



MID YEAR BUDGET REVIEW

COUNCIL MEETING

Tuesday, August 16, 2016 – Council Chambers, City Hall

Call to Order:	9:00 AM
Lunch:	12:00 PM

I. IN CAMERA MEETING

- I.1. Motion to In Camera - Human Resource Matter FOIP 24(1)(a)
- I.2. Motion to Revert to Open Meeting

2. INTRODUCTION

- 2.1. City Manager, Craig Curtis

3. FINANCIAL OVERVIEW AND UPDATE

- 3.1. Financial Services Manager, Dean Krejci

4. BREAK

5. REPORTS

- 5.1. Parks Formal Landscape Tree Replacements
- 5.2. Temporary Procurement Resources

(Agenda Pages 1 – 3)

(Agenda Pages 4 – 6)

- 5.3. Collicutt Centre Parking Lot Lighting Report
(Agenda Pages 7 – 10)
- 5.4. AFRRCS Radio System Upgrade
(Agenda Pages 11 – 14)
- 5.5. Westpark Middle School Partnership
(Agenda Pages 15 – 21)
- 5.6. Gaetz Avenue / Taylor Drive and Highway 2 Interchange Improvements
(Agenda Pages 22 – 30)
- 5.7. Fine Revenue Report - 2016
(Agenda Pages 31 – 33)
- 5.8. Parking Sustainability Report
(Agenda Pages 34 – 37)

6. SUMMARY OF MID-YEAR BUDGET DECISIONS

- 6.1. Financial Services Manager, Dean Krejci

7. ADJOURNMENT



July 15, 2016

Parks Formal Landscape Tree Replacements

RECREATION, PARKS & CULTURE

Report Summary & Recommendation:

This report summarizes the current state of tree replacement within the city.

The Parks section is responsible for the maintenance of trees on City owned and operated park land, road rights of ways, and public utility lots. Trees are added to this inventory each year through new development, but are also subtracted from this inventory due to tree failure.

This report is provided for information purposes only.

City Manager Comments:

This item is presented to Council for information prior to submission for the Capital and Operating Budgets.

Craig Curtis
City Manager

Proposed Resolution:

That Council receives the report for information.



Report Details

Background:

On November 24, 2015 Council requested that a report be brought back mid-year 2016 to respond to the issues on the status and progress The City of Red Deer's tree replacement program.

The Parks section is responsible for the maintenance of trees on City owned and operated park land, road rights of ways, and public utility lots. There are approximately 34,400 formally planted trees in Red Deer. Through new development, the number of formal landscape trees increases annually by approximately 600.

Parks will remove trees for the following reasons: (i) risk & liability, (ii) storm damage, (iii) pests and disease, (iv) soil contamination/ root damage, (v) vehicular damage, (vi) public damage, (vii) natural failure, and, (iv) development/ re-development projects. The Parks section does not remove trees for aesthetics or for nuisance characteristics (i.e. poplar fuzz, leaf loss, or fruit). Over the past five years, the number of trees lost annually has increased to between 125-150. Contributing factors include an aging urban forest canopy, drought, major storm events and increased pests and disease.

In 2014, 2015 and 2016 administration requested one time funding to address the trees that had been lost but not yet replaced. There are many factors that impact the replacement cost of a tree including: location, site encumbrances, as well as the size and type of the tree. Costs for tree replacements can range from \$550 for a new bare land tree planting to \$4,000 for a hardscaped tree replacement.

A goal within the Environmental Master Plan (EMP) is to increase the urban tree canopy of the city. This goal has been attained over the years as the number of trees added annually is greater than the number of trees lost.

Discussion:

Parks operating budget includes an annual allocation towards tree replacement. Depending upon the trees being replaced, this has allowed for the replacement of approximately 50 trees per year. There are years that the rate of annual tree loss exceeds the funding available for replacement adding to the backlog of trees lost but not replaced. That being said, typically the number of new trees planted exceeds the number of trees lost realizing a net gain in inventory.

Between 2009 and 2016, Parks received one-time funding intended to help catch up on the replacement backlog. Parks has taken a strategic approach to addressing the replacement backlog. In 2014, the one-time funding was used specifically to replace trees along city roadways and in 2015 one-time funding was allocated to the replacement of hardscape trees in the downtown and additional trees along roadways. This allowed for Parks to get caught up on the highest cost tree replacements but resulted in lower overall tree replacement



numbers. In 2016, with the one time funding, Parks will replace approximately 120 trees that have been identified as a priority (average cost of \$625/tree).

Parks maintains a listing of trees which have been removed and not replaced and estimates that at the end of 2016 the net number of outstanding tree replacements will be approximately 1,180.

Analysis:

Funding will be requested to continue to reduce the backlog of tree replacements and a submission will be made for Council's consideration during the 2017 Capital Budget in November.



June 28, 2016

Temporary Procurement Resources

Financial Services

Report Summary & Recommendation:

Due to an increase in the volume and complexity of procurement activities in 2015, a one-time FAR was requested for overtime and contracted services for 2016. Due to several vacancies there was a need for casual help and overtime but the additional funds of \$25,000 approved by Council were not required to the end of June. It is anticipated that these funds will not be required for the remainder of 2016 as well.

City Manager Comments:

This item is presented to Council for information.

Craig Curtis
City Manager

Proposed Resolution:

That Council receives the report for information.



Report Details

Background:

Due to the increased workload and complexity of competitions in 2015, a one-time Funding Adjustment Request (FAR) in the amount of \$50,000 was submitted for the 2016 budget for increased overtime and contracted services. This would allow the section to maintain service levels to departments during the busy months of January – June.

Following is the resolution Council approved:

Resolved that Council of The City of Red Deer having considered the 2016 Interim Operating Budget, hereby approves the following Tax Supported Funding Adjustment Recommendations as part of the 2016 Interim Operating Budget:

Item	Department	Initiative Title	2016 One Time Requirement
28.0	FIN	Temporary Procurement Resources	50,000

with a report to be brought to Mid-Year Budget to provide a status update.

Prior to voting on the proceeding motion, a motion to amend was introduced and passed.

Moved by Councillor Lawrence Lee, Seconded by Councillor Frank Wong

Item	Department	Initiative Title	2016 One Time Requirement
28.0	FIN	Temporary Procurement Resources	25,000

IN FAVOUR: Mayor Tara Veer, Councillor Buck Buchanan, Councillor Tanya Handley, Councillor Lawrence Lee, Councillor Frank Wong

OPPOSED: Councillor Ken Johnston, Councillor Lynne Mulder, Councillor Dianne Wyntjes

ABSENT: Councillor Paul Harris

**Discussion:**

Procurement has generally seen an increase in the volume and complexity of procurement activities in recent years as per the charts below:

Procurement was short staffed during the latter part of 2015 and the first five months due to holidays, a long term illness and three resignations. A combination of streamlining business processes, overtime and temporary help was required to process competitions during this time. Due to the vacant positions, the additional funding from the FAR was not required, nor is it anticipated that it will be required for the remainder of the year.

Analysis:

It is anticipated that there will continue to be an increase in the volume of competitions as 119 competitions have already been processed as of June 28, 2016. If 2016 trends the same way as prior years it is estimated that 190 competitions will be completed this year. Factors for the increase in competitions include procurement related to Enterprise Business Applications, Canada Winter Games and transfer of Engineering procurement activities to Financial Services. With the streamlining of business processes there will not be a FAR submitted as part of the 2017 Enterprise Business Planning process.



July 11, 2016

Collicutt Centre Parking Lot Lighting Upgrade

RECREATION, PARKS & CULTURE

Report Summary & Recommendation:

In 2014 The City received a grant through the Municipal Climate Change Action Centre (MCCAC) to invest in recreational facility infrastructure upgrades that would improve the environmental performance in the areas of utility consumption and energy loss. In 2016, after demonstrating this performance improvement, The City received a further rebate.

