 2015**

**Approval of Public Agenda**

**Minutes of the meeting held on August 12, 2015.**

**OTHER REPORTS**

EX15-19 Executive Committee: Universal Bus Pass for the University of Regina

**Recommendation**

1. That City Council delegate authority to the Chief Operating Officer (or designate) to negotiate and approve a contract with the University of Regina Students' Union as further detailed in this report.
2. That City Council approve the advance capital purchase of five 40 foot buses with the estimated cost of \$2,750,000 from the General Fund Reserve.
3. That this report be forwarded to City Council on September 28, 2015 for approval.

**ADMINISTRATION REPORTS**

EX15-20 Multi-Year Budgeting

**Recommendation**

1. That Administration continue generating one year Operating Budgets and five year Capital Budgets up to, and including, the 2018 budget year.
2. That a multi-year approach to developing operating and capital budgets be introduced starting with the 2019 budget that has the following characteristics:
  - a. An annual review and Council approval of operating budgets, mill rates and the associated property tax bylaw.
  - b. An annual review and Council approval of an operating budget forecast that covers up to the next four years, in accordance with the remaining years of each Council's term, at a level of detail sufficient for providing indicative guidance about services, service level and mill rate changes in each year of the forecast period.



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Office of the City Clerk

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- c. An annual review and Council approval of a five-year capital budget, including multi-year funding commitments where applicable, consistent with current practice.
3. That items EX11-50 and MN15-1 be removed from the list of outstanding items for the Executive Committee.
4. That this report be forwarded to the September 28, 2015 meeting of City Council for approval.

EX15-21 Requesting Designation Under the Provincial Disaster Assistance Program

**Recommendation**

1. That the City of Regina (City) apply to the Minister of Government Relations to be designated an eligible assistance area under the Provincial Disaster Assistance Program (PDAP), which provides financial assistance for restoring essential services and property as a result of damages caused by non-insurable events, in this case, a heavy rainfall which occurred on July 27, 2015 and resulted in damaged basements across the City.
2. That the City Clerk be authorized to sign the PDAP application on behalf of the City of Regina.
3. That this report be forwarded to the September 28, 2015 meeting of City Council.

**RESOLUTION FOR PRIVATE SESSION**

AT REGINA, SASKATCHEWAN, WEDNESDAY, AUGUST 12, 2015

AT A MEETING OF THE EXECUTIVE COMMITTEE  
HELD IN PUBLIC SESSION

AT 11:45 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 Wade Murray, in the Chair  
Mayor Michael Fougere  
Councillor Sharron Bryce  
Councillor Bryon Burnett  
Councillor John Findura  
Councillor Jerry Flegel  
Councillor Shawn Fraser  
Councillor Bob Hawkins  
Councillor Terry Hincks  
Councillor Mike O'Donnell  
Councillor Barbara Young

Also in Attendance: City Clerk, Jim Nicol  
Deputy City Clerk, Erna Hall  
City Manager & CAO, Glen B. Davies  
Executive Director, Legal & Risk, Byron Werry  
Chief Financial Officer, Ed Archer  
Executive Director, City Planning & Development, Diana Hawryluk  
Executive Director, City Services, Kim Onrait  
Executive Director, Human Resources, Pat Gartner  
Executive Director, Transportation & Utilities, Karen Gasmø  
Director, Communications, Chris Holden  
Director, Major Projects, Kelly Scherr  
Manager, Environment Engineering, Rob Court

(The meeting commenced in the absence of Councillor Flegel.)

APPROVAL OF PUBLIC AGENDA

**Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, and that the items be considered at the call of the Chairperson.**

ADOPTION OF MINUTES

**Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that the minutes for the meeting held on June 10, 2015 be adopted, as circulated.**

CITY CLERK'S REPORTS

EX15-16 Freedom of the City

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**Recommendation**

1. That City Council approve granting Freedom of the City to the following military units:
  - i) 38 Service Battalion
  - ii) 10 Field Artillery Regiment
  - iii) 16 Field Ambulance
  - iv) 15 Wing Moose Jaw
  
2. That the Mayor and Chief Legislative Officer and City Clerk be authorized to sign and convey the formal resolutions to the following military units in order for them to exercise their right to march within the bounds of the City of Regina with swords drawn, drums beating and bands playing on September 12, 2015:
  - i) The Royal Regina Rifles
  - ii) 38 Signal Regiment Detachment Regina, (formerly known at 734 Communication Squadron, Royal Canadian Corps of Signals)
  - iii) 38 Service Battalion
  - iv) 10 Field Artillery Regiment
  - v) 16 Field Ambulance
  - vi) 15 Wing Moose Jaw
  
3. That this report be forwarded to the August 31, 2015 meeting of City Council for approval.

**Councillor Terry Hincks moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.**

(Councillor Flegel arrived at the meeting.)

INFORMATIONAL REPORTS

EX15-17 RRI - New Mosaic Stadium Update

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**Recommendation**

That this report be received and filed.

**Mayor Michael Fougere moved, AND IT WAS RESOLVED, that this report be received and filed.**

EX15-18 Regina Wastewater Treatment Plant Upgrade Project - Project Update

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**Recommendation**

That this report be received and filed.

**Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that this report be received and filed.**

**RESOLUTION FOR PRIVATE SESSION**

**Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that in the interest of the public, the remainder of the items on the agenda be considered in private.**

**RECESS**

**Mayor Michael Fougere moved, AND IT WAS RESOLVED, that the Committee recess for 10 minutes.**

(The meeting recessed at 12:01 p.m.)

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Chairperson

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Secretary

September 9, 2015

To: Members  
Executive Committee

Re: Executive Committee: Universal Bus Pass for the University of Regina

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**RECOMMENDATION OF THE EXECUTIVE COMMITTEE  
- AUGUST 12, 2015**

1. That City Council delegate authority to the Chief Operating Officer (or designate) to negotiate and approve a contract with the University of Regina Students' Union as further detailed in this report.
2. That City Council approve the advance capital purchase of five 40 foot buses with the estimated cost of \$2,750,000 from the General Fund Reserve.
3. That this report be forwarded to City Council on September 28, 2015 for approval.

*EXECUTIVE COMMITTEE – AUGUST 12, 2015*

The Committee adopted a resolution to concur in the recommendation contained in the report.

Mayor Michael Fougere, Councillors: Wade Murray (Chairperson) Sharron Bryce, Bryon Burnett, John Findura, Jerry Flegel, Shawn Fraser, Bob Hawkins, Terry Hincks, Mike O'Donnell and Barbara Young were present during consideration of this report by the Executive Committee.

The Executive Committee, at the **PRIVATE** session of its meeting held on August 12, 2015, considered the following report from the Administration:

RECOMMENDATION

1. That City Council delegate authority to the Chief Operating Officer (or designate) to negotiate and approve a contract with the University of Regina Students' Union as further detailed in this report.
2. That City Council approve the advance capital purchase of five 40 foot buses with the estimated cost of \$2,750,000 from the General Fund Reserve.
3. That this report be forwarded to the public meeting of the Executive Committee on September 9, 2015 and City Council on September 28, 2015 for approval.

