Business Plan 2009 - 2011

THE CITY OF St. Albert

TABLE OF CONTENTS

EXECUTIVE SUMMARY 3

INTRODUCTION 4

COUNCIL'S DIRECTION 4

MISSION, VALUES AND VISION 4
COUNCIL OUTCOME GOALS AND PRIORITIES 6

CORPORATE ACTION 7

CORPORATE MISSION 8
CORPORATE VALUES 8
CORPORATE VISION 8
CORPORATE OBJECTIVES 9
CONNECTING COUNCIL PRIORITIES, CORPORATE OBJECTIVES AND DEPARTMENT OBJECTIVES 9
BUSINESS CASES 10

SUMMARY OF STRATEGIC INPUTS 14

EXTERNAL FACTORS 15
CITIZEN INPUT AND MEDIA ATTENTION 16

CITY OF ST. ALBERT 2009 – 2011 FINANCIAL SUMMARY 16

MUNICIPAL OPERATIONS 16
UTILITY OPERATIONS 20

APPENDIX A: CORPORATE PLANNING FRAMEWORK 16

APPENDIX B: PERFORMANCE MEASURES 25

APPENDIX C: COUNCIL PRIORITIES 37

SCHEDULE A TO COUNCIL POLICY C-CG-02 COUNCIL'S OUTCOME GOALS 37

APPENDIX D: CORPORATE ASSUMPTIONS 43

APPENDIX E: STRATEGIC INPUTS 50

EXTERNAL FACTORS 50
CITIZEN INPUT AND MEDIA ATTENTION 64

APPENDIX F: GLOSSARY OF TERMS 70

EXECUTIVE SUMMARY

As the City of St. Albert evolves to meet the needs of a growing community and to achieve sustainability for the future, foresight in planning is essential. To plan effectively, City Council and the corporation must consider a variety of factors. Together, these factors influence decision-making, priorities, plans and allocation of resources.

The City of St. Albert is facing significant challenges in managing growth and ensuring sustainability. In fact, many municipalities in the Capital Region are facing extensive budget pressures, with rising costs for construction and fuel being primary contributors. Along with these pressures, there has been a decline in development start-ups for St. Albert. All of this contributes to the challenge of providing high quality services to existing and future residents and businesses. Consequently, City Council has to be even more diligent in its planning and decision-making.

At the beginning of its term, Council developed Outcome Goals and Priorities. Council reviews and updates these priorities every quarter to ensure they truly reflect their expectations. Council's Outcome Goals and priorities fall under the following categories:

- Economic Development/Non-Residential Tax Base
- Social and Community Development
- Financial Sustainability
- Environmental Sustainability
- Affordable Housing
- 150th Year Celebration
- Downtown
- Culture, Arts and Heritage
- Infrastructure Planning

This Corporate Business Plan describes both Council's direction for the planned future of St. Albert and Administration's strategy for the corporation to ensure Council's direction will be realized. Accordingly, both Council and Administration have a mission, values and vision.

In addition to driving department level business planning activities, this plan is used to set criteria for prioritizing new expenditures. Hence, while very much integrated, this plan has driven the budgeting process. We are also including targets and accountabilities for monitoring and achieving results.

To address Council Priorities while continuing to manage the corporation and its obligations, Council approved a net increase in municipal taxes for operating and capital investments. The increase to the residential municipal tax levy is 4.55%, 7.93% and 7.55% in 2009, 2010 and 2011 respectively and the non-residential municipal tax levy is 5.28%, 8.18% and 7.89% for 2009, 2010 and 2011. It also describes the operating and capital investments required to maintain utility operations, which require an increase of 9.5% in utility rates each year.

INTRODUCTION

Council provides the corporation with a vision for the community; the corporation must organize its efforts to ensure the community realizes this vision. The corporation provides services to residents, businesses and visitors on an ongoing basis that are in line with Council's vision. Therefore, it is critical the corporation have a plan to ensure we provide the right services to the right people.

Council and Administration use the Corporate Business Plan to guide the City's resources and investments over a three-year timeframe. This plan reflects both Council's and the corporation's business strategy, including the mission, values and vision for the future.

In addition to driving department level business planning activities, we use this plan to set criteria for prioritizing new expenditures. Hence, while very much integrated, this plan has driven the budgeting process. Please see Appendix A for further details on our business planning process.

Administration proposes we use this business plan as a roadmap for the next three years. We are also including targets and accountabilities for monitoring and achieving results. Please see Appendix B for our performance measures and targets.

COUNCIL'S DIRECTION

City Council provides primary strategic direction to Administration through a variety of forward-looking policies and governance. Council's strategy comprised of Vision, Mission, Values and Outcome Goals is the predominant governance direction for the corporation. Council also provides more specific guidance through quarterly meetings to develop and update a list of priorities for Administration to manage. The combination of Council's inputs and direction provides Administration with the foundation for building our Corporate Business Plan and focusing our resources.

Mission, Values and Vision

City Council's Mission, Values and Vision provide our staff with a foundation to make recommendations to Council and drive decisions. City Council's mission describes the City of St. Albert's purpose. The values define how Council and Administration will carry out decisions and actions. And, the vision describes the city Council wants St. Albert to become.

MISSION

The City of St. Albert provides leadership in a well-managed, progressive and sustainable environment to deliver high quality, innovative municipal services that meet the expectations of citizens and business.

We are building our future while respecting our past.

VALUES

City Council values:

- Positive attitudes
- Leadership
- Good stewardship
- Respect, trust, dignity, honesty, integrity, flexibility in relationships
- Open two-way communications and diverse opinions
- Active participation of citizens
- Collaboration and co-operation
- Competent, productive and satisfied employees
- A safe and caring environment
- A balance of work and family life
- Safety and health
- Lifelong learning
- The generosity of volunteers

VISION

St. Albert is the community of choice for citizens and businesses because of our exceptional programs and services, safety, amenities, and the quality of life we receive in our responsive and business friendly city – all with a small-town feel.

Council Outcome Goals and Priorities

City Council identified outcome goals that describe what they want to accomplish during their term. It is these outcome goals that will guide our corporation towards achieving the vision, which is identified above.

Besides defining Outcome Goals, City Council also established expectations for key areas. These expectations are important priorities that our Administration will carry out. Our monthly and quarterly reports to Council will highlight our progress in meeting these priorities through the performance measures (Appendix B) and descriptive updates. City Council's priorities are highlighted in Appendix C.

City Council's outcome goals are defined as follows:

1. **Economic Development/Non-Residential Tax Base**: We have more businesses and local job opportunities for St. Albertans; we have more non-residential assessment (progress towards 80/20)

2. **Social and Community Development**: Residents have a strong connection to the community and participate in the growth and evolution of the city

3. **Financial Sustainability**: Strong financial policies and management ensures the city's sustainability

4. **Environmental Sustainability**: We are taking care of the environment for future generations

5. **Affordable Housing**: We encourage, nurture and lead change to bring more diverse accommodations and a wider range of affordable housing options to the city, ensuring people in all age groups and socio-economic categories have the ability to live in St. Albert.

6. **150th Year Celebration**: St. Albertans celebrate our history, arts and culture

7. **Downtown**: St. Albert has a vibrant downtown

8. **Culture, Arts and Heritage**: The community is recognized for its culture, arts and heritage

9. **Infrastructure Planning**: The city is growing; infrastructure is in place and we continue to plan for the future

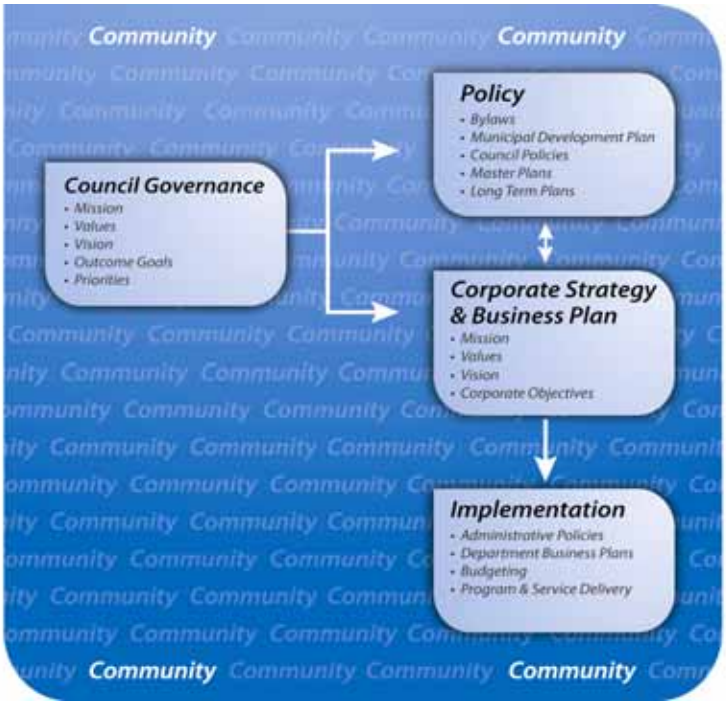
CORPORATE ACTION

Senior Leadership Team (SLT) developed a strategy for the corporation based on their knowledge and understanding of Council's expectations, trends impacting municipalities, feedback collected from Leadership Team and staff, and their own knowledge and expectations for the corporation. This strategy includes a mission, values and vision for the corporation. SLT also identified corporate objectives - what we need to do as a corporation in order to realize our vision.

Council's direction (mission, values and vision) identified in the previous section describes the planned future for the community. The corporation's strategy defines the actions the corporation will take to meet this planned future for the community and accordingly includes a corporate mission, values and vision.

Figure 1 below shows the St. Albert Corporate Planning Framework, which depicts how the Corporation's strategies emerge from Council's goals and direction. Further explanation of this framework is provided in Appendix A: Corporate Planning Framework.

Figure 1: City of St. Albert Corporate Planning Framework



Corporate Mission

Our purpose; our reason for existence:

> We provide exceptional services that enhance the quality of life in the community while ensuring the sustainability of St. Albert for future generations.

Corporate Values

These are the principles we hold dear. We commit to them uncompromisingly as the future unfolds. Our values define our culture.

> **Excellence**
>
> We always do our best, meet our commitments and ensure our efforts are focused on caring for the community and the environment.
>
> **Ethics**
>
> We communicate openly and honestly, and work with each other and the community in a safe, mutually respectful manner.
>
> **Empowerment**
>
> We are creative and innovative, sharing our expertise and benefiting from the power of teamwork.
>
> **Encouragement**
>
> We encourage and support one another through our work and learning opportunities while always striving to improve performance.
>
> **Enjoyment**
>
> We enjoy our work and our professional environment, while maintaining a work/life balance.

Corporate Vision

This is where we want to be in the future; it inspires us as we carry out our mission:

> Pride of the community; Leaders in the region

Corporate Objectives

Our corporate objectives provide specific direction over a period of time as we strive to achieve our vision.

1. Quality of life in St. Albert continues to increase
2. Minimize municipal taxation
3. Attract and retain high quality employees
4. Provide services, programs and standards that are the best of cities in the Capital Region

We identified performance measures for each of the above Corporate Objectives. It is the performance measures that will indicate how successful we are in meeting these objectives. Please see Appendix B for the corporate performance measures.

Connecting Council Priorities, Corporate Objectives and Department Objectives

Departments have objectives in place that will assist the corporation to meet its corporate objectives as well as Council's Priorities. Departments that are responsible for specific Council Priorities addressed them in their individual business plans.

Figure 2 below shows the process flow connecting Council Priorities, corporate objectives and department objectives.

Figure 2: Council Priorities, Corporate Objectives and Department Objectives

Administration translated each of Council's Outcome Goals and Priorities into actionable operational strategies that will guide corporate activities for this three-year cycle. Each of the department business plans breaks down into ongoing operations and business cases. All departments used the same set of assumptions to build these strategies and activities. This set of assumptions is provided in Appendix D: Corporate Assumptions.