Recreation recommends investing this rebate into upgrading the parking lot lights at the Collicutt Centre; an initiative that would further enhance the environmental performance of the facility.

In order for the MCCAC Rebate to be spent on the Collicutt Centre Parking Lot Lighting Upgrade in 2016, Council is required to approve the capital project expenditures.

Administration requests that Council approves \$38,650.37 for the Collicutt Centre Parking Lot Lighting Upgrade Project in the 2016 Capital Budget funded by Municipal Climate Change Action Centre grant.

City Manager Comments:

I support the recommendation of administration. This project is being funded through the grant rebate.

Craig Curtis
City Manager

Proposed Resolution

Resolved that Council of The City of Red Deer having considered the report from Recreation, Parks & Culture, dated July 11, 2016 re: Collicutt Centre Parking Lot Lighting Upgrade hereby approves \$38,650.37 for the Collicutt Centre Parking Lot Lighting Upgrade Project in the 2016 Capital Budget funded by Municipal Climate Change Action Centre grant.



Report Details

Background:

In 2014/2015, The City of Red Deer participated in an infrastructure investment rebate program, Taking Action to Manage Energy (TAME) through the Municipal Climate Change Action Centre (MCCAC). The initiative involved baseline facility audits to identify opportunities to improve environmental performance in the areas of utility consumption and energy loss.

The City received a \$50,000 implementation grant to proceed with \$165,000 in facility upgrades to systems and structures. Upgrades at the Collicutt Centre, Kinex Arena, Kinsman Community Arenas, Red Deer Arena and the Recreation Centre included retrofitting lighting, upgrading hot water tanks and replacing weather-stripping and were completed through approved budgets in 2015.

Through MCCAC measurement of performance following the upgrades, The City was also eligible to receive an additional Greenhouse Gas (GHG) rebate based on demonstrated reduced emissions. In early 2016, MCCAC identified that The City had indeed improved energy management with reduced emissions; the related GHG rebate bonus amounted to \$38,650.37. The City has received this rebate.

Discussion:

An opportunity exists to reinvest this GHG rebate funding to further advance the environmental performance of recreation facilities. The Collicutt Centre is currently outfitted with 31 separate 400 watt metal halide lamps for parking lot lighting. Retrofitting this equipment with LED fixtures would reduce energy consumption by approximately 47%.

The estimated costs for the lighting purchase and installation is \$36,300, which can be funded through the GHG rebate received. The project would completely upgrade the parking lot site lighting at the Collicutt Centre. It is a timely investment as well; new fixtures being installed as part of the Collicutt Centre parking lot expansion project are consistent with what is proposed for the existing parking lot lighting improvement.

The retrofit could be completed within the 2016 fiscal year.

Analysis:

Administration recommends that The City approve the Collicutt Centre parking lot lighting retrofit project and utilize the GHG rebate monies to fund the project. The project would be funded to a maximum of \$38,650.37.

	2016 CAPITAL BUDGET REQUEST	NEW	Section #
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PROJECT NAME DEPARTMENT SECTION	Collicutt Centre Parking Lot Lighting Upgrade Rec. Parks & Culture Recreation Facilities	\$38,651 Current Year Budget Request
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Project Description with Scope:

In 2014/2015, The City of Red Deer participated in an infrastructure investment rebate program, Taking Action to Manage Energy (TAME) through the Municipal Climate Change Action Centre (MCCAC). The initiative involved baseline facility audits to identify opportunities to improve environmental performance in the areas of utility consumption and energy loss. The City received a \$50,000 implementation grant to proceed with \$165,000 in facility upgrades to systems and structures. Upgrades at the Collicutt Centre, Kinex Arena, Kinsman Community Arenas, Red Deer Arena and the Recreation Centre included retrofitting lighting, upgrading hot water tanks and replacing weather-stripping and were completed through approved budgets in 2015.

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Public Art: How much of the 'Current Year Budget Request' is for Public Art?

N/A

Additional Information

----Funding Request Clarification-----

Multi-Year Project?

No

New Project?

Yes

Category?

Infr Repl/Rehab

Timing Change?

No

Scope Change?

Yes

Cost Adjustment?

Yes

Year	Annual Cost ('000)	Reserves	Grants	Operating	Offsites	Debentures	Other Sources
2016	39	-	39	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-
SUBTOTAL	39	-	39	-	-	-	-
Prior Approved	-	-	-	-	-	-	-
TOTAL	39	-	39	-	-	-	-

Incremental Operating Costs (Savings)

	2016	2017	2018
Select Account Range			
Select Account Range			
Select Account Range			
	-	-	-
Have operating impacts been budgeted for?	Not Applicable		

PROJECT NAME		Collicutt Centre Parking Lot Lighting Upgrade										
Lifecycle Phase	Project Cost Cash Flow	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Asset Purchase	Light purchase and installation	39										
TOTAL BEFORE INFLATION		39	-	-	-	-	-	-	-	-	-	
Non Residential and Eng. Construction		0.0%	2.0%	2.4%	2.9%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	
Inflation from Base Year		1.00	1.02	1.04	1.07	1.11	1.14	1.18	1.21	1.25	1.29	
Total with Inflation		39	0	0	0	0	0	0	0	0	0	
Funding Sources		Approved	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reserves												
Grants	Other Grants		39									
Operating												
Offsites												
Debentures												
Other												
TOTAL BEFORE INFLATION		39	-	-	-	-	-	-	-	-	-	-
If the grant funding is competitive in nature and denied, do you require the project to proceed?										N/A		



**Mid Year Budget Review Council
Decision – August 16, 2016**

DATE: August 18, 2016
TO: Shelley Gagnon, Recreation, Parks & Culture Manager
FROM: Frieda McDougall, Legislative Services Manager
SUBJECT: Collicutt Centre Parking Lot Lighting Upgrade

Reference Report:

Recreation, Parks & Culture, dated July 11, 2016

Resolution:

At the Tuesday, August 16, 2016 Mid Year Budget Review Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer, having considered the report from Recreation, Parks & Culture, dated July 11, 2016 re: Collicutt Centre Parking Lot Lighting Upgrade hereby approves \$38,650.37 for the Collicutt Centre parking Lot Lighting Upgrade Project in the 2016 Capital Budget funded by the Municipal Climate Change Action Centre grant.

Report back to Council: No

A handwritten signature in blue ink, appearing to read 'F. McDougall'.

Frieda McDougall
Manager

- c. Director of Community Services
Chief Financial Officer



July 21, 2016

AFRRCS Radio System Upgrade

Information Technology Services

Report Summary & Recommendation:

This report outlines the need to advance \$335,000 from 2017 for the Radio System Upgrade capital project to complete the migration of all Emergency Services radios to the Alberta First Responders Radio Communications System (AFRRCS) in 2016. This will be funded by the Radio Reserve.

This request is coming as a mid-year capital budget to realize a cost avoidance of \$100,000 by completing the migration at the same time in 2016 as the 9-1-1 dispatch radio console replacement project. It will also eliminate the need to design the console to be backward compatible to the existing City radio system.

Administration requests that Council approve \$335,000 from the Radio Reserve for the Radio System Upgrade in the 2016 Capital Budget. If approved, the Radio System Upgrade project would be advanced from the 2017 – 2025 Capital plan approved in principle.

City Manager Comments:

I support the recommendation of Administration.

Craig Curtis
City Manager

Proposed Resolution

Resolved that the Council of The City of Red Deer, having considered the report from Corporate Services dated July 21, 2016 re: AFRRCS Radio System Upgrade hereby approves a capital budget of \$335,000 in the 2016 Capital Budget funded from the Radio Replacement Reserve.