CONCLUSION

Administration have agreed on a non-binding Memorandum of Intent (MOI) with the University of Regina Students' Union (URSU) on a Universal Bus Pass (U-Pass) program at the University of Regina that sets out the key commercial terms that will form the basis of a legal agreement for the U-Pass program should both parties receive approval from their respective organizations to proceed with an agreement. The MOI ensures 100% cost recovery of the annual operating funds of the program which equates to \$1,676,000 annually. In exchange for this payment, the City of

Regina would provide enhanced transit service for eight months, generally corresponding to the University of Regina's fall and winter semesters. To meet this commitment, the City would need to first procure and pay for five buses at a total cost of approximately \$2,750,000 (based on current exchange rates and market prices).

## BACKGROUND

The URSU held a referendum from March 16-19, 2015 with students on the following question:

Should the URSU negotiate a universal bus pass (U-Pass) that will:

- Cost every student \$70-\$90 per semester;
- Provide unlimited access to Regina Transit and, when eligible, Paratransit services for URSU members in the fall and winter semesters;
- Have exemptions for students who live within one kilometer of campus or who live outside of city limits.

This referendum passed with 54 per cent of voters supporting a U-Pass. Twenty-four per cent of eligible students voted in the referendum, with 1,520 votes supporting a U-Pass and 1,278 against.

Transit Administration held three negotiating sessions with the URSU from June 17 to June 30, 2015, and there was agreement on an MOI for a contract.

## DISCUSSION

Negotiations with the URSU went very well, with agreement on the following items:

- **The URSU will set student fees based on the price of the program from the Transit Department.** Thus, it is up to the URSU to ensure the unit price is within the \$70-\$90 range, based on the amount of operating dollars required from the City.
- **The URSU will be responsible for collecting fees from students and will handle any exemptions.** This ensures the additional administrative requirements rest with the URSU and not the City.
- **The URSU will notify the Transit Department of any lost or stolen passes so they can be deactivated.** This will ensure no abuse of the U-Pass system.
- **The URSU will provide the Transit Department with monthly data of students that have a U-Pass.** This information will assist the City with future transit planning and decision-making.
- **The Transit Department will supply the URSU with U-Pass stickers with smart card technology to be applied to student cards to act as their pass for the bus.** This will provide an all-in-one card that students can use at the University and also act as their bus pass. Students will be required to swipe their pass on the electronic fareboxes on the buses and the data will be captured.
- **The U-Pass will only be active during the fall/winter semesters.** The U-Pass will only be active during the two semesters September to April. There is no intent at this time to include the spring and summer semesters. This could be negotiated in the future.



- **Students will receive approximately four (4) months of unlimited bus service per semester.** The passes will be active from September to the end of December, and January to the end of April.
- **The URSU will provide the Transit Department with the start dates for the fall/winter semesters so the Transit Department knows in advance.**
- **The Transit Department and the URSU will have annual meetings to discuss the current service to the University. The intent is to hold meetings in February of each year.** These annual stakeholder meetings will discuss analysis on the current service and review any potential suggestions for improvement. The City owns the service and makes any decisions on service changes.
- **The Transit Department will provide and pay for the upfront capital to purchase buses required to implement the U-Pass program.** Five (5) buses will be required at a price of approximately \$2,750,000 (approximately \$550,000 per bus). The five buses will be used for the new service described subsequently in this report. The annual fees paid by the URSU will include the depreciation costs of the buses over the term of the contract.
- **The URSU will pay the Transit Department two (2) lump sum payments for the U-Pass program, paid 60 days after each semester in fall and winter (approximately November 1 and March 1). The URSU's first year total payment will be \$1,676,000 (\$838,000 per semester).** The \$1,676,000 required payment represents 100 per cent operating cost recovery for the City. This amount includes the depreciation of the five buses required for the service. Sixty days is required for the URSU to collect fees from the University of Regina.
- **Starting September 2017, Saskatchewan Consumer Price Index (CPI) will be applied on \$1,000,000 for the life of the agreement.** This is to account for any increase in the cost of operating expenses during the life of the agreement.
- **Seven (7) Year Agreement – September 1, 2016 to April 30, 2023.** The seven year agreement will ensure that the program will be sustained to receive depreciation for the upfront capital the City is paying for the five buses in 2015.
- **An overall agreement must be approved by the URSU's Board of Governors and City of Regina Council.** Both parties must approve the agreement prior to implementation.
- **Agreed to service will be:**
  - **New route created for the southeast area of the city.** The URSU was looking for service in one of the areas that currently does not have any regular transit service such as Wascana View, The Creeks, Greens on Gardiner and Windsor Park. They also wanted a route that serviced the area immediately around the University in the Whitmore Park area. The route will operate weekdays from 7 a.m. to 6 p.m.

- **Readjustment on Route 21 Glencairn/University for greater service coverage.** As a result of the new route in the southeast servicing the Sandra Schmirler area, Route 21 University/Glencairn will be adjusted to travel down University Park Drive to widen the coverage of bus service going directly to the University. Furthermore, the overall travel time will be reduced for all transit customers.
- **Expanded service hours on Route 18 Harbour Landing/University in off-peak times.** Route 18 Harbour Landing/University was a route that was introduced in 2012. It has been very successful in the amount of ridership growing from 1,000 rides per month to over 5,000 rides per month. This particular route currently only runs during peak times and there has been demand to expand the service hours on this route to run in off-peak times. With the U-Pass program, service would be expanded to run from 6 a.m. to 6 p.m. at 30 minute intervals.
- **Increase service hours on Route 30 and Route 4 during peak times.** Four extra trips will be inserted on the existing Route 4 Hillsdale/Walsh Acres and Route 30 University Express during peak times.
- **Increase late evening service for Routes 18 and Route 21.** There is a large amount of students leaving the University at 10 p.m. when these routes do not run. Transit will provide one trip to each of these routes leaving from the University at 10 p.m.

It should be noted that the implementation of these service enhancements will go through a consultative process before implementation to ensure Transit gathers residents' feedback on the proposed enhancements, thus, there are no specific maps to show any proposed route changes. After consultation with the public, the proposed route changes would be brought to the Community & Protective Committee for approval.

#### Summary of Benefits to the City of Regina

The U-Pass additional service assists the Transit Department in addressing some requests for service from the public where gaps currently exist. The creation of the new southeast route not only connects the area to the University, but provides direct benefit for residents living in Wascana View, The Creeks, and the Greens on Gardiner, as they currently do not have any regular transit service. This new route could also be used to transfer at the Sandra Schmirler Leisure Centre or at Assiniboine Drive and Prince of Wales Drive, to allow customers to travel to the rest of the City, including downtown. This route has a benefit to high school students in the southeast that attend Campbell Collegiate High School, as this is a regular route to and from that school.