All departments are responsible for implementing opportunities to enhance the efficiency, effectiveness and economy of their operations. Continuous improvement is a key philosophy for the City. As a result departments undertake the following:

- Program reviews
- Department reviews
- Long term departmental plans

Administration prepares business cases to address new business plan opportunities such as Council's Priorities and the above reviews. Each of these opportunities will require either operating or capital resources to assist the corporation to meet Council's Priorities.

Business Cases

The approved 2009 operating and 2009-2011 capital business cases are organized by Council Outcome Goal/Priority in the following tables. Only approved business cases are provided; business cases that are unfunded are not highlighted.

Economic Development/Non-Residential Tax Base

Corporate Objective: Minimize municipal taxation

Operating Business Cases	Capital Business Cases
2009 Business Development Marketing Graphic Designer (1.0 FTE) Operational Support (0.56) Tourism Marketing	**2009** Community Tourism Strategy

Social and Community Development

Corporate Objective: Quality of life in St. Albert continues to increase

Operating Business Cases	Capital Business Cases
2009 Asset Development - Community Policing Officers Seniors Property Tax Grant Asset Development (Healthy Neighbourhoods-Healthy Youth) Community Recreation & Leisure Programmer Medium/High Density Residential Infill Analysis & Consultation Neighbourhood Development Riel Park - Maintenance and Operation Smart Growth Public Consultation	**2009** Community Capital Program Community Capital Program – Nordic Ski Club Community Recognition Program Riel Park Public Washroom Riel Park Redevelopment Phase II **2010** Dog Park

Financial Sustainability

Corporate Objective: Minimize municipal taxation

Operating Business Cases	Capital Business Cases
2009 Area Structure Plans - Annexation Area (3 Years Only) Senior Financial Analyst (1.0)	**2009** Drive Camera (Incident Video)

Environmental Sustainability

Corporate Objective: Quality of life in St. Albert continues to increase

Operating Business Cases	Capital Business Cases
2009 Environmental Management System Program & Staffing - Maintenance of Existing Programs Environmental Master Plan Initiatives Environmental Monitoring - Ray Gibbon Drive Landscape Technologist (0.56)	**2009** PW Energy Efficiency Program **2011** PW Former PW Yard Remediation Program

Affordable Housing

Corporate Objective: Quality of life in St. Albert continues to increase

Operating Business Cases	Capital Business Cases
2009 Housing Society - Establish Office Municipal Incentives for Affordable Housing	**2010** Municipal Affordable Housing Grant - 30% Capital

150th Year Celebration

Corporate Objective: Quality of life in St. Albert continues to increase

Operating Business Cases	Capital Business Cases
2009 150 Anniversary Celebration 55 Plus Games	**2009** Founders Walk (150th Anniversary)

Downtown

Corporate Objective: Quality of life in St. Albert continues to increase

Operating Business Cases	Capital Business Cases
2009 Downtown Area Redevelopment Plan	**2009** Downtown Signage PW Downtown Refurbishment

Culture, Arts and Heritage

Corporate Objective: Quality of life in St. Albert continues to increase

Operating Business Cases	Capital Business Cases
2009 AHF Building Facilities Coordinator AHF Fund Development Assistant	**2009** Arden Theatre Replacement Plan Heritage Sites Functional Plan Implementation Design **2010** LWPC – Murals

Infrastructure Planning

Corporate Objective: Quality of life in St. Albert continues to increase

Operating Business Cases	Capital Business Cases
2009 Fare Innovation Operating Impacts Of Capital Business Cases Senior Project Manager - Capital Projects (1.0) Train Whistle Bylaw Transit Fare Increase	**2009** Arterial Asphalt Overlay Program Collector Program Collector Reconstruct Program Collector/Local Asphalt Overlay Program Local Reconstruct Program Major Bridge Rehabilitation NW LRT Study Permanent Line Marking Rehabilitation PW Asphalt Spray Patcher PW Regulatory and Street Signage Upgrades PW Shop Equipment, Yard and Equipment Ray Gibbon Drive Stage 3 Red Willow Trail Overlay Program Sidewalk Program South Transit Station and Park & Ride - Land and Construct South West Sector Arterial Phase 1 St. Albert Road Urbanization Study Transit Expansion Buses (excl UPASS Buses) Transit Scheduling Software Transportation Systems Mgmt (Signals) Transportation Truck - Engineering Services UPASS Growth Buses **2010** Anthony Henday - SWC Far North Transit Centre and Park & ride - Land GPS AVL Phase 2 PW Cold Storage Space PW Pickup Truck - HVAC PW Pickup Truck - Tradesperson PW Sidewalk Snow Plow

	PW Tandem Truck/Sander/Plow PW Turf Mowers Transit Trip Planner **2011** Anthony Henday - Boudreau and Veness Fleet Management System Software Handibus scheduling Software PW Lift Truck and Chipper Transit Garage Satellite Storage (Land) Transit Priority Pre-emption

Corporate Objective: Attract and retain high quality employees

Operating Business Cases	Capital Business Cases
2009 2010 Fire Department Anniversary (100th) Health & Fitness Testing Human Resources Generalist (1.0)	N/A

Corporate Objective: Provide services, programs and standards that are the best of cities in the Capital Region

Operating Business Cases	Capital Business Cases
2009 BSS Executive Assistant (1.0) Corporate Planning Coordinator (1.0) Council Administrative Support (0.56) Fleet Administrative Assistant (0.56) Full Scale Mock Disaster Exercise Library Special Services Coordinator Municipal Enforcement Traffic Officers (2.0) Operation Supervision (Station 3 Captain's Position) Servus Place Life Cycle Replacement Plan Contribution Servus Place Market Survey Mind Body Programmer (0.34) Traffic Safety	**2009** Bus Corrosion Prevention Maintenance City Parks Refurbishment Plan/Implementation Concession Upgrades Corporate GIS Foundation Items Council Meetings Broadcast System Emergency Services Equipment Replacement Plan Equipment Transport Fire Station #1 FPRC - Meeting Room HVAC FPRC - Vehicle Front Counter Renovations MES Traffic Officer Patrol Vehicles Microsoft Office Corporate Software Upgrade Mission Tennis Courts Northridge Park Development Phase 1/Phase 2 Office Automation Program Office Systems Replacement Plan PW Mobile Equipment Replacement Plan PW Subdivision Signage Refurbishment REC Renovations to Akinsdale/Kinex Arenas Servus Place Fitness and Wellness expansion and access Servus Place Fitness and Wellness Quick Wins Prior to

	Potential Expansion Servus Place Life Cycle Replacement Program St. Albert Place Telephone Upgrade Tennis Court Refurbishment Program Transit Garage Phase 2 Expansion **2010** Civic Building Security Eco Chill System Expansion Fowler Track FPRC - DE Filters Lion's Park Refurbishment Off-Road Response Vehicle Pulastic Flooring on North Field house RCMP Building Renovations Security Camera Additions Transit Replacement Plan Transit Waiting Shelters Woodlands Dry Park Playground Replacement **2011** FPRC Salt Chlorine Generation System PW - St. Albert Place PW Snow Storage Sportfield Refurbishment Program Woodlands Water Park - Locker Room

SUMMARY OF STRATEGIC INPUTS

As the City of St. Albert evolves to meet the needs of a growing community and to achieve sustainability for the future, foresight in planning is essential. To plan effectively, the corporation must consider a variety of factors. Together, these factors influence decision-making, priorities, plans and allocation of resources.

This section is a summary of the factors outlined in the Strategic Inputs section provided in Appendix E. Please reference this appendix to gain a better understanding of the strategic inputs used to develop this business plan.

A description of various terms used in this section and throughout this business plan is provided in Appendix F: Glossary of Terms.

This section is divided into two main parts, 'External Factors' and 'Citizen Input and Media Attention.'

External Factors

External factors are assessed using the PESTE Environmental Scan, a review of political, economic, social, technological and environmental aspects.

POLITICAL

On the political front, the City has several levels to take into account. From an international standpoint, relationships with the United States are at the forefront. The ramifications of that neighbouring country's election to the heightened interest in Alberta's oil sands activity are of significance. Within Canadian borders, both federal and provincial policies, regulations and funding agreements have considerable effects on City planning. The availability of funding programs has an impact on the municipality's priority projects, from the Canadian government's New Deal for Cities and Communities program to the Province of Alberta's Municipal Sustainability Initiative. Regionally, the newly formed Capital Region Board is dedicated to long-term planning in various areas. In St. Albert, a new City Council was elected in October 2007 and has developed a set of priorities, which will be reviewed and updated as needed.

ECONOMIC

Economically, an American mortgage crisis, as well as rising energy and oil prices, has negative implications for Canada's municipalities. Managing service delivery in a cost-effective, efficient manner is top of mind. Other economic factors with indirect impacts on the local economy include increased labour costs, labour shortages and higher consumer prices. However, lower bank interest rates paired with a business-friendly environment will likely affect business in St. Albert in a positive manner. The potential for a rise in regional shipping activity and a new land use plan will contribute to more positive outcomes for the City. Locally, considering ongoing economic and population growth, long-term planning has become a priority. Smart Growth Guidelines, the Business and Tourism Long Term Department Plan, the Transportation and Utilities Master Plans are all indicative of these planning efforts. The City continues to strive for a more balanced assessment mix of residential and non-residential taxes, while coping with the rising Municipal Pricing Index (see Appendix E: Glossary of Terms for a description of this term).

SOCIAL

The City of St. Albert aims to provide a high quality of life for its residents. The social well-being of the community must equally be taken into account in the corporation's planning. Safety, environmental stewardship, social development, sound infrastructure and affordable housing all contribute to the community's sustainability. As the population ages and the cost of living increases, these social factors command a more prominent position in the City's planning efforts.

TECHNOLOGY

Many technological factors influence City business. While some regulations call for a change to the City's reporting processes, other advances are affecting City business in more tangible ways. Improvements to the records management processes, advances in Geographic Information Systems technology and the use of several other technological features affect City processes more directly. Apart from these areas, the introduction of business continuity planning will serve to ensure City departments can function in the event of an emergency or disruption to regular operations.

ENVIRONMENT

With the environment garnering more attention across the globe, it also requires a high level of attention locally. From emission targets to local initiatives, such as the Idle-Free Bylaw and the Environmental Master Plan, this set of factors cannot be overlooked in City planning. In complying with targets and calling attention to the importance of environmental protection, the City of St. Albert aims to address environmental concerns, improving the overall quality of life in the community.

Citizen Input and Media Attention

The latter part of the 'Strategic Inputs' section is another important component to the Corporate Business Plan, 'Citizen Input and Media Attention'. Through citizen input and media attention, the City is provided the opportunity to gauge perceptions and levels of satisfaction in the community. Helping to identify concerns, areas of satisfaction and priorities, these portions act as resources throughout the planning process, ensuring decisions reflect the needs and values of the community.

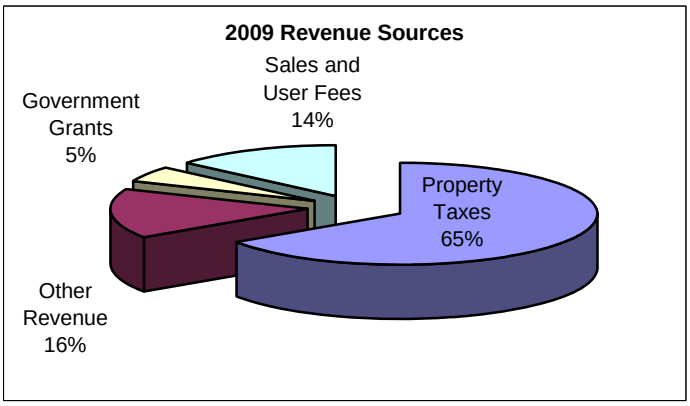
In short, while this scan is an overview, it does provide an accurate outlook on the opportunities and challenges faced by the City. Together, these factors play an important role in sound decision-making and planning for today's residents and a sustainable community for future generations.