Report Details

Background:

The original radio system replacement strategy included replacing radio handsets in 2016 with the main system infrastructure following in 2017. In late 2015, the AFRRCS radio system and its suitability for the City of Red Deer was evaluated. The business case indicated that AFRRCS was the preferred option for the Emergency Services Department and would also meet the needs of other City Departments. AFRRCS provides the foundational radio infrastructure at no capital cost to the City; however it does require the capital cost to purchase radio handsets, which tend to have a higher cost than previous radio technology.

In 2015, The City also began the project for the purchase and replacement of the 9-1-1 Radio Console which is at the end of its life.

Discussion:

When the City determined that AFRRCS was the preferred option, the City finalized a strategy to migrate Emergency Services to this system in 2016 and then the remaining City departments in 2017. To implement this strategy the capital budget must be rebalanced to purchase the necessary radio infrastructure and handsets over the next two years.

With the migration to AFRRCS system, the 9-1-1 Radio Console should be built to integrate with this system. By advancing this capital project forward, it is estimated that The City will avoid \$100,000 in capital expenditures because it will not have to work with the current legacy radio system.

Analysis:

It is recommended that \$335,000 be re-allocated from the 2017 Radio System Upgrade capital budget and moved forward to purchase AFRRCS compatible radios for all of Emergency Services in 2016. Given the City's direction to implement the AFRRCS system and the \$100,000 cost avoidance resulting from eliminating the need for the console to be backwards compatible. The funding for the AFRRCS Radio System Upgrade will remain the same, from the Radio Reserve.



2016 CAPITAL BUDGET REQUEST

PROJECT NAME	Radio System Upgrade	\$335,000
DEPARTMENT	Info. Tech. Svcs	mid-year
SECTION		Budget Request

Project Description with Scope:

This capital budget request is to fund the upgrade of the City's push to talk radio system used by many departments including Emergency Services. The radio console is being replaced, as part of an Emergency Services initiative, with a system that is compatible with all digital systems including the province wide Alberta First Responders Radio Communication System (AFRRCS). An evaluation of the provincial AFRRCS system is currently in process. This capital budget will fund the radios and equipment required for the City to be on the AFRRCS system or to upgrade the City's radio system to a new digital system or some combination of these two solutions.

All capital expenditures for radios come out the the Radio Reserve which is funded by the radio system operating budget.

This mid year capital budget request is for the purchase of AFRRCS radios for Emergency Services. By completing this migration at the same time as the 9-1-1 dispatch radio console replacement project, there will be a savings of \$100,000 by eliminating the need to design the console to be backward compatible to the existing City radio system.

Public Art: How much of the 'Current Year Budget Request' is for Public Art?

\$0

Additional Information

-----Funding Request Clarification-----

Multi-Year Project?	No	New Project?	No	Category?	Infr Repl/Rehab
Timing Change?	Yes	Scope Change?	No	Cost Adjustment?	No

Year	Annual Cost ('000)	Reserves	Grants	Operating	Offsites	Debentures	Other Sources
2016	635	635	-	-	-	-	-
2017	965	965	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-
SUBTOTAL	1,600	1,600	-	-	-	-	-
Prior Approved	-	-	-	-	-	-	-
TOTAL	1,600	1,600	-	-	-	-	-

Incremental Operating Costs (Savings)

	2016	2017	2018
Select Account Range			
Select Account Range			
Select Account Range			
	-	-	-
Have operating impacts been budgeted for?	Not Applicable		

PROJECT NAME		Radio System Upgrade										
Lifecycle Phase	Project Cost Cash Flow	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Asset Purchase	Hardware - Radio Systems - AFRRCS Radios (2016 approved)	300										
Asset Purchase	Hardware - Radio Systems - AFRRCS Radios (2016 mid-year)	335										
Asset Purchase	Hardware - Radio Systems - AFRRCS Radios (2017 budget)		965									
TOTAL BEFORE INFLATION		635	965	-	-	-	-	-	-	-	-	
Information Technology Projects		0.0%	0.0%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Inflation from Base Year		1.00	1.00	1.03	1.06	1.09	1.12	1.15	1.19	1.22	1.26	
Total with Inflation		635	965	0	0	0	0	0	0	0	0	
Funding Sources		Approved	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reserves	Radio Replacement		635	965								
Grants												
Operating												
Offsites												
Debentures												
Other												
TOTAL BEFORE INFLATION		635	965	-	-	-	-	-	-	-	-	-
If the grant funding is competitive in nature and denied, do you require the project to proceed?											N/A	



**Mid Year Budget Review Council
Decision – August 16, 2016**

DATE: August 18, 2016
TO: Dan Newton, Information Technology Services Manager
FROM: Frieda McDougall, Legislative Services Manager
SUBJECT: AFRRCS Radio System Upgrade

Reference Report:

Information Technology Services, dated July 21, 2016

Resolution:

At the Tuesday, August 16, 2016 Mid Year Budget Review Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer, having considered the report from Corporate Services dated July 21, 2016 re: AFRRCS Radio System upgrade hereby approves a capital budget of \$335,000 in the 2016 Capital Budget funded from the Radio Replacement Reserve.

Report back to Council: No

A handwritten signature in blue ink, appearing to read 'Frieda McDougall'.

Frieda McDougall
Manager

- c. Director of Corporate Services
Chief Financial Officer



Aug 16, 2016

West Park Middle School Partnership

RECREATION, PARKS & CULTURE

Report Summary & Recommendation:

Red Deer Public School District #104, The City of Red Deer and the Red Deer Minor Baseball Association have a long standing partnership related to the West Park Middle School site. Both The School District and The City of Red Deer are committed to a model where schools are the hub of our communities and provide opportunity for building social connections. The West Park Area Redevelopment Plan (ARP), adopted in 2013, envisions this site as an education and athletic hub.

The School District is requesting a financial contribution towards the construction of spaces at West Park Middle School that could be accessed by the community including washrooms, concession and an enhanced outdoor amenity for community gatherings.

It is recommended that Council support Administration entering into an agreement with the Red Deer Public School District #104 providing a grant of up to a maximum of \$198,370 towards the construction of community spaces as outlined in this report contingent upon no additional operating costs to The City. The grant will be funded by the Operating Reserve – Tax Supported.

City Manager Comments:

This new project is the result of the approval of a new middle school in West Park and is the continuation of our ongoing partnership with schools for facilities for community use.

Craig Curtis
City Manager

Proposed Resolution

Resolved that Council of The City of Red Deer having considered the report from Recreation, Parks & Culture , dated August 16, 2016 re: West Park Middle School Partnership hereby supports Administration entering into an agreement with the Red Deer Public School District #104 to provide a grant of up to a maximum of \$198,370 in the 2016 Operating Budget funded by the Operating Reserve – Tax Supported towards the construction of community spaces as outlined in this report contingent upon no additional operating costs to The City.



Report Details

Background:

The West Park Middle School site is a 23.8 acre parcel of land mainly owned by the Red Deer Public School District with a small strip of municipal reserve land on the south side of the site. Use of the site for public recreation was agreed upon through the “Providing for the Mutual Development and Use of City Recreation Lands and School Grounds Agreement”. Further the “Providing for the Reciprocal Use of City Recreation and School Facilities Agreement” provides for the mutual use of school and city buildings and facilities.

During the West Park ARP planning process, strong support for the middle school and sport fields were received. The plan supports this site being an education and athletic hub of Red Deer.

The site is considered one of The City’s performance sport field sites, containing two ball diamonds. Red Deer Minor Baseball Association (RDMBA) has been a partner in the use of this site for over 20 years.