As a result of this new route, with service to the Sandra Schmirler area, Route # 21 University/Glencairn can be adjusted to provide greater coverage of bus service to the University by travelling down University Park Drive. Not only does this provide more service to the University, but it will reduce overall commute times on the bus by five minutes as it is a more direct route to and from the University. It will also improve schedule adherence of this route from 85 per cent to 92 per cent on time performance for all transit customers.

Expanding service on Route #18 Harbour Landing/University satisfies one of the greatest demands for service that the Transit Department has heard from customers. Currently, service for Route #18 is only provided during peak times (6 a.m. to 9 a.m. and 3 p.m. to 6 p.m.), but there is demand to expand service to run between 9 a.m. and 3 p.m., and the U-Pass program will address that demand.

Transit will be providing one late night trip on Route #18 and Route #21 for students completing late night classes ending at 9:45 p.m. This will provide those students with safe transportation in the evening.

Additional service will also be added to two of the busiest routes during peak times, Route #4 Hillsdale/Walsh Acres and Route #30 University/Rochdale Express. A total of four trips will be added to these routes to increase frequency which will assist with overcrowding of new U-Pass students during the morning and afternoon rush hour on these routes.

Although this service is primarily built around students attending the University, the services can be used by all residents in the city. It is anticipated that non-university customers will contribute approximately \$10,000 annually when using these services.

The City's obligation in the proposed contract is to provide the upfront one-time capital required to purchase the five buses in the expanded service at a cost of \$2,750,000. The depreciation of the buses is included in the URSU's \$1,676,000 annual payment.

The U-Pass services would only run September through April. The Transit Department will run a summer schedule from May through August where ridership typically drops, in order to correct the service for these slower months. It will also benefit the department as the extra operators can be used as relief during peak summer vacation demand months.

Through the service adjustments, and providing university students with a bus pass that saves current transit users at least \$170 per semester on transportation costs (currently, a student pays \$65/month for four months), the U-Pass will cultivate a new generation of transit riders. A greater reliability on transit services will help achieve the goal in the Official Community Plan Transportation section to elevate the role of public transit.

### Challenges to the City of Regina

The service and ridership increase are of benefit for residents and the City, but there are also some challenges.

The Transit maintenance garage is in need of replacement. A new modern facility is required in order for the Transit system to keep expanding with city growth. There is a provision for an additional mechanic position in the U-Pass costing to accommodate the additional buses for this program. However, a facility is required to service the existing fleet. Any subsequent service expansions that require additional buses will have to be monitored carefully to ensure we can maintain the service that is provided.

The ordering of new buses can take up to one year to procure. If the program is to begin in September 2016, the new buses must be ordered ahead of the 2016 budget cycle to arrive for September 1, 2016. Therefore this report recommends Council approve the purchasing of the busses outside of the formal budget approval process.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

The \$1,676,000 operating cost paid by the students includes all operating costs, the additional five operators needed for the service, depreciation on five buses, interest on the debt related to additional buses, and corporate overhead. Although this new service would primarily be used by students, all residents are welcome to use the service. It is expected that some revenue will be generated from the service, amounting to approximately \$10,000 per year.

The City will be responsible for the one-time cost of \$2,750,000 for the purchase of five new buses, but the depreciation cost of these buses is built into the \$1,676,000 operating cost being paid by the URSU each year.

Administration is relying on URSU to collect the fees and pay the City. They contractually will still owe the City \$1,676,000 and would have to adjust the unit price paid by each student to gather the funds. This is a best practise model when discussed with other transit properties.

### Environmental Implications

The addition of the U-Pass could reduce the number of students and affected residents from using private vehicles, thus reducing green-house gas emissions. A full transit bus produces .7 kilograms of CO<sub>2</sub> emissions per every five kilometers per passenger compared to a large personal vehicle at 1.3 kilograms.

### Policy and/or Strategic Implications

The implementation of a U-Pass helps achieve the transportation goals and policies in Design Regina, the City of Regina's OCP and specifically, "Goal 2: Public Transit: Elevate the role of Public Transit" in Section D3.

*Policy 5.11:* Enhance transit service in existing residential neighbourhoods to support continued residential and employment growth.

As well, it helps to achieve the financial policies in Design Regina, the City of Regina's OCP and specifically "Goal 1: Financial Principals – "Use a consistent approach to funding the operation of the City of Regina" in Section B.

*Policy 1.2:* Consider, except where prohibited by *The Cities Act* or other regulations and where appropriate, establishing user fees and other similar charges in excess of full cost recovery for the program or service to which the fees apply. Such resources shall be considered and general revenues for the payment of costs associated with public benefits are shared city-wide.

### Other Implications

None with respect to this report.

Accessibility Implications

In April 2014, the Transit bus fleet became accessible for people using mobility devices. All buses used in this transit service will be low-floor and will accommodate people experiencing mobility disabilities. Registered paratransit customers that are attending the University of Regina would be eligible to use the U-Pass on the paratransit service.

COMMUNICATIONS

A communications strategy will be developed upon approval of the recommendations.

DELEGATED AUTHORITY

The disposition of this report is within the delegated authority of the City Council.

Respectfully submitted,

EXECUTIVE COMMITTEE

A handwritten signature in black ink, appearing to read 'J. Nicol', written in a cursive style.

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Jim Nicol, Secretary

mrt

September 9, 2015

To: Members,  
Executive Committee

Re: Multi-Year Budgeting

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### RECOMMENDATION

1. That Administration continue generating one year Operating Budgets and five year Capital Budgets up to, and including, the 2018 budget year.
2. That a multi-year approach to developing operating and capital budgets be introduced starting with the 2019 budget that has the following characteristics:
  - a. An annual review and Council approval of operating budgets, mill rates and the associated property tax bylaw.
  - b. An annual review and Council approval of an operating budget forecast that covers up to the next four years, in accordance with the remaining years of each Council's term, at a level of detail sufficient for providing indicative guidance about services, service level and mill rate changes in each year of the forecast period.
  - c. An annual review and Council approval of a five-year capital budget, including multi-year funding commitments where applicable, consistent with current practice.
3. That items EX11-50 and MN15-1 be removed from the list of outstanding items for the Executive Committee.
4. That this report be forwarded to the September 28, 2015 meeting of City Council for approval.

### CONCLUSION

The City of Regina has the authority to generate multi-year budgets and has developed a five-year Capital budget for many years. Section 128 of *The Cities Act* prescribes that Council must adopt an operating and capital budget for each financial year but does not stipulate the timing of this adoption. However, *The Cities Act* does not permit Council to pass a multi-year tax rate bylaw. Therefore, Council would have to confirm the budget for each year in an annual budget meeting for the purposes of setting the mill rate and enacting a tax bylaw.