CITY OF ST. ALBERT 2009 – 2011 FINANCIAL SUMMARY

Municipal Operations

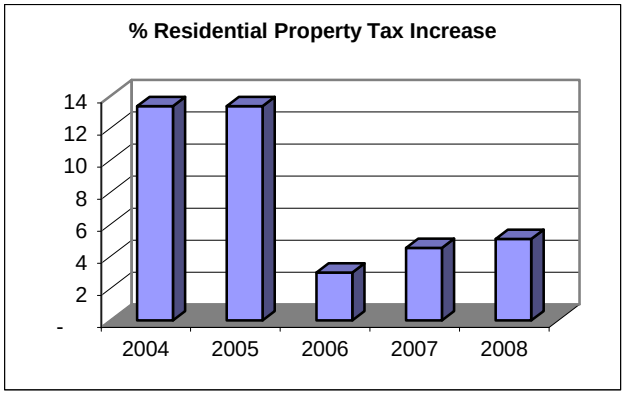
The strength of the Alberta economy continues to stretch municipal resources against competing demands for improved services and investment in capital. While St. Albert prides itself on the array of services it provides at levels that, in most cases, meet or exceed other municipalities within the Capital Region, growth pressures and capital works cost escalations are providing a significant challenge.

St. Albert is unique among urban municipalities in that it derives only 11% of its property tax assessment from commercial and industrial properties. The average for cities in Alberta is approximately 28%. As a result of this assessment mix and demand for such a wide array of services, St. Albert's residential property tax continues to be at the upper end of the Capital Region. While this disparity is somewhat lessened when the average cost of City utilities and low level of gas and non-existent electric franchise fees are included, it still provides a challenge for St. Albert to maintain a lower level of tax increase than other municipalities in the region. This position is one that continues to challenge our economic development efforts in our community.



Assessment Growth: In general terms, property tax generated from assessment growth is used to fund the extension of services related to population growth. The City has experienced an average assessment growth of 3.98% over the past 10 years, 2007 at 3.97%. Current projections for assessment growth for 2009 is 1.22%, 2010 is 1.75% and 2011 is 2.0%.

Property Taxes: Over the past 10 years the average residential property tax increase has been 9.73% with the inclusion of Servus Credit Union Place and the education requisition.



In past years, both the residential and the non-residential property tax rate increase have been the same. For 2009-2011 however, the tax rate increases differ between classes of assessment. The difference is due to the use of a tax split ratio. St. Albert has used a tax split ratio for many years to help in distributing the tax burden between assessment classes.

The approved increase to the residential municipal tax rate in 2009 is **4.55%.** The proposed increases are **7.93% and 7.55**% for 2010 and 2011 respectively. The approved increase to the non-residential municipal tax rate in 2009 is **5.28%.** The proposed increases are **8.18% and 7.89%** for 2010 and 2011.

The Servus Credit Union Place tax levy will decrease slightly from $33 to $32 per $100,000 due to the increase in assessment growth.

Grant Revenue: Since 2005, the City receives approximately $1 million for ambulance service. In May 2008 the Province announced a transition of ground ambulance services from the municipalities to provincial government to take effect April 1, 2009. However, until the new funding allocation model is determined and established the City will continue to budget for the grant in the 2009 – 2011 Budget.

The City will continue to receive Provincial Infrastructure funding under the following programs:

- BCG – Basic Capital Grant (annually $3.4 M or $60/capita)
- AMIP – Alberta Municipal Infrastructure Program (2009 & 2010 $9.7M)
- NDCC – New Deal for Cities and Communities (2009 & 2010 $1.6M)
- NDFPTT – New Deal for Public Transit & Transportation (2009 $0.659M)
- MSI – Municipal Sustainable Initiative (2009 $14.8M & 2010 – 2017 $19.4M)

These grants are being used to address the City's substantial infrastructure and other capital needs.

Municipalities may not use these new grants to reduce property taxes. Taxpayers will however begin to see the benefits as infrastructure problems become rectified without having to increase future taxes, as might have been the case had this funding not materialized.

User Fees: The City has adopted a user-pay model, which continues to see program users pick up a greater portion of the cost associated with various non-universally delivered programs and services. User fees and usage will be monitored to determine whether fees should be adjusted.

Investment in Municipal Services: City departments are working on long term department plans (LTDP) to effectively manage the delivery of municipal services. The department plans set out the future department operations and the resources required to support the operations. Five LTDPs are completed, with the remaining to be completed over the next three years.

The services provided to our residents rely heavily on the human resource component. The 2009-2011 Budget includes an additional **20.89** full time equivalents (FTE) being added for 2009, **22.90** FTEs being added for 2010 and **22.76** FTEs for 2011.

Investment In Capital: The 10-year plan identifies funding of $256 million in investments. Most notably, the continuing construction of the Ray Gibbon Drive Stage 3 will be $47 million. The plan also addresses roads, sidewalks and facilities, which were identified in the Infrastructure Study as a high priority for capital spending. The plan also includes the City increasing the capital envelope from $12.1 million in 2009 to $13.5 million by 2011.

Debt Financing: In 2005, City Council revised the City's debt policy to be debt adverse. As a result, the majority of the 10 Year Capital Plan has been built around pay-as-you-go, reserve and grant funding, internal financing, and external debt financing. The City will remain within the debt limits established through City policy and as set out by the Province. All existing municipal debt, with the exception of debt related to Servus Credit Union Place and Ray Gibbon Drive will be paid off within four years (by 2012), and Utility debt within one year (2009).

Table 1 below outlines the proposed municipal operations budget for 2009 – 2011.

Table 1: 2008-2011 Financial Summary – Municipal Operations

2008 – 2011 Financial Summary -- Municipal Operations NET COST				
	2008 Budget	**2009 Budget**	**2010 Plan**	**2011 Plan**
Council	575,300	561,600	589,400	594,500
City Manager's Office	364,700	371,400	372,500	373,700
Business & Strategic Services				
-Corporate Strategy	529,400	614,500	704,700	710,600
-Business & Tourism	426,000	492,400	536,800	547,400
-Corp Communications	546,800	602,300	658,000	671,700
	1,502,200	1,709,200	1,899,500	1,929,700
Community & Protective Services				
-Community Service	835,800	805,000	827,600	834,300
-Cultural Services	1,521,500	1,626,000	1,736,600	1,766,700
-FCSS	512,800	642,300	657,500	660,900
-Fire Services	8,048,000	8,890,700	9,144,400	9,182,700
-Police Services	3,975,700	3,600,700	3,779,000	3,869,200
-Recreation Services	2,836,600	2,535,500	2,630,400	2,667,600
-Servus	2,144,600	1,688,000	1,828,800	1,831,500
	19,875,000	19,788,200	20,604,300	20,812,900
Planning & Engineering Services				
-Engineering Services & Admin	3,423,900	4,395,000	4,776,200	4,910,100
-Planning & Development	697,600	1,377,400	1,296,700	966,900
-Public Works	10,379,500	11,492,600	11,778,200	12,048,100
-Transit	4,572,900	4,964,100	5,443,500	6,039,300
	19,073,900	22,229,100	23,294,600	23,964,400
Corporate Services				
-Assessment & Taxation Srvcs	271,400	289,100	283,800	277,800
-Financial Services	2,435,500	2,547,400	2,625,400	2,668,600
-Human Resources	1,258,000	1,428,500	1,538,300	1,573,800
-IT Services	1,908,900	2,098,900	2,104,300	2,112,800
-Legal Services	611,000	706,100	693,600	694,400
-Legislative Services	751,000	769,800	783,400	789,200
	7,235,800	7,839,800	8,028,800	8,116,600
Common & Fiscal Services	11,264,800	14,820,100	15,595,500	18,242,500
Municipal Base Budget	59,891,700	67,319,400	70,384,600	74,034,300
Business Cases (Net)				
2009	-	-	-	-
2010	-	-	3,565,100	2,932,400
2011	-	-	-	4,187,300
Total Municipal Tax Requirement	59,891,700	67,319,400	73,949,700	81,154,000
Property Tax Revenue:	(59,891,700)	(67,319,400)	(73,949,700)	(81,154,000)

Utility Operations

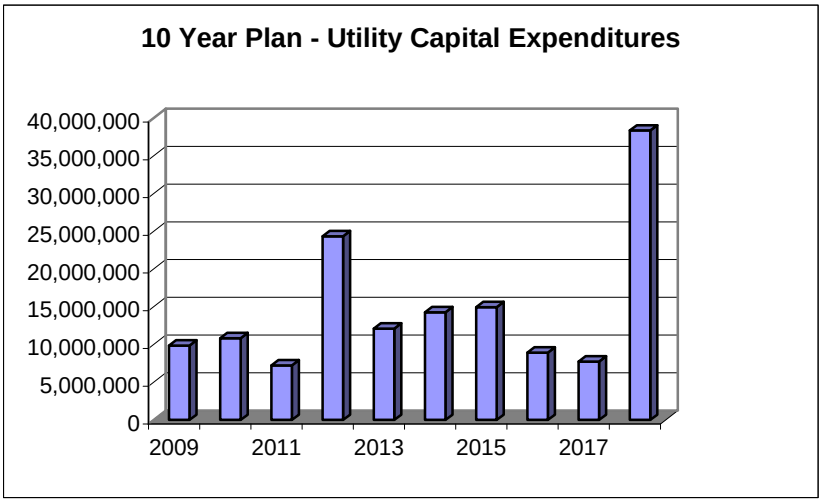
Many utility organizations are dealing with the replacement of aging infrastructure and the ongoing effect of improving environmental standards. These changes are creating significant pressure to increase utility rates. The City is on the leading edge of addressing infrastructure needs by undertaking comprehensive engineering assessments of its infrastructure. The City of St. Albert can now measure the condition of its existing infrastructure and project the cost of future infrastructure work. Higher infrastructure costs, as well as higher costs for water supply and for wastewater transmission are putting pressure on utility rates. The challenge is to make sure the City's infrastructure continues to be reliable by making effective use of new government funding in order to minimize rate increases.

Utility Fiscal Policies: During 2003, Council reviewed the utility rate setting model and made several changes with regard to the model's methodology. The overarching direction is that utility operations should be self-sustainable. Utility fees are calculated using the following Council policies:

- utilities are self sustaining,
- replacement of existing infrastructure,
- no negative reserve balances, and
- no new debt after 2005.

Infrastructure Review: Utility rates have been calculated to provide sufficient revenue to fund operations and future capital costs in accordance with the utility fiscal policies. When the utility fiscal policies were adopted it was noted that additional capital costs might be identified when the condition of the infrastructure was reviewed. Phase I of the infrastructure study identified $38 million in utility infrastructure needs. The findings of Phase I and the initial work of Phase II of the infrastructure study have been included in the 100 year model and are reflected in the City's proposed 2009 - 2011 rate structure.

Utility Capital Costs: The 10-year Capital Plan for utilities calls for $148 million to maintain existing reliable services. With the City's utilities operating as a separate fund, all costs associated with operations, replacement of existing infrastructure, and the addition of new infrastructure will be funded either through utility rates, grants, or developer contributions.



Infrastructure Grants: The approach used to determine the long term financing of the utility fund was to minimize customer rate increases to a maximum of 9.5% per year. The 2009 budget includes utility capital projects of $8.9 million, the 2010 budget includes utility capital projects of $10.2 million and the 2011 budget includes utility capital projects of $5.7 million. The utility capital projects are comprised, primarily, of annual replacement programs with four notable projects:

1. Sturgeon Heights Pumphouse upgrades at $2.7 million in 2009
2. The Former Landfill Site Remediation at $0.3 million in 2009 and $2.2 million in 2010
3. Wastewater lift stations rehabilitation at $2.6 million in 2009
4. Oakmont distribution Water Main Phase 1 and 2 at $0.2 million in 2009, $2.2 million in 2010 and $1.6 million in 2011

Utility Debt: Based on the 10-year capital plan, the Utility Fund will be debt free by 2009, if there is no more borrowing.

Developer Levies: Developers will be funding the full construction cost of utilities within the expansion, or annexation area, through offsite levies for utilities of $2,175/unit (2009) in the existing boundaries to $6,920/unit (2009) within the expansion area, although these costs are subject to change based on a review of the levies. These levies will pay for 100% of new reservoirs, new water mains, and sewer trunks that benefit this area of growth.