In the past The City and School Boards have partnered together for facility development in a variety of ways, including the contribution of capital funds towards the inclusion of community space in a school facility (i.e. St. Francis of Assissi School/Community Centre, St. Joseph High School). This relationship was further reinforced with the signing of the Partnership Statement of Commitment in 2015 related to the Inglewood School development.

The Red Deer Public School District had identified West Park Middle School as a priority for replacement and in 2015 received funding for the project. George Berry Architects is currently working with the School Board to design the new school along with the site concept plan. The City was invited to participate on the design team.

Discussion:

The Red Deer Public School District sees the site and new middle school building as a destination site and a community activity node. Similar to the 2015 Partnership Statement of Commitment the opportunity for The City and Public School District to work together for a greater community benefit exists with the West Park Middle School project. The anticipated outcomes of this partnership include:

- Building design that works to identify areas that can be shared to enhance school and community programs
- Opportunities for communities to have access to shared spaces with potential to connect people, ideas, expertise and partnership who share a passion for creating interesting and dynamic places
- Reduced cost and use of land through combined planning of parking facilities



- Shared use of facilities in accordance with the existing Reciprocal Use Agreement

The site configuration will be changing as the new school will be built on the west site of the property. The School District is working with The City to continue to accommodate performance sport fields, with opportunity for enhancements that serve the needs of both RDMBA and the community.

Through the building design process the School District is proposing the following considerations in exchange for a capital funding contribution:

- A washroom area with exterior access
- Exterior access to the concession area within the school
- Park enhancements that may include additional site fixtures such as picnic tables, benches, and gathering spaces

The above features are of benefit to not only RDMBA but also the community as a whole. Although the project is still in the design phase, the timeline for design completion and the commencement of construction is tight, and therefore commitment from The City is being requested immediately. As the project is further developed, detailed drawings of the relevant areas as well as the site concept plan will be provided to Administration for review and approval.

It is anticipated that the joint use of the facilities and site will be handled in accordance with the existing Reciprocal Use Agreement.

Analysis:

Administration recommends that Council approve the following:

- A grant of up to \$198,370 to the Red Deer Public School District related to the development of publically accessible space within the West Park Middle School contingent upon no additional operating to The City.
 - . The funding for the grant will come from the Operating Reserve – Tax Supported.
- Administration negotiate an agreement for the grant in accordance with the following outcomes:
 - o Building design that works to identify areas that can be shared to enhance school and community programs
 - o Opportunities for communities to have access to shared spaces with potential to connect people, ideas, expertise and partnership who share a passion for creating interesting and dynamic places
 - o Reduced cost and use of land through combined planning of parking facilities
 - o Shared use of facilities in accordance with the existing Reciprocal Use Agreement



Bev Manning
Chair, Board of Trustees
Phone: 403-343-1405
Email: bev.manning@rdpsd.ab.ca

Shelley Gagnon, Manager
Recreation Parks & Culture
City of Red Deer
Box 5008
Red Deer, AB, T4N 3T4

August 9, 2016

Dear Ms. Gagnon,

Re: Potential Partnership for Westpark Middle School Replacement

The Red Deer Public School District, in association with Berry Architecture & Associates, is currently planning for a replacement of Westpark Middle School. A major theme of this new school is to make it a destination site and a true community activity node in the City of Red Deer. As such, we are writing to ask for project funding from the City for the addition of a washroom and an outdoor community use space within the new school. The cost for this addition is \$198,370 which we are seeking in funding from the City. The purpose of the addition to the new school is to provide the community with an outdoor amenity space that can be used for the various activities that take place in the area. These activities include sporting events, festivals, and community gatherings to name just a few.

We are proposing that through this partnership we construct a space that will be connected to the school but will not have internal access. In this space, we will have three washroom stalls including one barrier free, a janitorial space, and hand washing sinks. The space will be designed to be all-weather in order to provide a four season space. This will provide a great opportunity for both the local community association as well as the City of Red Deer to get involved with winter festivals and other year-round activities.

A key part of any facility is to ensure that the space is both safe and accessible to all members of the public. For these reasons, we will ensure that this area is approved by the Crime Prevention Through Environmental Design (CPTED) committee and is fully accessible.

A second part of this plan will be the opportunity to connect to the foods area of the school and have an outdoor concession space. The provided enhancements would include improvements in the quality of the foods area with an exterior shutter and counter for serving and a direct exterior door for easy access that would still maintain the security necessary for the school. In this space there would also be a fridge, stove, sink, and storage. This community space would be available to any groups needing access to a kitchen, concession, or both.

The third part of this project is the inclusion of an additional outdoor area with amenities such as a sitting area with picnic tables and a presentation area utilizing some of the proposed outdoor teaching amphitheatre



- 2 -

spaces. This space could be utilized for performances, award ceremonies, and community gathering areas. Tied in with these outdoor spaces would be additional site fixtures such as picnic tables, all-weather sitting areas, and garbage collection bins.

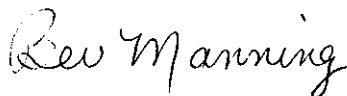
We see the new Westpark Middle School as much more than a building; we are planning for this to be a destination within the City and will be emphasizing the park in Westpark by developing a strong exterior teaching and community space. This new school will soon become a real community destination and an important feature for festivals, sporting events, and community gatherings in the City of Red Deer.

As the project becomes further developed, we will provide detailed drawings of the relevant areas to the City of Red Deer for review and approval. We also have a City of Red Deer staff member on our design committee in order to provide a City perspective.

The Board of Trustees of Red Deer Public Schools District values the partnership we have with the City of Red Deer and believes that collaboration with our partners is important in meeting the needs of our students. We also believe that our facilities should be made available for use by the community when not being used for the education of the children in our District.

If you have any questions or comments, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Bev Manning". The signature is written in a cursive, flowing style.

Bev Manning
Chair, Board of Trustees
Red Deer Public Schools

THE CITY OF RED DEER – 2016 Midyear-Budget FUNDING ADJUSTMENT RECOMMENDATION

Initiative Title: Westpark Middle School Partnership

Department Name & Reference #: Recreation, Parks and Culture

Business Unit No. & Name: 500 RPC Administration

A. This FAR is required based on the following criteria:

- ☐ **Operating impact of Capital**
- ☐ **Council Directed service level increases**
- ☐ **Revenue**
- ☐ **Contractual obligations**
- ☒ **Maintain levels of service**

B. This recommendation is related to:

- ☐ **Base Budget Items**
- ☐ **Maintenance and Modifications**
- ☐ **Changing Service**
- ☐ **Accommodating Growth**
- ☒ **Strategic and Sustainability priorities**
- ☐ **Agencies**

C. This financial impact of this recommendation is: \$198,370

- ☐ Revenue _____ total amount
- ☒ Expenditure 198,370 total amount

D. Provide your business case

Red Deer Public School District #104, The City of Red Deer, and the Red Deer Minor Baseball Association (RDMBA) have a long standing partnership related to the West Park Middle School site. Both the School District and the City of Red Deer are committed to a model where schools are the hub of our communities and provide opportunities for building social connections.

The School District is requesting a financial contribution towards the construction of spaces at West Park Middle School that could be accessed by the community including washrooms, concession and an enhanced outdoor amenity for community gatherings. These features are of benefit to not only RDMBA but also the community as a whole.

1. What change will we realize as a result (outcome)?

The school district is requesting a financial contribution towards the construction of spaces at West Park Middle School that could be accessed by the community. These spaces include a universal exterior washroom, exterior access to the concession area within the school and park

enhancements that may include additional site fixtures such as picnic tables, benches, and gathering spaces.

These features are of benefit to not only RDMBA but also the community as a whole.

2. *What other options did you consider to achieve this change?*

Because the school division approached The City of Red Deer to provide funding to this project, no additional options were considered.