Administration investigated the opportunities of longer term planning as part of the budget process and concluded that multi-year budgeting offers significant benefits, such as to:

- improve long-range strategic planning and decision making by aligning longer-term goals and objectives with longer-term funding plans;
- improve the City's financial management;

- establish better integration of the City's Official Community Plan, the Strategic Plan and Business Plans as well as link operating and capital activities and spending;
- provide citizens with greater degree of certainty about the future direction of the City with respect to service delivery, tax rate and utility rate levels;
- improve efficiency and potentially reduce time dedicated to budget development.; and
- support the City's credit rating by demonstrating a commitment to long-term financial planning.

While some preparatory work is required to ensure administrative policies, tools and work processes can support a multi-year planning and budgeting approach, the corporation's current processes reflect many of the key features associated with multi-year operating and capital budgets. A comparison of best practices as defined by the Government Finance Officers Association (GFOA) of the United States and Canada for successful implementation of multi-year budgets shows the City's budget development process needs some modification, but already at least "partially complies" with best practice guidance.

Experience from other cities demonstrates that it is best practice to align multi-year budgets with the civic election cycle and strategic planning. Consistent with this practice, and given the four-year horizon for the City's strategic planning cycle and Council term, it is recommended that the City pursue a multi-year budgeting timeframe of four years for both operating and capital budgets.

There are three options available with respect to the method for approving multi-year budgets. The best choice for Regina is the use of a four-year static<sup>1</sup> budgeting approach along with a multi-year budget approval process that allows Council to approve a three-year budget with all years approved at once, but the mill rate for future years will only be approved in principle. Council would formally approve the mill rate on an annual basis and approve the budget for the current year in order to enact the property tax bylaw for that year. This provides Council the control and flexibility to make annual adjustments to the budget and mill rate. This is consistent with *The Cities Act* and practices from the Cities of Winnipeg and Yellowknife. In addition, it better aligns the budget with the Council term. Future adjustments to the timeline can support the alignment of the multi-year budget with the four-year horizon for the City's strategic and business planning cycle.

Publishing multi-year mill rate forecasts enhances accountability. It can be difficult to accurately predict mill rate changes for up to four years because the municipal operating environment is subject to factors outside its control that influence perceptions of affordability, capacity and tax burden. These, in turn, could prompt Council to consider changes to the forecast mill rate and such changes could generate negative responses from stakeholders. To mitigate this risk, effective communication needs to be established to advise that mill rate levels included in the multi-year budgets are indicative rates based on projections and could potentially change, if circumstances warrant.

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<sup>1</sup> Static budgeting does not mean the budget for future years cannot be adjusted. It entails that the period of the budget will not change until after four years. The benefit of a four-year static budget is that the timeframe can stay in lockstep with the City strategic plan and Council term.

Council motion MN15-1 directs that a potential work plan associated with producing a multi-year budget for the City of Regina beginning in 2017 be developed. Given the amount of work required to set the foundation for successful implementation of multi-year budgets, it was concluded that this timeline is aggressive. Implementing the City's first multi-year budget in the 2019 budget would provide a reasonable timeline for Administration to align the planning and budgeting process to ensure the benefits of multi-year budgeting are fully realized. This would include:

- establishing new processes, or adjusting current processes, with appropriate tools to support multi-year budgeting (for example, a multi-period revenue and expenditure forecasting methodology), and better technology to support long range forecasting and financial reporting in 2015 and 2016;
- develop a Long Range Financial Plan in 2016;
- conduct a core services review;
- engage the 2016-2020 Council in a strategic planning and business planning process in 2017 using inputs from the Long Range Financial Plan and the Core Services Review;
- in 2017, develop a new Strategic Plan (2019-2022) that will influence budget development; and
- develop a multi-year budget in 2018 for implementation for the 2019 budget year.

A potential work plan and timeline is included in this report. If a decision is made to pursue a multi-year budget, a more detailed plan and timeline would be developed.

## BACKGROUND

On February 28, 2011, Council submitted a Motion MN11-3 that Administration undertake a review of what might be possible if the City of Regina was to move to a system of budgeting that would involve longer term planning for both the capital and operating budgets.

On November 14, 2011, City Administration provided a report (EX11-50) to the Executive Committee of Council that included analysis of the benefits and risks, as well as other considerations for pursuing a longer term planning for both the capital and operating budgets. The Executive Committee resolved that item M11-3 be removed from the list of outstanding items for the Executive Committee. It was also resolved that members support, in principle, the idea of multi-year budgeting and request the matter be placed on the agenda for an upcoming strategic planning session. This request is addressed by this report.

On February 23, 2015 Council submitted a new motion MN15-1 directing the Administration to prepare a report no later than the third quarter of 2015 describing the features, benefits and potential work plan associated with producing a multi-year budget for the City of Regina beginning in 2017. This report addresses Council's direction.



## DISCUSSION

### Multi-Year Budgeting

A multi-year budget refers to the development and adoption of an expenditure and revenue document that spans across two or more years. The budget for each year can be approved one year at a time or several years at once. Typically, a defined mechanism is put in place to adjust the budget each year to deal with unexpected changes in revenue or expenditure. The intent of the adjustment is not to open up the plans and budgets for a full-scale review, but to adhere to the multi-year budget and to provide the opportunity to fine-tune the budgets only when circumstances warrant.

Pursuant to section 128 of *The Cities Act*, the City of Regina has the authority to generate multi-year budgets and has developed a multi-year Capital Program for many years. *The Cities Act* directs that Council must adopt an operating and capital budget for each financial year. However, the *Act* does not permit Council to pass a multi-year property tax rate bylaw. Council would have to confirm the budget for each year in an annual budget meeting for the purposes of setting the mill rate and enacting a property tax bylaw.

### Benefits and Challenges

The Administration investigated the opportunities of longer term planning as part of the budget process and identified that multi-year budgeting offers significant benefits and some challenges as presented below:

#### Benefits:

- *Promotes long-range thinking and strategic planning.* Most programs, services and capital investments that the City undertake have impacts and need funding over more than a single year. A multi-year budget will help strengthen longer-term planning focus for the City and improve implementation of the strategic and business plans by ensuring longer-term goals and objectives are supported by longer-term funding plans.
- *Improves financial management.* By providing estimates for service needs, commitments, and funding requirements for a long-term period, multi-year budgets help determine potential funding gaps and stimulate discussions around strategies to address the funding gaps. This will help improve the City's financial sustainability.
- *Reduces uncertainty.* Multi-year budgets provide a more in-depth estimate of service delivery expectations and the City's ability to fund those services over the long-term. Proper alignment of service cost projections with tax and other revenue sources provides greater degree of certainty for the citizens about what services they will receive and what taxes they will pay for those services.
- *Promotes service-based planning.* Multi-year budgets promote service-based planning by integrating resource allocations to service objectives and targets driven by Council priorities over a multi-year timeframe. It also links operating and capital activities and spending.
- *Manages risk.* Developing a multi-year spending plan and having indicators that signal when the budget is off course increases the City ability to make corrections before risks become realized, even when they result from circumstances outside of the City's control.