Utility Rate Model: Using the City of St. Albert's 100-year rate-setting model, the current estimate of the long-term sustainable rate for all City utilities, in 2008 dollars, is $108/month per household. Further third-party increases in the cost of water purchases, wastewater processing, and solid waste disposal fees may cause rates to increase even more for all municipalities.

Monthly Utility Rates: The average monthly bill will increase by $7.06 in 2009, $7.73 in 2010 and $8.22 in 2011. Overall, rates will increase by 9.5% in 2009, 2010 and 2011.

The utility rates are provided in the table below.

Table 2: 2009 – 2011 Utility Rates

	2008 Approved	2009 Approved	2010 Plan	2011 Plan
Water Rates Flat Rate Water Rate	$7.00 1.008 cents/ m^3	$8.00 1.060 cents/ m^3	$8.00 1.169 cents/ m^3	$8.00 1.287 cents/ m^3
Wastewater Rates Flat Rate Wastewater Rate - 80% Wastewater Rate – 100%	$8.50 1.275 cents/$m^3$ 1.020 cents/m^3	$8.50 1.410 cents/$m^3$ 1.128 cents/m^3	$8.50 1.556 cents/$m^3$ 1.245 cents/m^3	$8.50 1.713 cents/$m^3$ 1.370 cents/m^3
Storm Rates - Flat Rate Residential – (single/side-by-side) Residential – (stacked/condo) Non-Residential	$ 7.00 $ 4.85 $19.15	$ 9.05 $ 6.25 $24.65	$11.35 $ 7.85 $30.95	$13.95 $ 9.70 $38.15
Solid Waste Rates Flat Fee • 1 Bag every 2 weeks • 1 Bag • 1Can/2Bag • 3 Bag • 2 Can/4Bag • 3 Can/6Bag	$ 3.65 $ 1.90 $ 3.80 $ 7.60 $11.40 $15.20 $22.80	$ 3.65 $ 2.15 $ 4.25 $ 8.45 $12.70 $16.90 $25.35	$ 3.65 $ 2.35 $ 4.70 $ 9.35 $14.05 $18.70 $28.05	$ 3.65 $ 2.55 $ 5.05 $10.10 $15.15 $20.20 $30.30
Average Monthly Bill *	**$74.31**	**$81.37**	**$89.10**	**$97.32**

*For all utilities based on average water use of 20m^3 and 1 can/2 bag option for solid waste.

APPENDIX A: CORPORATE PLANNING FRAMEWORK

The City of St. Albert uses a variety of planning tools to manage the corporation under its Corporate Planning Framework. This three-year business plan is an important aspect of our corporate planning framework. See Figure 3 for the visual representation of our framework.

Figure 3: City of St. Albert Corporate Planning Framework

The Corporate Planning Framework consists of the following components:

- The **community's** vision and expectations influences Council governance and all City programs and services. We continuously gather the community's feedback and input into all we do. Some of the ways we gather the community's feedback include: community consultations, community survey, Council meetings with the public at various events and meetings as well as staff input and expertise.

- **Council Governance** includes council strategy (mission, values, vision, outcome goals and priorities), which is based on the community's vision and what they want to accomplish during their term.

- Our planning framework then breaks into three key aspects that emanate from Council's strategy:
    - **Policy** – this includes Bylaws and all long term planning such as the Municipal Development Plan (City Plan), Council policies, master plans and long-term department plans.
    - **Corporate Strategy & Business Plan** – this includes our three-year corporate strategy: the corporate mission, values, vision and corporate objectives as well as the corporate business plan.
    - **Implementation** – this includes administrative policies, department business plans and standards, operating guidelines, and budgeting. This area also includes program and service delivery.

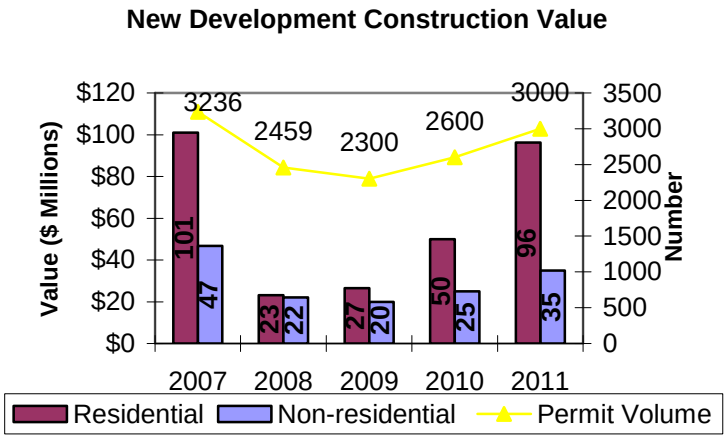
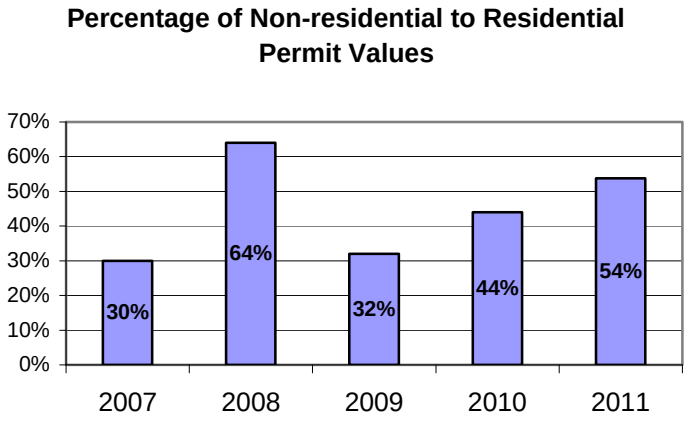
APPENDIX B: PERFORMANCE MEASURES

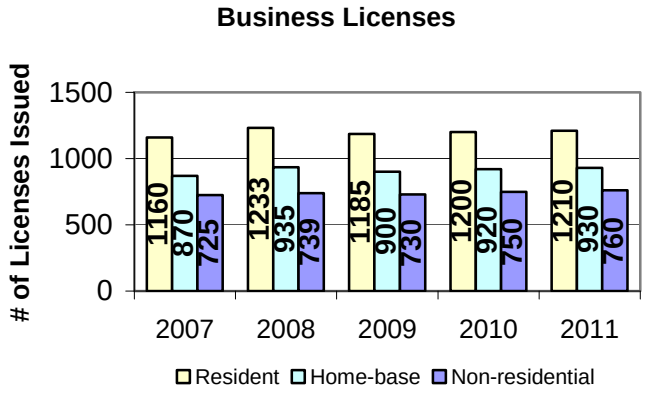
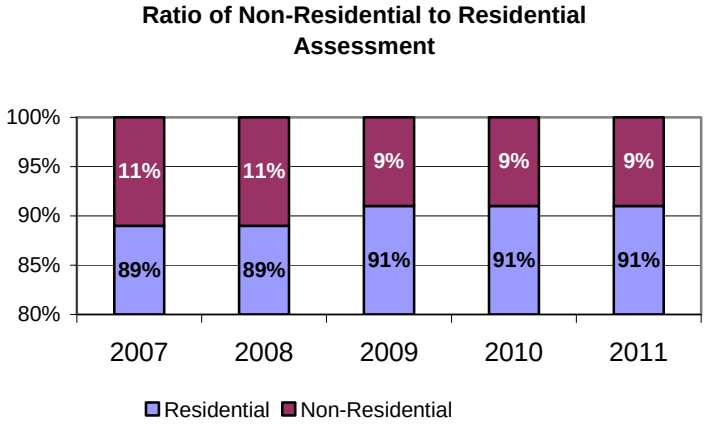
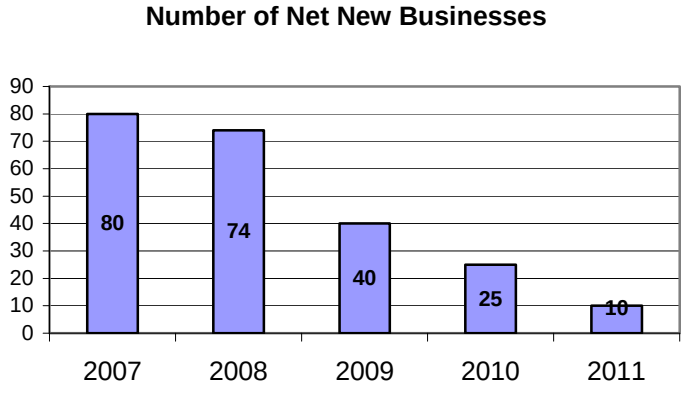
We will know we've achieved our objectives because we will measure and report our success using performance measures. We outline the performance measures and targets for each of the corporate objectives as well as Council's Outcome Goals in the following sections.

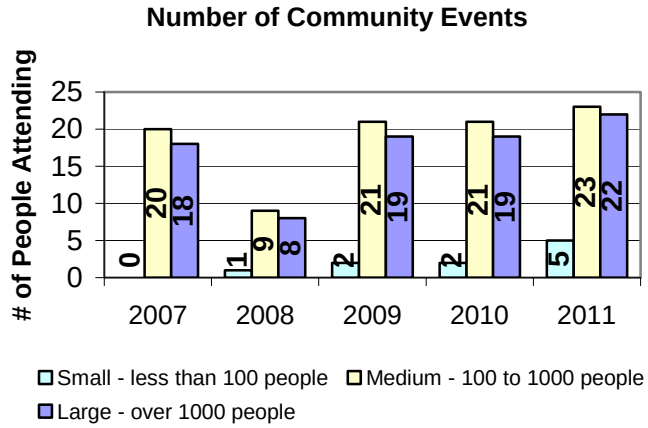
1. Minimize municipal taxation

Economic Development/Non-Residential Tax Base

We have more businesses and local job opportunities for St. Albertans; we have more non-residential assessment (progress towards 80/20)

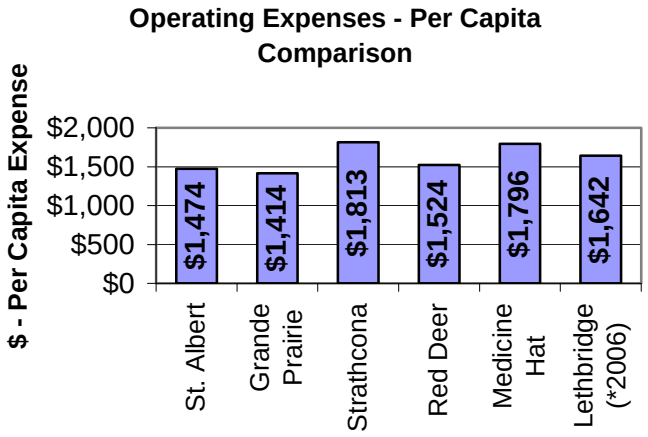
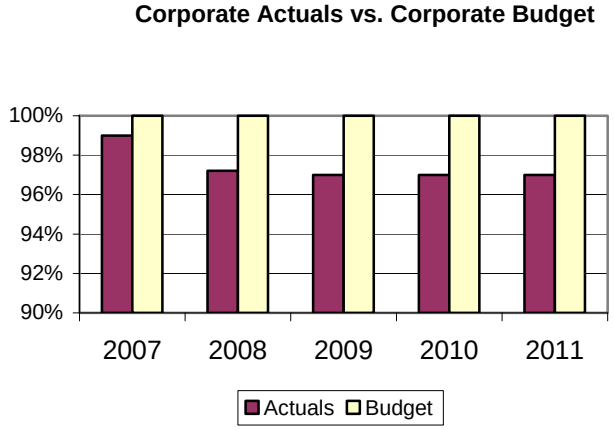
Performance Measures	Targets
$ construction value of new development Frequency: Quarterly Department Responsible: Engineering Services	
% non-residential permit values to residential permit values Frequency: Quarterly Department Responsible: Business & Tourism Development	