E. Financial impact detail:

Description	2017	2018	2019	Future Years	# of FTEs
Revenue					
Personnel					
Fees, Maintenance, and Services					
Materials & Supplies					
Other	198,370				
Internal Charges					
Net impact					
Ongoing					
One-Time	198,370				

F. City Manager comments:



Mid Year Budget Review Council
Decision – August 16, 2016

DATE: August 18, 2016
TO: Shelley Gagnon, Recreation, Parks & Culture Manager
FROM: Frieda McDougall, Legislative Services Manager
SUBJECT: West Park Middle School Partnership

Reference Report:

Recreation, Parks & Culture, dated August 16, 2016

Resolution:

At the Tuesday, August 16, 2016 Mid Year Budget Review Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer, having considered the report from Recreation, Parks & Culture, dated August 16, 2016 re: West Park Middle School Partnership hereby supports Administration entering into an agreement with the Red Deer Public School district #104 to provide a grant of up to a maximum of \$198,370 in the 2016 Operating Budget funded by the operating reserve – Tax Supported towards the construction of community spaces as outlined in this report contingent upon no additional operating costs to The City.

Report back to Council: No.

A handwritten signature in blue ink, appearing to read 'Frieda McDougall'.

Frieda McDougall
Manager

- c. Director of Community Services
Chief Financial Officer



July 25, 2016

Gaetz Avenue / Taylor Drive and Highway 2 Interchange Improvements

Electric Light & Power; Engineering Services

Report Summary & Recommendation:

The Government of Alberta / Alberta Transportation recently approved the Gaetz Avenue / Taylor Drive and Highway 2 interchange system for reconstruction. As a result of this project, the Electric Light & Power Department must relocate two feeder lines (main distribution system circuits). The interchange system reconstruction project's schedule and the proposed improvements will also impact the intersection of Taylor Drive and 19 Street, with additional intersection improvements being triggered by the proposed Southpointe Junction development.

The following recommendations are presented for consideration:

- In the 2016 Capital Budget, establish a new EL&P project for the QEII Highway feeder realignment and allocate Capital funding in the amount of \$1.578M to accommodate this project. Funding for the new project to be covered by the EL&P Capital Reserve.
- In the 2016 Capital budget, approve \$153,000 in additional funding from the Capital Project Reserve, to ensure design of intersection improvements at Taylor Drive and 19 Street can proceed along the necessary timelines in order to coordinate with Alberta Transportation's work on the Gaetz Avenue / Taylor Drive and Highway 2 interchange system.

City Manager Comments:

I support the recommendations of Administration.

Craig Curtis
City Manager

Proposed Resolution

Resolved that Council of The City of Red Deer having considered the report from Electric, Light & Power Services, dated July 25, 2016 re: Gaetz Avenue / Taylor Drive and Highway 2 Interchange Improvements hereby agrees to:

- Establish a new EL&P project in the 2016 Capital Budget for the QEII Highway feeder realignment in the amount of \$1.578M funded by the EL&P Capital Reserve; and



- Establish a new Engineering project in the 2016 Capital Budget for the design of intersection improvements at Taylor Drive and 19 Street in the amount of \$153,000 funded by the Capital Projects Reserve.

Report Details

Background:

The Government of Alberta / Alberta Transportation (AT) recently approved the Gaetz Avenue / Taylor Drive and Queen Elizabeth II Highway (Highway 2) interchange system for reconstruction. Based on the construction schedule provide by Alberta Transportation, the work is expected to commence in the early fall of 2016.

The interchange reconstruction includes the removal of three bridge structures, construction of five new bridge structures, reconfiguration of ramps and intersections, realignment and six-laning of Highway 2, and the construction of collector-distributor (C-D) roads. The attached "Overall Plan" shows the final design configuration of the interchange system.

The new interchange impacts existing City infrastructure within and adjacent to the Highway 2 right-of-way. Two key pieces of infrastructure that require action by the City of Red Deer are:

- 1) Relocation of electrical distribution lines; and
- 2) Upgrades to the intersection of Taylor Drive and 19 Street.

The Electric Light & Power (EL&P) department has utilized an alignment within the current QEII Highway right-of-way for two feeder lines (main distribution system circuits). The two distribution lines have been in place for many decades at no cost to the Department. As a result of the recently announced reconstruction of the interchange system, EL&P must now relocate these two key assets in order to accommodate AT's project.

Upgrades to the intersection of Taylor Drive and 19 Street were triggered by a proposed development on the lands known as Southpointe Junction, located on the northwest quadrant of the intersection. A number of Transportation Impact Assessments (TIA's) have been completed over the years associated with the development, identifying various development driven upgrades required for the intersection

The construction of the Gaetz Avenue / Taylor Drive and QEII Highway interchange system also impacts the intersection of Taylor Drive and 19 Street with the addition of the loop-ramp connection from the future northbound Highway 2 C-D Road to the intersection (forming the eastbound approach).

The announcement by the Provincial Government regarding approval of the Gaetz Avenue / Taylor Drive and QEII Highway interchange system reconstruction project occurred in early



2016. As such, neither EL&P nor Engineering Services had established Capital Budget items to accommodate work required due to the project.

Discussion:

Relocation of electrical distribution lines

Based on AT's schedule, EL&P has had to initiate design and construction work in June and July of 2016 to ensure The City's infrastructure was moved quickly enough to allow other work to proceed. As of July 2016, EL&P has commenced excavation and directional drilling activities. Other work will continue throughout 2016 and into mid-2017 when EL&P's realignment project is expected to be completed.

Upgrades to the Intersection of Taylor Drive and 19 Street

Engineering requires funding for design work to coordinate the various improvements and higher than normal traffic volume anticipated as a result of the delay in the QEII interchange project and the proposed Southpointe Junction development. Simultaneous to the Southpointe Junction development improvements, growth related improvements will also be required. Funding of the overall project would be covered by developer contribution and CPR.

Analysis:

Relocation of electrical distribution lines

This project was unidentified in the 2016 capital budget or in the 2017-2025 capital plan. EL&P Department has established a budget estimate and identified funding sources to cover the costs of this unanticipated project if approved by Council.

- 1) Budget estimate:
 - a) \$1.578M
- 2) Funding sources:
 - a) Funding for the new project is to be covered within EL&P's Capital Reserve. The Capital Budget Request sheet for this new project is attached.

Upgrades to the Intersection of Taylor Drive and 19 Street

Due to the timing of Alberta Transportation's Gaetz Avenue / Taylor Drive and QE II Highway interchange system reconstruction project and the improvements triggered by the proposed Southpointe Junction development, funding needs to be advanced relating to design of required intersection improvements at Taylor Drive and 19 Street. A budget estimate and proposed funding sources for this work is identified below.