- *Strengthens communication, accountability and transparency.* Multi-year budgets can also improve accountability, transparency and decision-making by providing Council and citizens more contextual information about the consequences of current period decisions in future periods. Multi-year budgets help connect discussions regarding the achievement of long-term goals and short-term spending decisions.
- *Improves efficiency and potentially reduce time dedicated to budget development.* The annual budget process requires substantial time and effort for Administration and Council on an annual basis. Although multi-year budgeting requires significant effort in the first year, it should only require minimal effort for annual adjustments in subsequent years, provided annual adjustments are limited to external factors such as federal or provincial budgets, Council directed changes to priorities, or unforeseen and significant changes to economic factors. This could potentially save time each year, and create capacity for other important functions, including strategic and business planning as well as budget monitoring and evaluation.
- *Supports credit rating.* Financial management and budgetary performance are among key rating factors used by bond rating agencies in assessing the credit rating of municipalities. In 2015, Standards & Poor's (S&P), the City's credit rating agency, affirmed an AA+ rating for the City of Regina. This is partly due to the City's strong financial management and very strong budgetary performance. Implementing multi-year budgeting would be viewed positively by S&P as it would demonstrate the City has solid grasp of long-term financial planning and commitment to addressing long-range financial issues and concerns.

Challenges:

- *Relies on estimates.* One challenge with multi-year budgeting is the difficulty in accurately projecting revenues and expenses for multiple years. Projections are based on several controllable and uncontrollable elements including, but not limited to, collective agreements, inflation rates, population growth, and general economic conditions. Unanticipated changes in any of these factors could have significant impacts on budget plans. This could be mitigated by including an annual review and adjustment step in the budget development process.
- *Impacts Council's ability to reallocate funding.* A multi-year budget signals Council's intention about the services to be provided and the long-term financial direction of the City. This could be perceived as a constraint on Council's decision making ability. An annual review and adjustment process would mitigate this risk.

Key Features of Multi-year Budgeting Compared to the City of Regina Current Process

Table 1 presents the key features of multi-year capital and operating budgets in comparison to the City of Regina's current process. Table 2 shows the Government Finance Officers Association (GFOA) of the United States and Canada recommended conditions for successful implementation of a multi-year budget compared to the City's current budget process.

Table 1: Features of Multi-Year Budgeting

	<b>City of Regina Compliance</b>	<b>City of Regina Current Process</b>
<b>Key Features of Capital Budget</b>		
Long-term asset and infrastructure renewal needs	Partially comply	The City has a long-term plan for some of its assets such as roads, bridges, transit and has also created an Asset Management Branch to better manage all of its assets. An asset management plan for the City’s core asset classes is under development.
Multi-year commitments to capital projects	Partially comply	The City commits funds for multi-year capital projects when the project is approved and provides the funding in the year funds are needed. This improves the tendering process and associated bid results, producing more competition and better pricing.
Increase control over projects	Partially comply	There are opportunities to strengthen capital project controls. Adopting a multi-year budget framework helps realize those opportunities.
Longer-term horizon for capital planning	Partially comply	The City develops longer-term plans through its business and strategic planning process, but there is currently no comprehensive financial plan to fund these capital projects.
Estimated funding amounts from all appropriate funding alternatives	Partially comply	Funding sources from reserves and other dedicated sources are identified for some projects, but we need a long-range funding plan that fully funds our projected capital projects.
Reliability and stability of identified funding sources	Partially comply	While funds from other orders of government for municipal purposes could change, a multi-year budget framework helps strengthen the corporation’s resilience if funding sources become less stable than originally planned.
<b>Key Features of Operating Budget</b>		
Multi-year tax rate forecast	Does not comply	Tax rate forecast are done annually
Multi-year utility rate forecast	Comply	Utility rates are set for multi-years
Multi-year staffing requirements	Does not comply	Staffing requirements are forecast annually
Asset condition profiles	Partially comply	Asset Management Branch has been created, but detailed asset management plan is not yet complete.
Multi-year funding requirements from Operating Budget to Capital Budget	Does not comply	Capital funding from operating budgets are set annually

Table 2: Conditions for Multi-year Budgets Compared to the City of Regina Current Process

<b>Recommended Conditions</b>	<b>City of Regina Compliance</b>	<b>City of Regina Current Process</b>
Well defined long-term priorities, goals and objectives	Fully comply	The City has well defined long-term priorities, goals and objectives
Clearly defined multi-year projects and services with operating and capital expenditures	Partially comply	Capital projects are defined for multiple periods but operating expenditures are prepared annually
Long-term strategic and business planning	Fully comply	The City has a four-year strategic plan
Long-range financial plan (LRFP) <sup>2</sup>	In process	The City is in the process of developing a long-range financial plan
Asset management plan	Partially comply	An Asset Management Branch has been created for the City
Revenue and expenditure forecasting methodology	Partially comply	Revenues and expenditures are forecasted on annual basis
Reporting and monitoring policies and processes	Fully comply	There is a well-established budgeting reporting and monitoring process
Budgetary controls, policies and processes	Partially comply	The City has budgeting policies and procedures, but these policies will have to be updated to meet the needs of multi-year budgeting

The City's current capital budget process only complies with some of the features and conditions of multi-year capital budgeting. Therefore, some effort will be required to develop the policies, tools and processes for a successful implementation of multi-year operating and capital budgets at the City.

### Current Budget Process

The City's current budget process begins with strategic and business planning and ends with a Council approved plan for the upcoming year. The City's approach to budget development looks at a number of factors, including:

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<sup>2</sup> The purpose of an LFRP is to provide a projection of the City's revenue and expenditure over the long-term, illustrate the relative magnitude of the financial gaps and challenges facing the City, stimulate discussions on how to address the general trends revealed by these challenges, and assist in planning strategy and actions that will contribute to the City's long-term financial sustainability.

- The importance of maintaining affordable services.
- The expectation that the City's financial condition will improve to achieve the *Design Regina* Community Priority of *Long-term Financial Viability*.
- The need to maintain service levels when costs are escalating and the city is growing.

A detailed description of the City's 2015 budget process is attached as Appendix A.

Although the operating budget for the City is prepared on an annual basis, the City follows a multi-year approach to capital planning and has developed a five-year capital plan for many years. This includes multi-year funding approvals for projects that require more than one year to complete. In order to maintain a five-year capital plan at the start of each budget year, a new capital budget period is annually added to the capital plan as the current budget year ends.

As a result, Administration spends considerable amount of time and effort annually to produce the operating and capital budgets for the current year. The estimated hours spent by Finance staff alone in developing the budget on annual basis is approximately 9,000 hours. There is a potential opportunity for time savings under the multi-year budgeting process if the annual adjustments to the multi-year budgets are limited to significant changes. It is important to note that multi-year budgeting may not result in time saving if the budget is open to a detailed review and adjustment annually.