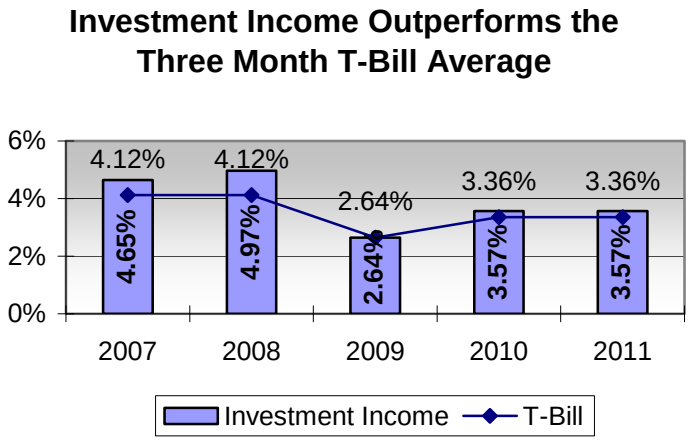
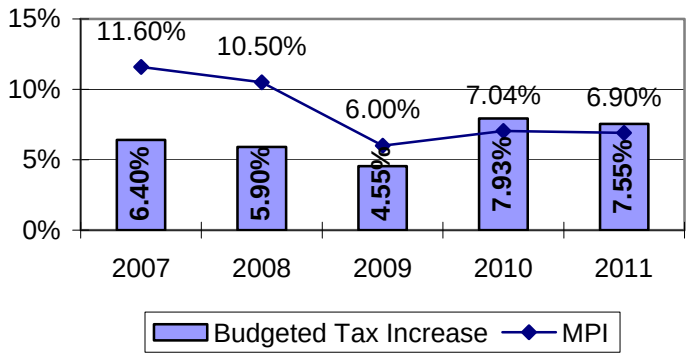
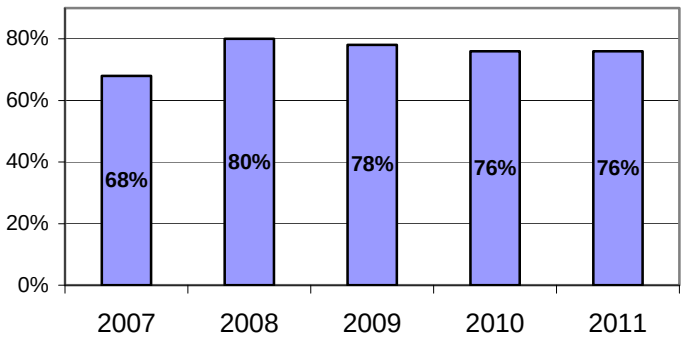
# of business licenses (resident; home-based; non-residential) Frequency: Quarterly Department Responsible: Business & Tourism Development	
Ratio of non-residential to residential assessment i.e. 90/10; 80/20 Frequency: Annually Department Responsible: Assessment	
# of net new businesses Frequency: Annually Department Responsible: Business & Tourism Development	

# of community events Frequency: Annually Department Responsible: Business & Tourism Development	

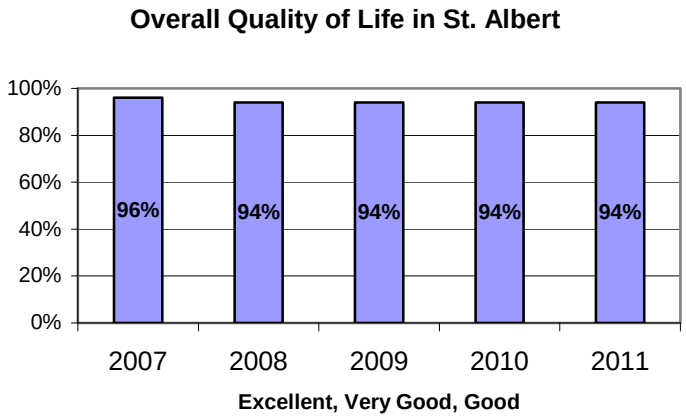
Financial Sustainability

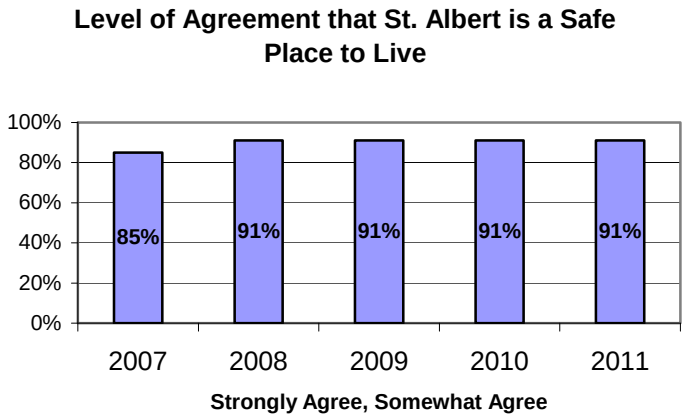
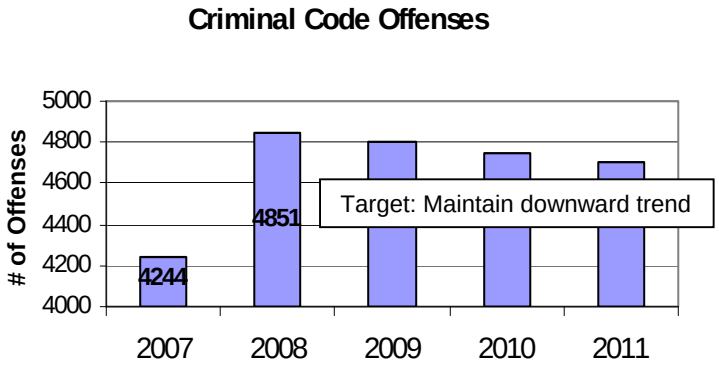
Strong financial policies and management ensures the city's sustainability

Performance Measures	Targets
Cost per capita for municipal services Frequency: Annually Department Responsible: Finance	
Corporate actuals are <= corporate budget Frequency: Annually Department Responsible: Finance	

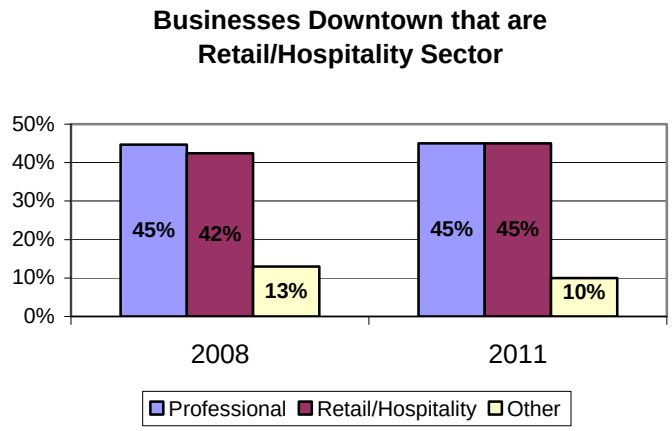
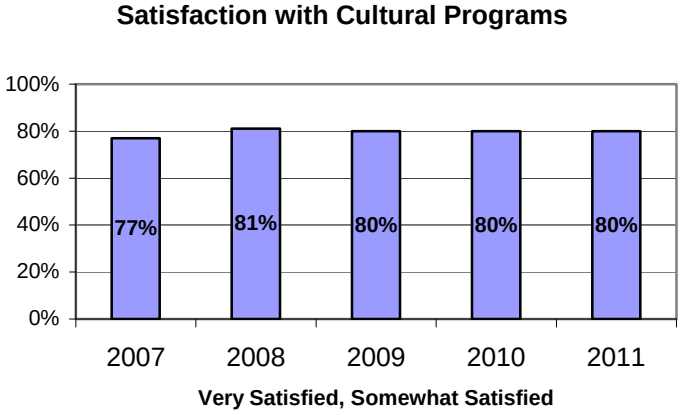
Investment income outperforms the monthly T-Bill Frequency: Annually Department Responsible: Finance Source: BMO Capital Markets Economic October 3, 2008	
% Tax increase to maintain service levels compared to MPI Frequency: Annually Department Responsible: Finance	
Recovery rate – This is the minimum recovery rate each year. Frequency: Quarterly Department Responsible: Servus Place	

2. Quality of life in St. Albert continues to increase

Environmental Sustainability We are taking care of the environment for future generations	
Performance Measures	**Targets**
Per capita water consumption Frequency: Quarterly Department Responsible: Finance	As per environmental master plan (subject to Council approval)
Per capita solid waste disposed Frequency: Quarterly Department Responsible: Public Works	As per environmental master plan (subject to Council approval)
Per capita recyclables collected Frequency: Quarterly Department Responsible: Public Works	As per environmental master plan (subject to Council approval)
Greenhouse gas emissions Frequency: Annually Department Responsible: Office of the Environment	As per environmental master plan (subject to Council approval)
Social and Community Development Residents have a strong connection to the community and participate in the growth and evolution of the city	
Performance Measures	**Targets**
% of residents that perceive the overall quality of life in St. Albert as positive Frequency: Annually Department Responsible: Corporate Communications (Community Satisfaction Survey)	

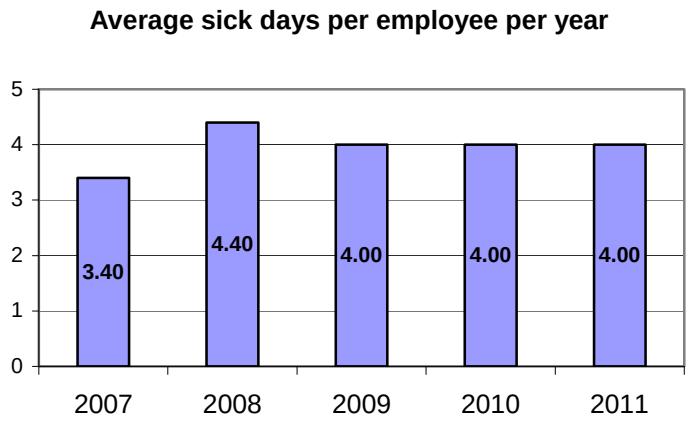
% of residents that agree St. Albert is a safe place to live Frequency: Annually Department Responsible: Corporate Communications (Community Satisfaction Survey)	
Increase in number of assets from base line 40 Assets **(Under Development)** Frequency: Annually Department Responsible: FCSS and RCMP	TBA
# of Criminal Code offenses Frequency: Quarterly Department Responsible: RCMP	

150th Year Celebration St. Albertans celebrate our history, arts and culture	
Performance Measures	**Targets**
# of 150th Celebration activities that occur in the city Frequency: Once Department Responsible: Culture	150 events or initiatives
Founders Walk is completed on time Frequency: Once Department Responsible: Culture	Yes

Downtown St. Albert has a vibrant downtown	
Performance Measures	**Targets**
# of businesses downtown that are retail/hospitality sector is greater than the number that are professional sector Frequency: Annually Department Responsible: Business & Tourism Development	
# of events in the downtown **(Under Development)** Frequency: Annually Department Responsible: Culture	TBD
Culture, Arts and Heritage The community is recognized for its culture, arts and heritage	
Performance Measures	**Targets**
% of residents that are satisfied with cultural programs Frequency: Annually Department Responsible: Corporate Communications (Community Satisfaction Survey)	