- I. Budget estimate:



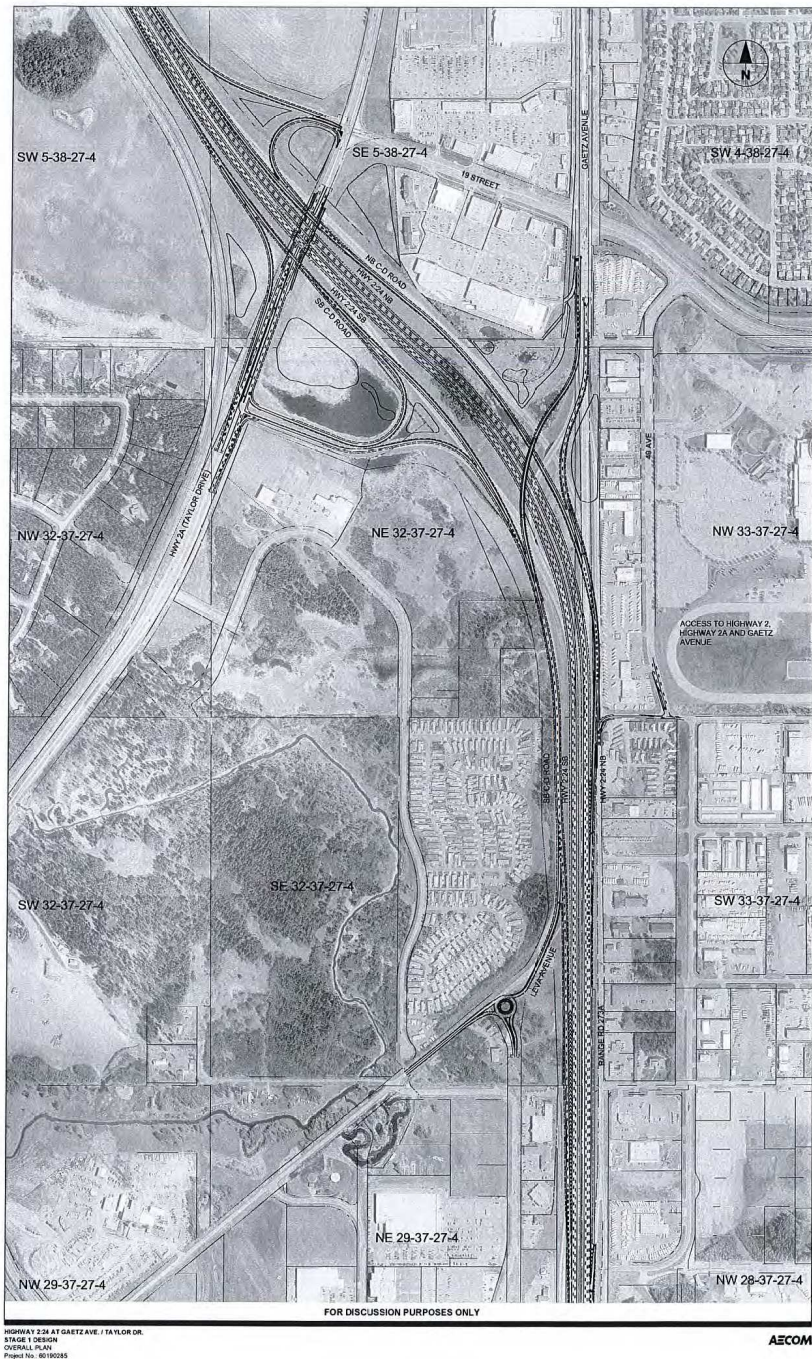
a) \$153,000

2) Funding sources:

- a) As this project may be covered by an eventual Developer Contribution through offsite levies, but not yet identified in Off-site Levies, the funding source is suggested to be Capital Project Reserve. If this is identified as an Off-site Levy project then Off-site levy will reimburse the Capital Project Reserve.

The above budget estimate includes the design of improvements triggered by the new interchange to ensure that the work can proceed along the necessary timelines in order to coordinate with Alberta Transportation's work on the Gaetz Avenue / Taylor Drive and Highway 2 interchange system.

A budget request will also be coming forward as part of the 2017 Capital Budget related to additional improvements at the intersection of Taylor Drive and 19 Street related to the Gaetz Avenue / Taylor Drive and QEII Highway interchange system reconstruction project and additional improvements that may be required to handle an expected increase in traffic volumes at the intersection.





2016 CAPITAL BUDGET REQUEST

PROJECT NAME	Road Capacity Improvements - Various Locations	\$153,000
DEPARTMENT	Engineering Svcs	Current Year
SECTION		Budget Request

Project Description with Scope:

67 Street Corridor - Implement improvements as identified in the 2009 needs study in the vicinity of Johnstone Drive. The objectives were to reduce congestion and traffic queues and to improve lane utilization, which is becoming a public concern. These improvements will also support access to the former Traveleire site. The scope of the original budget request has changed to include the construction of the intersection of 66th Street & Orr Drive. Recent development to the south of 67th Street along Orr Drive, and subsequent traffic impact analysis done as part of the approvals of the development, has resulted in necessary improvements. The two intersections within the scope of this project utilized to access multiple accommodation sites in the area and should be completed prior to the Winter Games in 2019.

SE Sector Transportation Improvements - These projects are to support expansion of the east-west transportation system south of 32 Street as a result of growth.

40 Ave / Ross St Intersection Improvements - As identified in previous transportation study, evaluate options to improve coordination and capacity of intersection and adjacent Ross Street intersections. Review of the improvements needed for this intersection has been included in the SE Sector Transportation Study in 2015 and the scope of the improvements will be determined as a result. Improve accommodation for other users and identify and begin the assembly of future rights of way needed. Construction to occur 2019.

Taylor Drive / 19 St Intersection Improvements - QEII interchange improvements and the Southpointe Junction development impact this intersection requiring improvements to be made. The initial scope of this project is for design work to be completed.

Public Art: How much of the 'Current Year Budget Request' is for Public Art?

\$0

Additional Information

-----Funding Request Clarification-----

Multi-Year Project?	No	New Project?	No	Category?	Current Growth
Timing Change?	Yes	Scope Change?	No	Cost Adjustment?	Yes

Year	Annual Cost ('000)	Reserves	Grants	Operating	Offsites	Debentures	Other Sources
2016	18,986	153	12,216	-	-	6,617	-
2017	4,979	41	3,900	-	-	1,038	-
2018	12,983	628	12,354	-	-	-	-
2019	1,969	109	985	-	-	875	-
2020	8,122	-	-	-	-	8,122	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	854	854	-	-	-	-	-
SUBTOTAL	47,892	1,785	29,455	-	-	16,652	-
Prior Approved	4,962	392	3,530	-	-	1,040	-
TOTAL	52,854	2,177	32,985	-	-	17,692	-

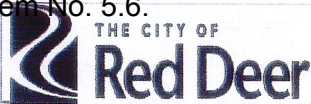
Incremental Operating Costs (Savings)

	2016	2017	2018
Other Expenses		160	154
Select Account Range			
Select Account Range			
	-	160	154

Have operating impacts been budgeted for?

Responsibility of another Dept.

N/A



2016 CAPITAL BUDGET REQUEST

NEW

Section #

PROJECT NAME **EL&P line relocation for QE-II project**

DEPARTMENT **Electric, Light & Power**

SECTION **E.L.&P. Utility Section**

\$1,578,000

Current Year
Budget Request

Project Description with Scope:

EL&P must reroute two distribution feeder lines in the City's southwest. While the relocation / rebuild is driven primarily by the need to accommodate the realignment of the QE-II highway, it also presents an opportunity to undertake additional work in response to development plans in the area.

Public Art: How much of the 'Current Year Budget Request' is for Public Art?

\$0

Additional Information

----Funding Request Clarification-----

Multi-Year Project?

No

New Project?

Yes

Category?

Infr Repl/Rehab

Timing Change?

No

Scope Change?

No

Cost Adjustment?

No

Year	Annual Cost ('000)	Reserves	Grants	Operating	Offsites	Debentures	Other Sources
2016	1,578	1,578	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-
SUBTOTAL	1,578	1,578	-	-	-	-	-
Prior Approved	-	-	-	-	-	-	-
TOTAL	1,578	1,578	-	-	-	-	-

Incremental Operating Costs (Savings)

2016

2017

2018

Select Account Range

Select Account Range

Select Account Range

Have operating impacts been budgeted for?