#### Practices from Canadian Municipalities

Multi-year budgeting is not a standard approach in Canadian municipalities, but some municipalities have been successful in its implementation and have acknowledged the benefits of multi-year budgeting. The following provides the experience from six municipalities:

- *Calgary* (Four-Year Operating Budget and Four-Year Capital Plan) - The City of Calgary launched its first multi-year planning and budgeting in 2006, which included a three-year Operating Budget and a five-year Capital Plan. In 2013, the City of Calgary approved an integrated four-year approach to business planning and budgeting to reflect its new Council cycle of four-year terms. Council approves a four-year budget, including mill rate increase for all years. However, the mill rate increase is formally adopted each year in order to enact the tax bylaw. Council also approves adjustments to the current four-year budget every November to allow the City respond to emerging events and unexpected issues and maintain the integrity of the four-year plans and budgets. The budget is prepared on a static basis.
- *Lethbridge* (Four-Year Operating Budget and Four-Year Capital Plan) - The City of Lethbridge has successfully utilized multi-year budgeting for 15 years. Due to a number of factors, including frustration with figures, process and the time consumed, City Council initiated the move to a multi-year budgeting and a two-year operating budget was developed in 2000. In 2014, the City of Lethbridge approved a four-year Operating Budget and a four-year Capital Plan to better align with the civic election cycle. Council approves the four-year budget, along with the mill rate increase, with all years are approved at once. However, mill rate increase is formally adopted annually in order to enact the tax bylaw. The budget is prepared on a static basis.

- *Yellowknife* (Three-Year Operating Budget and Three-Year Capital Budget) - The City of Yellowknife approved its first multi-year budget in 2001. The City's budget policy indicates that Council shall adopt three-year budget goals at the start of each term and review budget goals annually. Council adopts the first year of the budget plan and mill rate levels, and approves the second and third years in principle in the first year. Annual adjustments are made to the budget and mill rate, and the budget is prepared on a rolling basis<sup>3</sup>.
- *Winnipeg* (Three-Year Operating Budget and Five-Year Capital Plan) - The City of Winnipeg adopted its first multi-year budget for 2000-2002, and had since operated a three-year Operating Budget and five-year Capital Plan. Council approves, annually, the first of the three-year operating budget and the first of the five-year capital budget and adopts, in principle, the budgets and mill rate for future years. Annual adjustments are made to the budget and mill rate, and the budget is prepared on a static basis.
- *Edmonton* (One-Year Operating Budget and Three-Year Capital Plan) - The City of Edmonton approved a multi-year approach to budgeting for operating and capital programs in September 2014, with implementation scheduled for 2016. The plan is to roll out a multi-year budget that aligns with Council term.
- *Saskatoon* (One-Year Operating Budget and Five-Year Capital Plan) - The City of Saskatoon generates its operating budget on an annual basis, but has been operating a five-year capital plan for many years. This is similar to the City of Regina's current approach to budget development and approval.

### Multi-Year Budgeting Timeframe, Approaches, and Approval Options

#### ***Timeframe***

A number of municipalities in Canada have employed varying timeframes for their multi-year budgeting based on their unique needs and circumstances. Appendix B as attached provides the timeframes adopted by municipalities, along with the rationale for the timeframe.

The experience from other cities demonstrates it is best practice to align multi-year budgets with the civic election cycle. Based on this, consideration was given to developing multi-year budgeting that aligns with the strategic planning cycle and Council term for the City of Regina. The City of Regina's Council term is four years and the City's Strategic Plan is developed for a four-year period. Consistent with its strategic planning and election cycle, it is recommended that the City work toward the development of a multi-year budgeting timeframe of four years for both operating and capital budgets. Although this timeframe reduces the City's current five-year capital plan, it still allows the City to plan for five or more years internally.

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<sup>3</sup> A rolling budget is a budgeting approach whereby a new budget period is continually added on annual basis as the current budget year ends.

## ***Approaches***

There are two main approaches for ongoing management of multi-year budgets, which include:

- *Static Budget* - This approach requires establishing a budget for a four-year period with minimal adjustments applied to years two through four as they become current. The period of a static budget does not change until after four years. The benefit of a static budget is that the timeframe can be adjusted to stay in lockstep with the City strategic plan and Council term. A drawback would be that at the end of the four-year cycle, another major undertaking would be required to develop the budget for the next cycle.
- *Rolling Budget* - Under this approach, a new budget period is continually added as the current budget year ends. Thus, the rolling budget requires an incremental extension of the existing budget so that at each point in time, the City will have a four-year budget in place. The benefits of this approach is that the City is continually guided by a four-year plan and the rolling approach may better reflect that a municipality's operating environment is continually changing. A drawback with this approach is that time will be required annually to create the fourth year budget. As well, an incoming Council could be potentially committed to budget decisions made by an outgoing Council if the City enters into a contractual obligation based on multi-year budgets approved by an outgoing Council. This is not administration's recommended approach.

It is recommended that a static budgeting approach be pursued as it better aligns with the City's Strategic Plan and Council term. It is also the most common approach adopted by municipalities.

## ***Budget Approval Options***

Three options available to Council with respect to approving multi-year budgets and mill rate increases are analyzed below:

***Option 1: Approve operating and capital budgets, including mill rate changes, for all years at a time.*** This means that Council will approve a four-year budget along with the mill rate changes for all four years in the first year of the four-year budget, but Council will have to formally adopt the mill rate (without debate) each year in order to create the tax bylaw. Minimal adjustments can be made to the budget but less so to the mill rate.

Pros

- It will promote long-term thinking and planning.
- It provides more certainty about the future direction of the City.
- It could result in time saving, which could create capacity for other important functions.
- It is consistent with multi-year budgeting practices from the Cities of Calgary and Lethbridge.

#### Cons

- It could be legally difficult to approve mill rate for multiple years under *The Cities Act*.
- Approving mill rate for multiple years based on revenues and expenditures forecasts could be risky if the assumptions in the forecasts are inaccurate or overtaken by unexpected events.
- It could potentially limit Council's flexibility to make adjustments to the budget plan.

***Recommended Option - Option 2: Approve operating and capital budgets for all years at a time and approve mill rate changes annually.*** This means that Council will approve a four-year budget with all years approved at once, but mill rate changes for future years will only be adopted in principle. Council will debate and approve the mill rate for future years on an annual basis.

This recommendation would be implemented over a period of time that would first allow the alignment of the multi-year budget to the Council term by approving a three-year budget. Additional work would then be undertaken to adjust timelines that would allow for the development of four-year Operating and Capital Budgets to align with Council term and the Strategic Planning process.

#### Pros

- It could result in time saving, but would require more time than option 1.
- It is consistent with *The Cities Act*.
- It will enhance long-term planning.
- It allows Council to approve, in principle, indicative mill rate, utility rates and recycling fees, thereby creating more certainty in future years for planning and multi-year projects.
- It gives Council the flexibility to make annual adjustments.
- It is consistent with multi-year budgeting practices from the Cities of Winnipeg and Yellowknife.