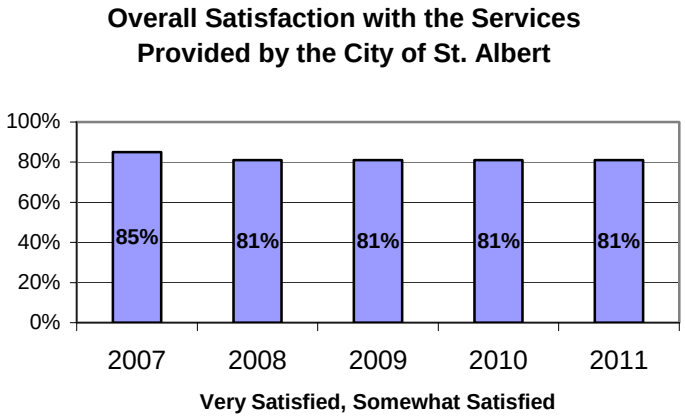
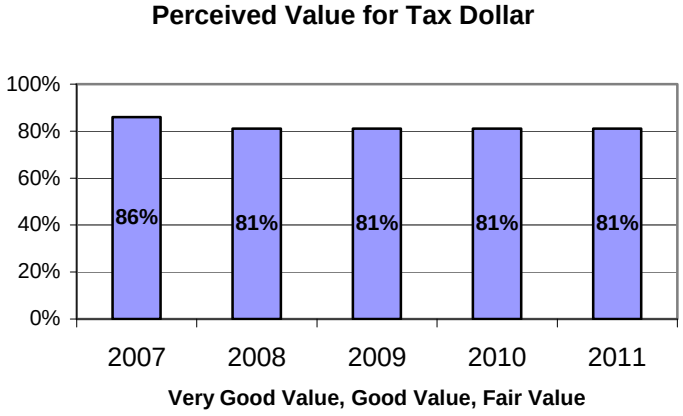
Infrastructure Planning The city is growing; infrastructure is in place and we continue to plan for the future	
Performance Measures	**Targets**
Average infrastructure condition index **(Under Development)** Frequency: Annually Department Responsible: Engineering	To be determined (TBD)
Infrastructure deficit ($) **(Under Development)** Frequency: Annually Department Responsible: Engineering	TBD

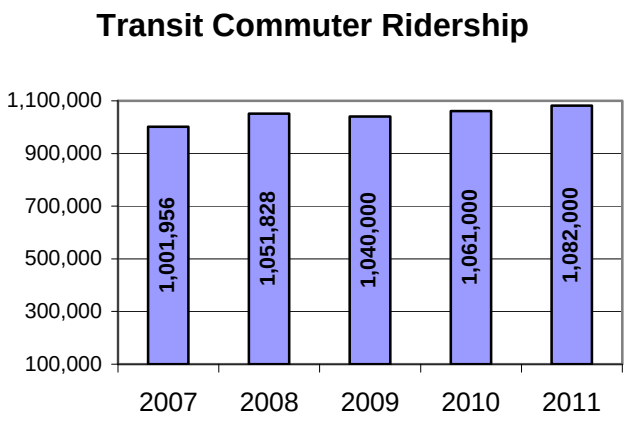
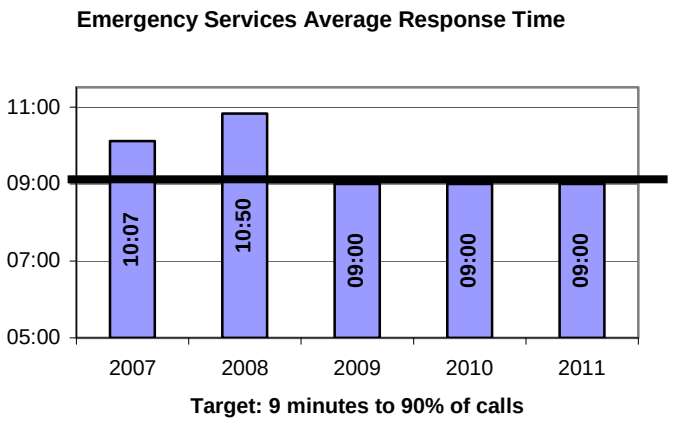
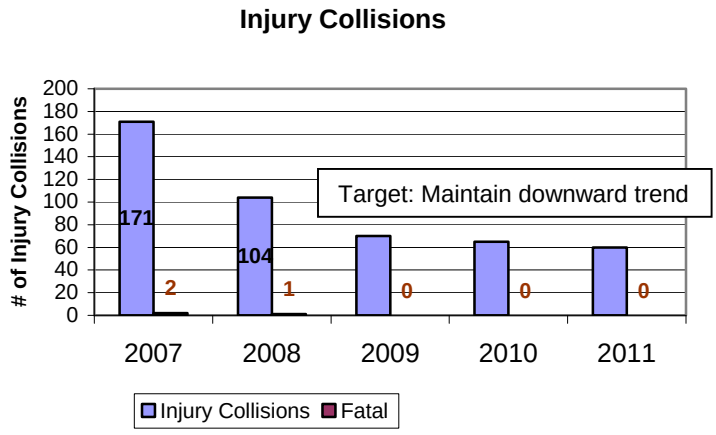
3. Attract and retain high quality employees

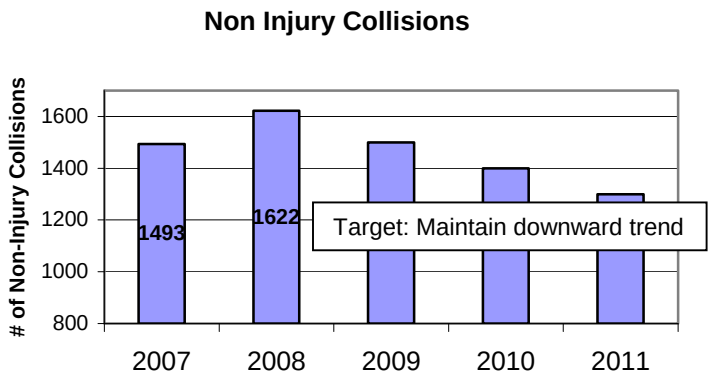
Performance Measures	**Targets**
Overall employee satisfaction 1- Very Poor 3 - Average 5 - Very Good Frequency: Bi-Annually Department Responsible: Human Resources	
Absenteeism and/or illness rate Frequency: Quarterly Department Responsible: Human Resources	

Employee engagement index **(Under Development)** Frequency: Annually Department Responsible: Human Resources	TBA
Retention rate of employees **(Under Development)** Frequency: Annually Department Responsible: Human Resources	TBA - Set baseline for number of new permanent hires who remain more than one year after appointment
Hire top candidates **(Under Development)** Frequency: Annually Department Responsible: Human Resources	TBA - Set baseline – % of top candidates who accept offer
Attraction rate **(Under Development)** Frequency: Annually Department Responsible: Human Resources	TBA - Set baseline -% of times needed to repost for a competition
Provide a learning environment **(Under Development)** Frequency: Annually Department Responsible: Human Resources/Finance	TBA - Achieve 2% of payroll spent on training
Provide a safe environment Frequency: Annually Department Responsible: Human Resources	Qualify for WCB premium and discount

4. Provide services, programs and standards that are the best of cities in the Capital Region

Performance Measures	Targets
% of residents that are satisfied with City of St. Albert services, facilities and programs Frequency: Annually Department Responsible: Corporate Communications (Community Satisfaction Survey)	
% of residents that perceive value for tax dollar Frequency: Annually Department Responsible: Corporate Communications (Community Satisfaction Survey)	
Utilization of community services and programs **(Under Development)** Frequency: Quarterly Department Responsible: Community Services	TBA

Annual transit commuter ridership Frequency: Quarterly Department Responsible: Transit	
Emergency services average response time index Frequency: Quarterly Department Responsible: Fire	
Injury collisions Frequency: Quarterly Department Responsible: RCMP	

Non injury collisions Frequency: Quarterly Department Responsible: RCMP	

We know many factors may impact our success and so we may not meet all targets precisely, therefore we will accept a pre-determined variance on our targets. At the end of each quarter, we will review our results to date so that we have adequate time to adjust our efforts to ensure we remain on target.

APPENDIX C: COUNCIL PRIORITIES

Schedule A To Council Policy C-CG-02 Council's Outcome Goals

COUNCIL PRIORITIES 2009-2011

Completed Priorities

The following Council Priorities are complete.

Main Priority	Completed Aspect of Priority	COMPLETED
Economic Development/Non-Residential Tax Base	Completed the Utility and Transportation Master Plans to allow the city to accept area structure plan applications	**COMPLETED**
	Completed and approved the Business & Tourism Development Long Term Department Plan.	**COMPLETED**
Social and Community Development	Identified a location for an off leash dog park	**COMPLETED**
	Completed Phase I of Riel Park Redevelopment	**COMPLETED**
Financial Sustainability	Approved the Fiscal Policy Framework	**COMPLETED**
	Developed an infrastructure funding plan that incorporates Municipal Sustainability Initiative (MSI) funding to address the infrastructure deficit (includes money for contingency) • Updated the 10-year Capital Plan	**COMPLETED**
	Reviewed Council's user fee policy	**COMPLETED**
Environmental Sustainability	Made a short term decision on the relocation of the Alta Link power line	**COMPLETED**
	Received the Environmental Master Plan in preparation for potential approval in 2009	**COMPLETED**
	Received the Solid Waste Management Review report in preparation for potential approval in 2009	**COMPLETED**
Affordable Housing	Implemented plans for using the provincial affordable housing grant funds	**COMPLETED**

Affordable Housing	Identified and implemented opportunities that encourage and/or develop affordable housing • Provided funding to Habitat to purchase land for a project. Construction to occur in 2009 or 2010 • Approved secondary suite guidelines • Implemented a transitional housing plan • Provided funding for two duplex lots. Construction to occur in 2009 • Provided start up funding to the Affordable Housing Society • Provided funding to Sturgeon Foundation to offset fees and charges for the proposed addition to Northridge Lodge	**COMPLETED**
150th Year Celebration	Established a community task force to develop a plan for the City's 150th Celebration in 2011	**COMPLETED**
	Applied for Cultural Capital of Canada Designation for 2010	**COMPLETED**
Infrastructure Planning	Completed the extension of South Riel corridor south to the new Le Clair Way (formerly 137 Avenue)	**COMPLETED**
	Approved short term use of the old RCMP Building (see Downtown Redevelopment)	**COMPLETED**
	Public Works - Reviewed service standards and policies through the long term department plan	**COMPLETED**
Servus Place	Completed the reviews and recast the 2008 budget	**COMPLETED**
	Prioritized and implemented strategies to improve the facility's long term sustainability	**COMPLETED**

Priorities In Progress

The following Priorities were established by Council and are in progress or expected to be complete by 2011.

ECONOMIC DEVELOPMENT/NON-RESIDENTIAL TAX BASE

Economic Development/Non-Residential Tax Base: We have more businesses and local job opportunities for St. Albertans; we have more non-residential assessment (progress towards 80/20)
Increase non-residential development
• Expedite future study area decisions – make a decision regarding a preferred location for potential light industrial sites
• Mayor, Council and City Manager will aggressively pursue non residential development with focus on target industries such as: tourism (arts, entertainment and recreation; accommodation and food services); transportation, warehousing, distribution; professional, scientific and technical services; retail: construction trades. Some attention will be placed on attracting specialized manufacturing compatible with St. Albert
• Complete Riel Drive south to Ray Gibbon Drive, providing a connection from the business park to this major roadway

• Continue Think Tank Forums comprised of City Council, Administration, business leaders, and land owners/developers to identify opportunities and priorities for economic development.
• Develop a focused marketing strategy to support our economic development goals and increase the volume of businesses in St. Albert. o Ensure City marketing initiatives include a strong focus on St. Albert's strengths as a location for commercial/light industrial as well as targeted residential development – educated work force, amenities, infrastructure, access to oil sands markets, etc.
• Develop a plan to enhance the business attraction and retention culture within the organization
Tourism • Develop a St. Albert hosting strategy, focused on attracting and hosting a wide variety of events in the city

SOCIAL AND COMMUNITY DEVELOPMENT

Social and Community Development: Residents have a strong connection to the community and participate in the growth and evolution of the city
Review results of the 40 Developmental Assets Model/Program for youth • Develop strategies to address gaps identified as part of the review, as well as strategies that help meet the developmental needs of our youth
Complete Phase II of Riel Park Redevelopment, focused on the BMX track and Rodeo Grounds
Complete the Smart Growth Guidelines to ensure St. Albert neighbourhoods are effectively planned and developed
Complete infill guidelines for multi family to ensure infill developments are well integrated with existing neighbourhoods
Complete a St. Albert plan for seniors • Implement the plan to better meet the specific needs of St. Albert seniors
Encourage Strategy and Mobilization Committee to ensure they can continue to support: o seniors o youth o families
Implement Neighbourhood Development Initiatives to create vibrant and strong neighbourhoods and strengthen our partnership between citizens and government
Implement the FCSS program review recommendations to effectively meet the social and community needs of St. Albertans