Yes-Within Base Budget

PROJECT NAME		EL&P line relocation for QE-II project									
Lifecycle Phase	Project Cost Cash Flow	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Construction	Relocate 17B25 and 15B23 from QEII alignment (AB Trans) (96%-100%)	1,550									



Mid Year Budget Review Council
Decision – August 16, 2016

DATE: August 18, 2016
TO: Jim Jorgensen, Acting Director of Development Services
FROM: Frieda McDougall, Legislative Services Manager
SUBJECT: Gaetz Avenue / Taylor Drive and Highway 2 Interchange Improvements

Reference Report:

Electric Light & Power; Engineering Services, dated July 25, 2016

Resolution:

At the Tuesday, August 16, 2016 Mid Year Budget Review Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer having considered the report from the Electric Light & Power Services, dated July 25, 2016 re: Gaetz Avenue / Taylor Drive and Highway 2 Interchange Improvements hereby agrees to:

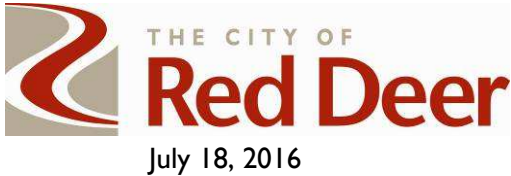
- Establish a new EL&P project in the 2016 Capital Budget for the QEII Highway feeder realignment in the amount of \$1.578M funded by the EL&P Capital Reserve; and
- Establish a new Engineering project in the 2016 Capital Budget for the design of intersection improvements at Taylor Drive and 19 Street in the amount of \$153,000 funded by the Capital Projects Reserve.

Report back to Council: No.

A handwritten signature in blue ink, appearing to read 'F. McDougall'.

Frieda McDougall
Manager

- c. Electric Light & Power Manager
Engineering Services Manager
Chief Financial Officer



Fine Revenue Report-2016

Community Service Directorate

Report Summary & Recommendation:

This report summarizes fine revenue collection from photo radar, red light cameras, and traffic stops by the traffic safety unit (both RCMP and CPO's) for the first 6 months of 2016.

Prior to 2016, the actual dollars collected from fine revenue was significantly less than what was anticipated in the budget. For the 2016 Operating Budget, City Council approved a \$900K Funding Adjustment Recommendation (FAR) resulting in the revenue projections for 2016 to be in alignment with the current fine revenue budget.

Administration is recommending that this report be received for information purposes only.

City Manager Comments:

This item is presented to Council for information.

Craig Curtis
City Manager

Proposed Resolution:

That Council receives the report for information.



Report Details

Background:

Fine revenue consists of revenue from hand issued tickets, red light camera and photo radar tickets.

The City of Red Deer has been operating photo radar vehicles since 2005 starting with one vehicle. A second vehicle was implemented in the latter part of 2011 and the third in 2014.

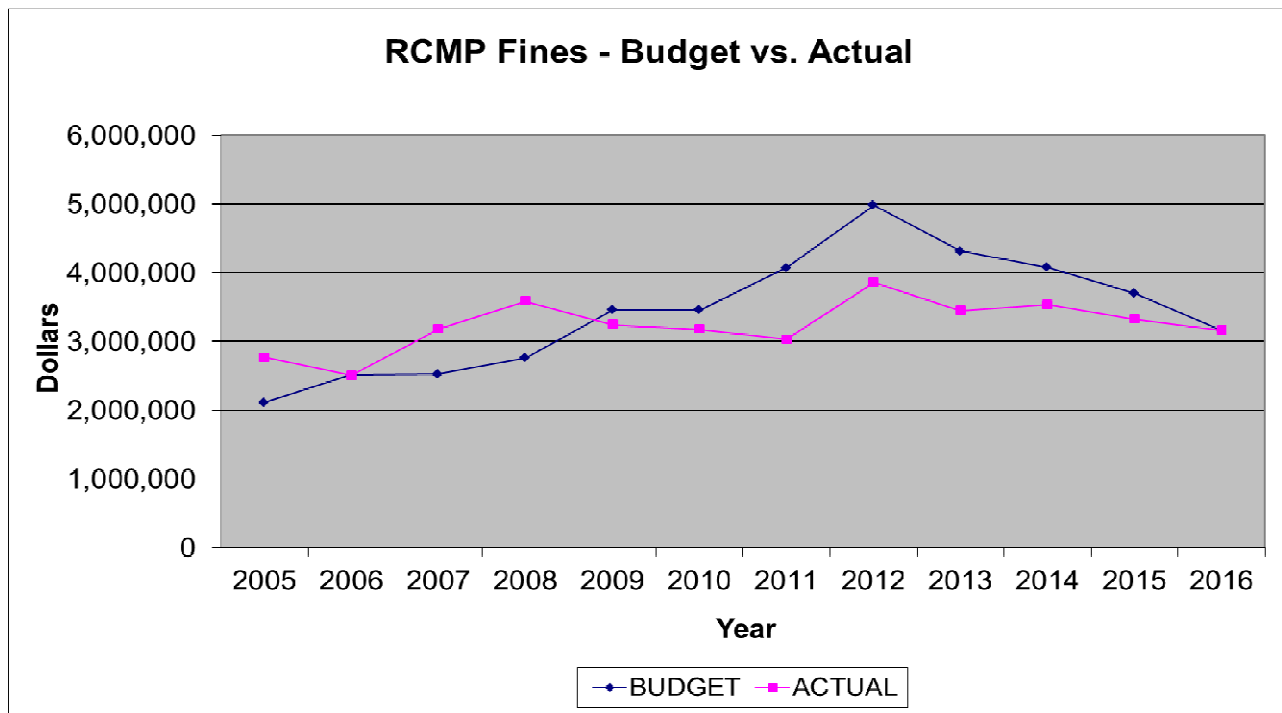
Photo radar, red light cameras and hand issued traffic tickets all contribute to traffic safety. In Red Deer, photo radar vehicles and red light cameras are strategically placed at high collision locations to help slow drivers down. Since 2011 there has been a decrease in serious injuries and fatalities due to vehicle collisions. A result of this enforcement of traffic violation is revenue generation.

Ultimately, safer roads and safer driving will result in fewer tickets issued, which leads to lower fine revenues. However, we know of other factors that have contributed to a decreases in fine revenue, such as:

- Driver adherence to traffic laws – when the safety initiatives are working driver compliance increases
- Inclement weather – poor weather slows traffic down; heavy snow events obscure license plates
- Offender avoidance of detection – obstructed license plate, no plate
- Traffic volumes – increased traffic volumes have the potential to slow down traffic
- Economy – when there is downturn in the economy the ability to pay fines is reduced
- Operation time of photo radar/red light equipment – impacted by maintenance schedules and equipment failure

Discussion:

The City of Red Deer had not reached revenue budgets over the past 7 years. The following chart represents the budget and actuals for fine revenue since 2005.



At the 2016 operating budget, Council approved an ongoing Fine Revenue Shortfall FAR of \$900,000. The intent of this FAR was to more accurately reflect the actual dollars The City of Red Deer receives from fine revenue collection.

As of July 18, 2016, The City of Red Deer has collected \$1.2 million from photo radar and red light cameras as well as over \$600,000 from manually issued tickets, for a total revenue of over \$1.8 million in the first half 2016. The anticipated revenue from photo radar, red light cameras, and manual tickets is \$3.16 million dollars.

Analysis:

During the first 6 months of 2016, we have collected 57% of our anticipated fine revenue budget; this would suggest that we are on target to collect the full anticipated \$3.15 million by the end of 2016.

It should also be noted the photo radar and fine revenue derived from traffic violations is only one part of the City's overall plan to make our roadways safer. The Traffic Safety Plan, approved by Council in 2015, brings together various city departments including Engineering Services, to assist with road safety through a development and design, the Municipal Enforcement department for photo radar and bylaw enforcement, and the RCMP and CPO's for enforcement of the Traffic Safety Act. Traffic safety updates in the future will be included as part of this overall strategy.