#### Cons

- Multi-year budget approvals and publishing indicative mill rate forecasts increase the risk that public communication and engagement efforts do not sufficiently acknowledge the potential for future Council decisions to vary from forecasts, which could impair public trust.
- There is a probability of adjustments to the budget as mill rate for future years are subject to change.

***Option 3: Approve operating and capital budget along with mill rate changes one year at a time, and adopt the budget and mill rate for future years in principle.*** This means that Council will approve the operating and capital budget together with the mill rate one year at a time, and adopt in principle, the budget and mill rate changes for future years.



#### Pros

- It is consistent with *The Cities Act*.
- It will enhance long-term planning.
- It is consistent with the City's current process for approving its multi-year Capital Plan.
- It allows Council to approve, in principle, indicative mill rate, as well as indicative utility rates and recycling fees.
- It ensures mill rate changes are adjusted annually to accurately reflect the level of service expected by the citizens and the funding available to deliver the services.
- It gives both City Administration and Council flexibility to make annual adjustments to the budget plan based on changing economic circumstances.

#### Cons

- Reviewing the budgets annually could require significant time and effort, which could potentially detract from one of the benefits of multi-year budgeting.
- It could require significant time to make adjustments to the budget and mill rate.
- It is not consistent with multi-year budgeting practices from other municipalities.

Staff recommend the use of a four-year static budgeting approach along with an approval process based on option 2. This option allows Council to approve a multi-year budget with all years approved at once, but mill rate changes for future years will only be approved in principle. Council will debate and approve the mill rate for each year on an annual basis. This recommendation gives Council the flexibility to make adjustments to the mill rate on an annual basis and it is consistent with practices from the Cities of Winnipeg and Yellowknife. It is also consistent with *The Cities Act* and allows for alignment between the City's strategic and business planning cycle and Council term.

#### Potential Work Plan and Timeline

To meet the 2017 timeline originally identified in Council's motion, the process for developing a framework for generating multi-year budgets would have to be rolled out in the second quarter of 2016 and development of the City's first four-year budget will have to be complete by the fourth quarter of 2016 for implementation in 2017. This timeline is aggressive given the amount of work required to set the foundation for successful implementation of multi-year budgets. In addition, the new Council elected in 2016 would not have sufficient time to contribute to the budget plan if a multi-year budget is implemented in 2017.

Based on this, it is recommended that implementation of the City's first multi-year budget be introduced with the 2019 budget. This provides Administration a reasonable timeline to:

- establish new processes required for multi-year budgeting, such as multi-period revenue and expenditure forecasting methodology, variance reporting tool, and proper technology support in 2015 and 2016;
- develop a Long Range Financial Plan in 2016;
- conduct core services review;

- engage the new Council (elected in 2016) to obtain direction on long-term strategic plan and business planning in 2017, using inputs from the Long Range Financial Plan and the Core Services Review;
- develop a new Strategic Plan (2019-2021) that will guide the budget development; and
- develop a multi-year budget in 2018 for implementation for the 2019 budget year.

### ***Multi-Year Budgeting, Strategic Planning and Long Range Financial Plan –***

The City of Regina's current planning framework is driven by the City's Vision and Official Community Plan, *Design Regina* (OCP). City Administration considers these documents to be Council's direction – the desired future state that Council wishes to achieve. Administration's strategic plans are defined as implementation plans to move the City towards that future state in a series of successive steps. A multi-year budget would strengthen the strategic plan's financial element.

However, there are some gaps in the process that could jeopardize the successful implementation of multi-year budgets. Prior to the full implementation of multi-year budgeting, the following elements need to be in place:

- Council engagement in strategic planning to ensure each successive strategic plan addresses Council priorities. A multi-year budget would be based on a time frame that aligns with each strategic plan cycle. Currently, the Administration bases its strategic plan on Council's very high level direction through the City's Vision and OCP. Council is advised of the Administration's strategic plan, but has not typically developed term priorities that drive or shape that plan. Best practice suggests that, in order to ensure long term commitment to a multi-year budget, it is important that the budget be based on achieving Council's stated priorities
- A Long Range Financial Plan (LFRP), a financial forecast covering between ten and thirty years which will:
  - Provide a projection of the City's revenues, expenditures, investments and required debt over the long-term;
  - Illustrate the relative magnitude of any financial gaps and challenges facing the City;
  - Stimulate discussions on how to address the general trends revealed by these challenges; and
  - Assist in planning strategy and actions that will contribute to the City's long-term financial sustainability.

A LFRP will help Council to ensure that the financial constraints that might limit the scope of a multi-year budget are understood. It is anticipated that a LFRP will be complete for the City of Regina by the end of 2016.

- Consistent performance reporting and budget management to ensure the multi-year plan remains on track. The longer the timeframe of a multi-year budget, the more likely it is to be based on estimates. Given this reality, it is essential that the monitoring of performance (the delivery of services and achieving strategic priorities) and budget management (checking of

financial assumptions against actuals) be strengthened to ensure the plan remains on track. Generally this would take the form of periodic in-year reporting on performance and budget to Council.

Following is a potential timeline for implementing a four-year budget for the City. This is a high level implementation timeline. If a decision is made to pursue a multi-year budget, a more detailed plan and timeline would be developed.

Potential Multi-Year Budget Development and Implementation Work Plan							
Activity	2015	2016	2017	2018	2019	2020	2021
Civic election/Council term							
Core services review							
Engage Council for direction and priorities							
Develop long range financial plan							
Engage City departments and City service partners on business planning							
Engage the public on the idea of multi-year budgeting							
Complete strategic and business plans							
Define multi-period projects and services with operating and capital expenditures							
Develop a multi-year budgeting policies, processes and variance reporting procedures							
Establish methodology for forecasting revenue and expenditure							
Roll out a process to create multi-year budgets							
Finalize multi-year operating and capital budgets							
Implement multi-year budgets							

**RECOMMENDATION IMPLICATIONS**

**Financial Implications**

If approved as presented, the recommended motions would enhance Council’s and staff’s ability to manage with a long-term financial perspective in mind when making current period decisions. Council would retain the discretion to annually review and adjust budget or mill rate levels.

**Environmental Implications**

None related to this report.

**Strategic Implications**

Multi-year budgeting would improve long-range and strategic planning by aligning longer-term goals and objectives with longer-term funding plans. A multi-year budget and the linkages to Council Vision, the Strategic Plan, and a Long Range Financial Plan have considerable impact on how the City implements its budget. These linkages will enable a longer term perspective that considers broad organizational goals instead of simple bottom line concerns. Council Vision, the OCP, and the underlying strategies as well as the financial impact will become more transparent to the public, City partners and other interested entities.

Other Implications

None related to this report.

Accessibility Implications

None related to this report.