FINANCIAL SUSTAINABILITY

Financial Sustainability: Strong financial policies and management ensures the city's sustainability
Review Council's financial policies (borrowing, land acquisition, offsite levies, etc.)
Acquire raw land in annexation area for municipal purposes

ENVIRONMENTAL SUSTAINABILITY

Environmental Sustainability: We are taking care of the environment for future generations
Environmental strategy • Approve the City's Environmental Master Plan, focused on attaining the City's environmental goals and improving overall environmental performance
Implement Environmental Master Plan Goals: • Maintain air quality
• Reduce non-renewable energy consumption and greenhouse gas emissions
• Promote sustainable urban development
• Preserve and manage trees, parks and natural areas
• Reduce solid waste generation
• Reduce contamination by improving hazardous waste management
• Protect and maintain the sturgeon river watershed
• Reduce water consumption
Implement a corporate wide program that reduces the environmental impacts of the City's day-to-day operations and adheres to the International Organization for Standardization (ISO) 14001 standards.
Recycling and Solid Waste • Review the Recycle and Solid Waste Program and make changes as necessary (include consideration of blue bag curb-side recycling)
Ensure effective preservation and protection of natural areas • Advocate for Lois Hole Provincial Park development (possible 150th Legacy Project) o Interpretive Research and Education Centre o Outdoor park and interpretive development o Boardwalk development in the wetlands
• Continue to enhance Red Willow Park and the trail system o Complete the Erin Ridge/Oakmont Trail development o Complete Phase II of Riel Park
• Implement Parks and Open Spaces Management Plan to ensure efficient and effective City parks and open space management. Specific aspects of the plan include: o Complete the tree inventory o Define the standards for naturalization o Define Integrated Pest Management standards
New or significant updates to bylaws: • Trees • Parks

AFFORDABLE HOUSING

Affordable Housing: We encourage, nurture and lead change to bring more diverse accommodations and a wider range of affordable housing options to the city, ensuring people in all age groups and socio-economic categories have the ability to live in St. Albert
Update the Affordable Housing Strategy: • Continue to implement plans
• Complete the Area Structure Plan for Badger Lands

150TH YEAR CELEBRATION

150th Year Celebration: St. Albertans celebrate our history, arts and culture
Plan the year long 150th Celebration activities
Advocate for special funding for legacy projects that would be opened in 2011

CULTURE, ARTS AND HERITAGE

Culture, Arts and Heritage: The community is recognized for its culture, arts and heritage
Establish an "Arts Day" Program, focused on celebrating St. Albert's arts community
Create a culture master plan, including the vision for cultural programs, services, support and space needs
Promote the arts and heritage district to residents and visitors, recognizing St. Albert's rich history and culture and capturing associated economic development opportunities
Advocate with other levels of government to increase funding
Heritage Sites Master Plan: • Complete a functional site plan for the Heritage Site
• Complete work on the Heritage Site as recommended in the functional site plan
• Develop a Heritage Sites funding plan to ensure heritage facilities are properly maintained and preserved (cross reference infrastructure 10 year capital plan)
Include provisions within the 10 year capital plan to address heritage site needs
New or significant updates to bylaws: • Heritage preservation

DOWNTOWN

Downtown: St. Albert has a vibrant downtown
Develop a vision and goals for the downtown
Review and refine the Downtown Area Structure Plan to reflect the vision and goals including: • Consideration of existing lands, buildings and infrastructure • Consideration of requirements of and integration with civic needs and aspirations (tourism brand, museum, gallery, Business Revitalization Zone, RCMP building)

Downtown: St. Albert has a vibrant downtown
Update the 10 year capital plan to reflect capital requirements for downtown
New or significant updates to bylaws: • Downtown Area Redevelopment Plan

INFRASTRUCTURE PLANNING

Infrastructure Planning: The city is growing; infrastructure is in place and we continue to plan for the future
Update the Long-Term Infrastructure Strategy document that effectively addresses the current infrastructure deficit as well as anticipated future needs and growth related needs
Plan for and address funding issues relating to major roads: • Ray Gibbon Drive Stage 1, 2 and 3 funding agreement with the province
• Decide timing for construction of Ray Gibbon Drive Stage 3
• Build Le Clair Way from South Riel to Ray Gibbon Drive
Plan for and address funding relating to civic buildings: • Select location for a new branch library
• Decision for the future of old RCMP Building (see Downtown Redevelopment) and the Northern Alberta Business Incubator building on Mission
• Identify specific civic space needs for the next ten years
Public Transit
• Implement short term system improvements (example: queue jumps, Global Positioning System (GPS), bus rider/locator system)
• Plan for long term system improvements (example: high occupancy vehicle lanes)
• Advocate for Light Rail Transit to St. Albert
• Leverage regional opportunities through the Capital Region Board (CRB)
Complete and approve the Public Works Long Term Department Plan • Implement the recommendations to ensure approved standards are in place and meet citizen's expectations
New or significant updates to bylaws: • Train Whistle

APPENDIX D: CORPORATE ASSUMPTIONS

All departments used the following set of assumptions to create their 2009-11 business plans and budgets.

Category	Description of the Assumption
1. 150th Anniversary	Departments need to consider what impacts the 150th Anniversary may have on their individual planning and resource needs.
2. Annexed Lands	Departments need to consider what impacts the annexed lands may have on their individual planning and resource needs. Annexation details include: a) Annexation area is 1,336 hectares b) The annexed area will accommodate approximately 30,000 residents Source: Planning and Development
3. Assessment Growth	It is difficult to forecast growth in the future as the assessment-based approach is really only accurate for the current year. Therefore, with the growth we are currently experiencing, it may be prudent to assume that growth will not be the same as past years (3.00-4.00%). We should forecast: • 2009 – 1.22% • 2010 – 1.75% • 2011 – 2.00% Source: Assessment
4. Capital Funding	**NDCC (Federal Gas tax)** • 2009 – $1.6M • 2010 – $3.3 M • 2011 – program may not be renewed **AMIP: Provincial Infrastructure Funding:** • 2009 – $10.1 M • 2010 – $10.1 M • 2011 – program is complete Funds will be used strategically based upon demands identified in Business Planning and using the Long Term Financial Plan to optimally allocate funds. **Basic Capital Transportation Grant** • 2009 - $3.5M • 2010 - $3.5M • 2011 - $3.5M **Municipal Sustainability Initiative (MSI)** • 2009 - $7.7 M • 2010 - $19.4M

Category	Description of the Assumption
	• 2011 - $ 19.4M Source: Finance
5. Civic Space Needs	**Civic Building** Council has developed a strategy for resolving the space crunch in St. Albert Place and for further enhancing St. Albert's downtown. The strategy is, "To maintain SAP as the people place and civic and cultural centre it was meant to be with room to grow and meet the ongoing needs of our city" The strategy also proposes, "Constructing a functional civic building large enough to house employees and departments together." As the corporation continues to increase the number of staff, it is paramount we have space for them. In the interim, we will continue to lease space until such time as a new civic building is constructed. Earliest completion date for a new civic building is expected to fall outside of the 2009 – 2011 planning horizon. Costs are estimated as follows: • 2011 - $3 million • 2012 - $15 million • 2013 - $12 million It is anticipated that several more departments will need to exit SAP and move into interim space during the planning horizon – potentially one department in each of 2009 and 2010. • Cost per person in new workstation is approximately $5,000 (including workstation, chair, computer) • Cost for lease and operating expense is approximately $25/square foot **Branch Library** Council has identified a need to build a branch library for the community. Effort will be required to manage potential land acquisition and design. Estimated costs for the building are as follows: • 2009 - $1 million • 2010 - $7 million • 2011 - $8 million **Transit** The transit garage needs to undergo an expansion in order to meet the Transportation Master Plan emphasis on an increasing need for transit. This will require a new satellite bus storage facility sooner than projected in the department's long term plan. Estimated costs are as follows: • 2008 - $400 thousand • 2009 - $3.6 million **Public works** Public Works requires cold storage space and a satellite shop in the NE quadrant of the City. Potential partnership with other departments such as transit for the satellite shop. Estimated costs for these buildings are as follows:

Category	Description of the Assumption
	Cold Storage (for equipment): 2010 – $50,000 Satellite shop (equipment and staffing): • 2011 - $200,000 • 2012 - $2,000,000. Effort will be required to investigate civic and community facility needs. This may include spaces for seniors, youth and Transitions. Development as planned at Grandin Mall site will result in pressure on service delivery capacity for several city departments. Source: Corporate Strategy and Business Management
6. Council Priorities	Departments need to consider what impacts Council's Priorities may have on their individual planning and resource needs.
7. Environment	Departments need to consider the increasing expectations from regulatory agencies and the community in relation to environmental issues. The federal and provincial governments continue to increase legislation, regulations or guidelines in all areas of the environment including air, water and soil quality, fish and wildlife protection and solid waste and toxics reduction. Citizens are more aware of and expect action on environmental issues such as climate change, recycling, air and water pollution and preservation of natural areas and biodiversity. Municipal organizations such as the Alberta Urban Municipalities Association (AUMA) and the Federation of Canadian Municipalities (FCM) are responding to these expectations by focusing on environmental issues in their policy statements and projects. Both organizations also provide numerous technical and financial resources to municipalities for environmental and sustainability initiatives including Integrated Community Sustainability Plans required under the Gas Tax Transfer Agreements. An Environmental Master Plan will be completed by the last quarter of 2008 that will define and prioritize the key environmental issues relevant to the St. Albert community and corporation. It is likely that the key issues will relate to: • 'Environmentally-friendly' urban development and neighbourhood design • Protection and preservation of trees, parks and natural areas • Protection of the Sturgeon River watershed • Reduction of solid waste generation • Reduction of treated water consumption • Reduction of green house gas emissions. The corporation will be expected to take a lead role in addressing these issues through getting our 'own house in order' as well as providing direction to the community. Many departments will be involved in the development of goals and targets and initiatives related to the Environmental Master Plan. These initiatives will likely be incorporated into

Category	Description of the Assumption
	the Environmental Management System for separate departments and the corporation. Source: Office of Environment
8. Inflation	**Municipal Price Index:** Strathcona County uses a municipal price index that they have developed using their own unique basket of goods. They revisit and re-calculate their rates on an annual basis. The estimated rates for the next 3 years are: • 2009 – 6.00% • 2010 – 7.04% • 2011 – 6.9% Source: Finance **Construction Inflation:** The 2009-2018 10-Year Capital Plan, for the first time, includes set values to address increased inflation in Alberta. Substantial inflationary increases in the construction sector have diminished purchasing power and created a gap between necessary infrastructure development and available funding. In order to plan for these increases, the following inflationary values have been placed on the forecast years: • 2009 – 20 % • 2010 – 15 % • 2011 – 10 % • 2012 - 2014 – 5 % • 2015 - 2018 – 3 % **Diesel fuel:** PW and Transit use approximately 1.5 million litres per year. Estimated increase in costs: • 2009 - $1.25 per litre • 2010 - $1.35 per litre • 2011 - $1.50 per litre Source: PW and Transit
9. Operating Funding	**Policing**: Municipalities with a population between 20,000 – 100,000 will receive a $100,000 base payment plus $14 per capita. Current funding for policing in St. Albert is $873,400. **Ambulance Funding**: Transfer of ground Ambulance services from Municipalities to governance by the provincial health authority has now been announced. The City is planning for a cost neutral impact once ambulance services are transferred to the health authority. In the meantime, Administration will work with the health authority to determine the cost impact to St. Albert. **Municipal Sustainability Initiative (MSI)** • 2009 – $ 0.924 M