August 2, 2016

Parking Reserve Update

Planning Services Division

Report Summary & Recommendation:

In service to City of Red Deer strategic organizational goals related to *Financial Leadership* and *Economy*, Administration is presenting an update on the status of the Parking Reserve. The 2017 Operating Budget will contain recommendations to balance the reserve in 2017.

Parking management is a critical component of a city's economic development and business retention and attraction landscape. The City of Red Deer's various roles related to the management of public parking are performed within Parking Operations, a self-supporting business unit operated within the Inspections and Licensing department. The surplus revenues generated from Parking Operations through on-street and off-street parking fees, as well as parking violation fines, have historically gone into the Parking Reserve. The Reserve was created in 2005 in order to accumulate savings that could be utilized for future public parking investments.

Although Parking Operations does generate revenue, it is not sufficient to offset the debentures for the parkade. The Sorensen Station Parkade was constructed in 2010 to enhance off-street parking options in the downtown. The Parkade was funded by the Parking Reserve and two debentures, with debenture payments to be resourced from Parking Operations.

If no changes are made, and annual draws continue, then the Reserve will enter a deficit balance in 2017 and continue to decline over the next 10+ year period. It is estimated that the Reserve will return to a positive balance in 2029. A decision will need to be made in the 2017 Operating Budget on how to balance the Reserve in the short-term to support the financial sustainability of Parking Operations. Administration continues to explore improvements to parking management strategies over the short, medium and long-term to improve reserve sustainability.

City Manager Comments:

This item is presented to Council for information.

Craig Curtis
City Manager

Proposed Resolution:

That Council receives the report for information.



Report Details

Background:

In the years prior to 2010, the Parking Reserve recorded surpluses from the operation of on and off-street paid parking, and fine revenue from parking violations. In the fall of 2010, the Sorensen Station Parkade was completed with the intent that cash flow from overall Parking Operations would remain sustainable and that any shortfall from operating and debt payments for the Parkade would be absorbed by Parking Operations. Initial projections were based on business case assumptions related to parkade occupancy rates, cash flows, and there being no dividends.

The Parkade capital project was funded from reserves and two debentures. The first debenture was taken out in 2009 for \$9.2 million and was amortized over 15 years based on business case assumptions and the premise that the faster the debt could be repaid, the healthier the reserve would be, potentially allowing for additional capital parking investment to accommodate growth. The second debenture was taken out in 2011 for \$5.7 million and amortized over 20 years.

The 2011 Operating Budget contained the first indication that operations may not be sustainable, under the current model, when revenue and expenses were estimated for a full year of Parkade operations. Draws from the Parking Reserve have been required from 2011 and on, to offset negative cash flows. In recent years, attempts have been made to support the financial sustainability of parking operations, such as through parking fee increases in 2012 and 2015. However future increases may negatively impact downtown recruitment initiatives.

The Parkade provides an inventory of 412 off-street parking stalls, 100 of which are reserved for daily passes, and 312 are reserved for monthly passes.

Discussion:

Parking management is a critical component of a city's economic development and business retention and attraction landscape. Businesses considering whether or not to remain or establish themselves in a given area often factor-in parking requirements and parking options for both customers and staff when forming a decision. Real or perceived parking challenges or limitations can be an influential factor in a business's location choices. Parking options can also impact resident and visitor transportation choices and activity in a given area. A municipality's parking infrastructure investments can play an important role in supporting economic and socio-cultural activity and related parking management strategies must take into account the multitude of uses, levels of demand, and overall vision for a given area in order to strike a desirable balance.

There are a number of statutory documents and planning tools to draw upon in illustrating the important role of parking management in relation to many aspects of City of Red Deer business. For example, the *Economic Development Strategy* recommends actions to enhance business and office options in the downtown, as well as greater housing stock and diversity in the downtown area. The *Downtown Red Deer's Investment Attraction Plan* acknowledges the central role of parking as an economic development driver. The *Greater Downtown Action*



Plan states objectives related to increasing housing options within the Historic Downtown, Riverlands and Railyards districts, in addition to increasing public amenities throughout the Greater Downtown Area. The *Mobility Playbook* outlines tools to diversify options available to citizens for transportation mode choice, and recommends that transit and parking fees reflect the community's long-term quality of life and commercial ambitions. The *Municipal Development Plan* illustrates goals related to continued growth and intensification throughout the city, with a specific emphasis on the downtown.

These objectives all have parking management implications, and as we seek to draw more businesses, residents and visitors into the Greater Downtown Area, strategic parking management and the provision of public parking options, such as the Sorensen Station Parkade, will play a critical role in our ability to successfully achieve identified outcomes.

Future Parking Strategy Overall

It is important to distinguish between the immediate need to improve the financial position of the Parking Reserve in the 2017 Operating Budget, and the above-noted strategic management of parking infrastructure and operations over the medium-to-long-term. This second, broader component has been examined through the work of the *Downtown Red Deer's Investment Attraction Plan* (DIAP) which was approved by City Council as a corporate planning tool, in May, 2016. The *Parking Study* component of the DIAP provides short, medium, and longer-term recommendations to adaptively support the sustainability of parking management. These recommendations are currently being assessed by Administration, and though they may have impacts on parking revenue, the precise impact of these has not yet been determined.

It is also important to note that Planning Services will be conducting a Fees and Charges Review of Parking Operations in 2017. The resulting findings of the review will help to inform future changes to current parking management practices through the implementation of the *Parking Study* recommendations. These would come forward as part of the budget and potentially include any corresponding bylaw amendments.

Current Situation

Based upon current Parking Reserve account status, if no changes to parking operations are made, and ongoing annual draws continue, the Reserve will continue to decline over the period 2017-2029 inclusive. While public parking within the city does generate revenue, it is not enough to cover the current debenture payments. It is anticipated that the parking fund will continue to operate in an overall deficit position while the parkade debentures are being paid. The cumulative deficits will exceed the balance in the Reserve. Without any other assistance, the Parking Reserve would be in a deficit balance for the period 2017-2029.

The 2009 parkade debenture matures in 2024 and surpluses should be generated starting in 2025 with the Reserve in an estimated positive balance of \$193k in 2030. Currently the parking reserve is used to fund a variety of operations such as staff, ongoing operations and maintenance and capital costs. :

The 2017 Operating Budget will recommend options to balance the Parking Reserve moving forward.

**Summary:**

In service to strategic organizational goals related to *Financial Leadership* and *Economy*, Administration has presented here an update on the status of the Parking Reserve. Parking management plays an important role as a valued service, source of municipal revenue, and economic development driver in our community. While Parking Operations does generate revenue, it is not sufficient to cover the current parkade debenture payments. Administration will bring forward options to balance the Parking Reserve in the 2017 Operating Budget, and staff continue to work on overall short, medium, and long-term parking management strategies.

Recommendation:

Administration recommends that City Council accept this report as information.



**Mid Year Budget Review Council
Decision – August 16, 2016**

DATE: August 18, 2016
TO: Craig Curtis, City Manager
FROM: Frieda McDougall, Legislative Services Manager
SUBJECT: Human Resource Matter FOIP 24(1)(a)

Reference Report:
City Manager, dated August 15, 2016

Resolution:
At the Tuesday, August 16, 2016 Mid Year Budget Review Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer having considered an In Camera Human Resource report hereby accepts the direction as outlined and directs that the contents of the report be protected as provided for under the Freedom of Information and Protection of Privacy Act, as follows:

- 24(1) The head of a public body may refuse to disclose information to an applicant of the disclosure could reasonably be expected to reveal
- (a) Advice, proposals, recommendations, analyses or policy options developed by or for a public body or a member of the Executive Council.

Report back to Council: No.

A handwritten signature in blue ink, appearing to read 'Frieda McDougall'.

Frieda McDougall
Manager

- c. Human Resources Director
Chief Financial Officer