COMMUNICATIONS

Consultation will be required with Regina Police Services, Regina Public Library, Business Improvement Districts, Regina Regional Opportunities Corporation, Regina Exhibition Association Limited, and Wascana Centre Authority.

Implementing a multi-year budget cycle will require the development of a new approach for communicating the City's budget to citizens and stakeholders.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,



June Schultz  
Director Finance

Respectfully submitted,



Ed Archer, CFO  
Corporate Services

## **Appendix A: City of Regina 2015 Budget Process**

*The Executive Leadership Team* - The Executive Leadership Team (ELT) directs the creation of the annual budget by establishing a process for identifying service requirements, creating staff teams responsible for implementing the process and providing directions that guide their work.

*Budget Advisory Group* - Once departmental budget estimates as well as estimates from the City's Service Partners are completed, ELT charged a cross-divisional team of directors and managers with the responsibility to examine the estimates, including any requests for incremental funding and make recommendations to ELT. Funding requests are ranked based on the following criteria:

<b>Operating Budget</b>
<ol style="list-style-type: none"><li>1. Projects in the Corporate Initiatives Portfolio classified as Category A or B</li><li>2. Contractual Obligations/Council Direction</li><li>3. Investing to create an efficiency that delivers existing service levels at a lower long term cost</li><li>4. Maintaining existing service levels by:<ol style="list-style-type: none"><li>a. Investing in increased operating costs to deliver the same level of service to existing areas</li><li>b. Investing in increased operating costs to provide the same level of service to new growth areas</li></ol></li><li>5. Projects in the Corporate Initiatives Portfolio classified as Category C</li><li>6. Increased operating costs to enhance service levels for existing services</li><li>7. Projects in the Corporate Initiatives Portfolio classified as Category D</li><li>8. Increased operating costs to provide new services</li></ol>
<b>Capital Budget</b>
<ol style="list-style-type: none"><li>1. Projects in the Corporate Initiatives Portfolio classified as Category A or B</li><li>2. Pre-approved capital expenditures from 2015 Budget</li><li>3. Contractual Obligations/Council Direction</li><li>4. Investing to create an efficiency that delivers existing service levels at a lower long term cost</li><li>5. Maintaining existing service levels by:<ol style="list-style-type: none"><li>a. Repairing/Rehabilitating existing infrastructure to continue the same level of service</li><li>b. Replacing/Major upgrading existing infrastructure to continue the same level of service</li><li>c. Developing new infrastructure to provide the same level of service to growth areas</li></ol></li><li>6. Projects in the Corporate Initiatives Portfolio classified as Category C</li><li>7. Improving service levels by:<ol style="list-style-type: none"><li>a. Replacing/Major upgrading existing infrastructure to provide an enhanced level of service</li><li>b. Developing new infrastructure to provide an enhanced level of service</li></ol></li><li>8. Projects in the Corporate Initiatives Portfolio classified as Category D</li><li>9. Infrastructure/capital to provide new services</li></ol>

*City Council* - ELT makes the final decisions about what to recommend to Council based on recommendations from the Budget Advisory Group. Council ultimately determines the programs and service levels to be included in the budget, and also approves the budget.

**Appendix B: Multi-year Budgeting Timeframes by Municipalities and the Rationale**

<b>Municipalities</b>	<b>Council term (years)</b>	<b>Strategic and business (years) plan</b>	<b>Operating Budget (years)</b>	<b>Capital Budget (years)</b>	<b>Rationale</b>
Calgary	4	4	4	4	Operating and capital budgets are aligned to Council term and priorities
Lethbridge	4	4	4	4	Operating and capital budgets are aligned to Council term and strategic plan
Yellowknife	3	3	3	3	Operating and capital budgets are aligned to Council term and strategic plan
Winnipeg	4	N/A	3	5	Does not align with Council term
Edmonton	4	4	4	4	Operating and capital budgets are aligned to Council term and strategic plan
Saskatoon	4	10	1	5	Partially aligns with the capital budget as well as the strategic plan and Council term
Regina	4	4	1	5	Partially aligns with the capital budget as well as the strategic plan and Council term

September 9, 2015

**EX15-21**

To: Members,  
Community & Protective Services Committee

Re: Requesting Designation Under the Provincial Disaster Assistance Program

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### RECOMMENDATION

1. That the City of Regina (City) apply to the Minister of Government Relations to be designated an eligible assistance area under the Provincial Disaster Assistance Program (PDAP), which provides financial assistance for restoring essential services and property as a result of damages caused by non-insurable events, in this case, a heavy rainfall which occurred on July 27<sup>th</sup>, 2015 and resulted in damaged basements across the City.
2. That the City Clerk be authorized to sign the PDAP application on behalf of the City of Regina.
3. That this report be forwarded to the September 28, 2015 meeting of City Council.

### CONCLUSION

The Administration has collected community reports and assessed them according to the PDAP's requirements and has determined that the City of Regina is eligible to apply for designation under that program. Applying for designation will give the citizens of Regina the ability to access federal money set aside to help repair any non-insurable properties.

### BACKGROUND

Due to a heavy rainfall event on July 27<sup>th</sup>, there have been several reported and verbally confirmed cases of basement seepage/flooding. A quick review of the first few reports has indicated individual losses in the \$5,000.00 – \$10,000.00 range. Additional properties have been reported to have damage, but have not yet been confirmed. It is expected that a few more claims may arise over the coming weeks.

The PDAP is a provincial program that administers federal funds to assist Canadians who experience damage due to natural disasters where insurance remedies are unavailable. The PDAP program is a cost-sharing program between the claimant and the PDAP. The claimant will be responsible for 5 per cent of the repair costs and the PDAP will cover 95 per cent of eligible repairs.

Normally, a community is required to apply for the program within thirty (30) days of an event, which we have exceeded. The delay was due largely to pursuing sufficient verifiable information from the public to ensure the City met the required criteria for applying for a program. PDAP has agreed to extend the deadline to allow the City to apply.

DISCUSSION

After City Council passes a resolution requesting designation, the Administration will submit the request to the PDAP office. If approved, the PDAP will provide an information package, including application forms, to the City. Application forms will be available to residents of the City via the website as well as City Hall front counter staff. Completed applications will be sent directly to the PDAP office for processing, following which the staff at PDAP will deal directly with the applicants.

RECOMMENDATION IMPLICATIONS

Financial Implications

None with respect to this report.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

None with respect to this report.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

The City Administration will inform residents via news release, social media and the City's website, of the City's involvement and appropriate steps for citizens to take in order to apply for assistance.

DELEGATED AUTHORITY

Recommendations of this report require City Council approval.

Respectfully submitted,



Ernie Polsom, Director  
Fire and Protective Services

Respectfully submitted,



For: Brent Sjoberg, COO Deputy City Manager  
Operations Group

Reported prepared by:  
Jay O'Connor, Manager, Emergency Management and Business Continuity