Category	Description of the Assumption
	• 2010 – $ 0.909 M • 2011 – $ 0.909 M Source: Finance
10. Population Growth	Population growth is projected as follows: • 2009 – 0.75% • 2010 – 1.00% • 2011 – 1.25% Population growth is estimated based on the 2008 municipal census data; however, once planning for the annexed land has been completed and there is more land and developer competition in the City, it is anticipated that there will be a significant spike in growth as new residential development comes on stream. Source: Planning and Development
11. Ray Gibbon Drive	Departments need to consider what impacts Ray Gibbon Drive may have on their individual planning and resource needs. The Timing for completion of Ray Gibbon Drive is as follows: • Phase I and II are complete (McKenney to Giroux Drive) • Phase III (Giroux Drive to Villeneuve Road) in 2009 • The province of Alberta has taken a lead role in development of a functional plan and will deal with extending Ray Gibbon Drive north of the existing City boundary with the intent of ultimately connecting with Highway #2 to the North. Source: Engineering Services
12. Recruitment	Tight employment markets, particularly in the capital region, are resulting in stiff competition in some sectors and continuing shortages of skilled labour in the province (3.4% unemployment is the lowest in 25 years). As such: • Turnover rates are high as employees retire or leave the organization for better opportunities • We need to be more creative in our retention efforts • Recruitment/hiring process are taking longer to successfully conclude (so start early) • Selected candidates may require greater than “normal” amounts of orientation, training and supervision (many of the unemployed are minimally skilled) • In some cases positions may remain vacant (unfilled) for extended periods of time • Recruitment costs have doubled since 2006 • Employee expectations are higher resulting in pressure on compensation and benefits Source: Human Resources

Category	Description of the Assumption
13. Regional Planning	The provincial government established the Capital Region Board with mayors and reeves from the 25 municipalities in the Capital Region. The mandate of the Board is to develop a long-range plan to manage growth over the next 50 years with immediate priority on creating a long-range plan on regional land use and infrastructure such as roads and transit. The Government of Alberta will provide start-up funding to the board, and ongoing support and advice as required. Source: SLT
14. Reliance on Volunteers	Results from the Giving, Volunteering, and Participating in Alberta survey, 2004 shows that 25% of volunteers contributed 75% of all volunteer hours. The decline in the number of volunteers is a concern because organizations are becoming overly dependent on a small core of volunteers that is resulting in burnout of that core. As the volunteer base shrinks, not-for-profits are competing for the same unpaid workforce. Some social science evidence indicates there is a longer term decline of perhaps 1-1.5, maybe even 2 percent in volunteering which is small for a year or two, but if it remains like that over a decade you're looking at a decline of perhaps 20 percent. Source: Community and Protective Services
15. Revenue	Departments need to consider what impacts declining revenues may have on their individual planning and resource needs.
16. Service Levels	Strive to maintain or increase service levels and maintain quality of services in all areas leading to increased cost of delivery. Source: Council
17. Social and Community needs	Departments need to consider what impacts changing social and community needs may have on their individual planning and resource needs. There is increasing complexity of social problems in our community as well as an increasing need for subsidies. Affected departments may need to look at how they manage these needs. Expectations • Upward expectation to collaborate both interdepartmentally and intergovernmentally. This requires additional time and resources. • Need to plan to provide more service/assistance to groups, families, seniors, etc Outside agencies • Upward need for subsidy • Upward need to support and plan Source: FCSS

Category	Description of the Assumption
18. Utilities	The utility rate model will use the best information available for projecting capital projects within the city. The assumptions on population growth contained in this document should be used within the model. The rate model should also reflect no revenue from the annexation area until 2009. The revenue stream for offsite levies will still occur at the building permit stage for the next two years. Engineering and Finance will investigate the potential to collect these moneys at the time of the development agreement stage similar to the arterial road PAC's. The utilities will endeavor to maintain a status of self-funding but financial pressures will be realized during initial phases of the annexation area. Infrastructure will have to be extended to the area one or two years prior to receiving revenue for the offsite work. Funding for these projects may have to come from prepayment from developers or funding from other sources. The utility master plan is complete and will result in a revised 10-year capital plan for the utility business unit. Cost increases for contracted service (EPCOR, ACRWC) will have to be assumed for the next three years. This may result in an undercharge or overcharge based on what happens in each of these agencies budget process. Source: Engineering Services **Solid waste** The contract for solid waste ends in 2011, therefore we are anticipating significant increase in solid waste disposal and collection. We should assume approximately 30% increase in expenses and fee increases to offset this cost. Based on the 2008 budget: • Disposal $106,000 • Collection $150,000 Source: Public Works

APPENDIX E: STRATEGIC INPUTS

External Factors

The City of St. Albert faces a significant amount of pressure from competing sources. Each factor can be categorized using the PESTE environmental scan, which specifically entails Political, Economic, Social, Technological and Environmental conditions. Taking these conditions into consideration throughout our planning is essential to ensure the City is well prepared and organized to manage these situations if and when they occur.

These external factors were researched throughout the first three quarters of 2008 in preparation for the 2009-2011 budget. Since then there has been significant changes to the Canadian economy that are not captured in this section of the business plan but will be reviewed and considered throughout 2009 as the corporation manages its budgets.

POLITICAL FACTORS

International

Events occurring outside of Canada have the potential to exert a great deal of influence on matters within our own borders. Of most importance is the political climate in the United States, Canada's largest trading partner. The upcoming presidential election on November 4, 2008 will likely have some effect on Canadian industries, especially if the elected Chief of State revisits the NAFTA agreements[1]. Alberta is especially susceptible to the economic impacts that accompany a change in leadership because of the high volume of exports crossing the borders. With 88 % of Alberta's total exports dependent on shipments to the U.S., the province is vulnerable to the health of the U.S. economy[2].

In June 2008, an annual meeting of American mayors at the U.S. Mayors Conference in Miami resulted in a resolution with associated impacts on the Alberta economy. The resolution, passed by the leaders of major U.S. cities, urges the boycott of Alberta oilsands fuel in municipal vehicles[3]. If the resolution is acted upon, it will undoubtedly have implications on Alberta's biggest economic resource and likely impact local business and employees affiliated with the oil industry.

Federal

The national political climate influences our planning through government policy and action, changes to regulations, approvals and funding strategies. Important funding relationships with the federal government include:

[1] http://money.cnn.com/2008/06/18/magazines/fortune/easton_obama.fortune/index.htm?postversion=2008061810
[2] http://www.edc.ca/english/docs/news/2007/mediaroom_12809.htm
[3] http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20080624/oilsands_boycott_080624

- *Building Canada*, a 7-year funding initiative (2007-2014) from the Government of Canada, provides sources of funding for municipalities to improve and build upon their existing infrastructure[4]. Funding initiatives include:
    - Federal Gas Tax Fund (GTF) – municipalities can pool, bank and borrow against this fund; supports environmentally sustainable municipal infrastructure that contributes to cleaner air and water and reduced greenhouse gas (GHG) emissions. Communities must develop 'Integrated Community Sustainability Plans' as part of the funding requirements
    - GST Rebate – 100% rebate of GST paid by municipalities to address matters in infrastructure and maintenance of facilities and other civic operations

- New Deal for Cities and Communities (NDCC) – initiated in 2005, this 10-year joint funding program between the Government of Canada and the Province of Alberta is designed to assist municipalities in addressing their sustainable municipal capital infrastructure needs. Funding under this program supports the development of public transit systems and water and wastewater systems, solid waste management, community energy systems and community capacity building. For communities with less than 500,000 in population, the funding may also be used for rehabilitation of municipal roads and bridges that enhance sustainability outcomes[5].

Provincial

Premier Ed Stelmach assumed office in December 2006 and his party, the Progressive Conservatives, was officially voted in during the Alberta Provincial General Election in March 2008 with 52.7% of the vote. The focus of his premiership has largely been directed at the Northern Alberta oil sands and energy industry.

Since the election, a number of legislation changes have also occurred. The changes that could impact municipalities the most include:

- Alberta Health Care Insurance Act
- Environmental Protection and Enhancement (Awaiting Proclamation)
- Freedom of Information and Protection of Privacy Act and Regulations
- Government Organization Act
- Health Information Act and Regulations
- Labour Relations Amendment Act, 2008 (Awaiting Proclamation)
- Municipal Government Amendment Act
- Pipeline Act
- Regional Health Authorities Act
- Safer Communities and Neighbourhoods Act

[4] Building Canada Plan
[5] http://www.transportation.alberta.ca/536.htm

The City of St. Albert relies on a number of funding sources from the Province to pay for new infrastructure and to manage growth in a sustainable way. These various funding relationships include:

- The Province of Alberta's Municipal Sustainability Initiative - a 10-year funding commitment (2007/08 - 2016/17) to assist municipalities in meeting growth-related challenges and enhancing long-term sustainability[6]

Municipality	2007-08 MSI Actual	2008-09 MSI Estimates	2009-10 MSI Estimates	2010-11 MSI Estimates	10 Year Total
ST. ALBERT	$5,260,174	$7,147,367	$8,649,352	$20,319,508	$163,293,450

- Canada - Alberta Municipal Rural Infrastructure Fund (CAMRIF) –is a program that responds to local needs and priorities by helping to provide cleaner water, better sewage systems, upgraded waste management processes, and safer roads and bridges. The overall aim is to support "green" projects that meet Canada's and Alberta's environmental objectives, while improving the health and safety of the province's residents. As an example of previous funding, St. Albert received $6 million in December 2007 through CAMRIF to help redevelop Riel Recreation Park.

- Alberta Cities Transportation Partnership (ACTP) Program - generally provides financial assistance to Alberta's 15 cities and two designated "urban service" areas. One component of this program is the Basic Capital Grant Program, which provides cost-shared financial assistance to aid municipalities (other than Calgary and Edmonton) in developing and implementing safe, effective roadway networks and transportation systems within the cities.

Regional

Alberta's Capital Region Board was officially established on April 15, 2008 and consists of mayors and reeves from the municipalities in the Alberta Capital Region. As St. Albert is a participating municipality, the City must therefore comply with the Board regulations. The Board's priorities are to create a long-range plan for regional land use and infrastructure such as roads and transit; develop a system to share geographic information; and develop a strategic plan for social and affordable housing.

Core infrastructure is estimated to cost the province, municipalities and private sector $19.6 billion in the next 10 years and $21.3 billion in the following 25 years.

[6] http://www.municipalaffairs.gov.ab.ca/wp_municipal_sustainability_initiative.cfm, http://www.municipalaffairs.gov.ab.ca/documents/ms/MSI_Estimates_Summary.pdf

Local

The current Council and Mayor were elected to office on October 15, 2007. Council priorities have been set for the three-year term and are therefore a key focus for this Business Plan. Regular reviews and updates to Council priorities are expected throughout the term.

ECONOMIC FACTORS

International & National

The U.S. subprime mortgage crisis and the recession in that country's economy have negative implications for Canada and its provinces and territories:

- Consumer spending in Canada has slowed – second quarter of 2008 showed only a 2.4% change in annualized period-over-period growth; in contrast, the second quarter of 2007 was at 5.8%[7]

- Consumer spending in the US has slowed even more so –the first quarter of 2008 posted a mere 1.1% increase in consumer spending, compared to 3.7% in the first quarter of 2007 and a 2.8% increase in the second quarter of 2008. This is likely a reaction to the subprime mortgage fallout and ensuing economic slowdown in the U.S.

Pressure is mounting on municipalities as they cope with rising oil and energy prices in the world and attempt to deliver services efficiently and on budget:

- Price per barrel of crude has hit record highs this year; current prices hover around the $80/bbl mark[8]. Most recent projections by market analysts put oil in the range of $90.00 to $107.00.

Appreciation of the Canadian dollar against the U.S. dollar has effects on trade and export between the two countries:

- Resulting from a strong Canadian economy against a weaker U.S. economy and the sharp rise in commodity prices

- While a strong loonie has resulted in cheaper import prices for manufactured goods and equipment, it has simultaneously led to pressure on manufactured exports

- The loonie has moved from a low of 62 cents ($1.61 for one US dollar) in January 2002, to 80 cents October 7, 2004, to par Sept 20, 2007, to a high of $1.09 November 7, 2007 and has now dropped to 84 cents ($1.20 for one US dollar) as of October 20, 2008.

- Labour costs are rising and have caused a number of businesses to relocate to developing countries, where the labour costs are lower.

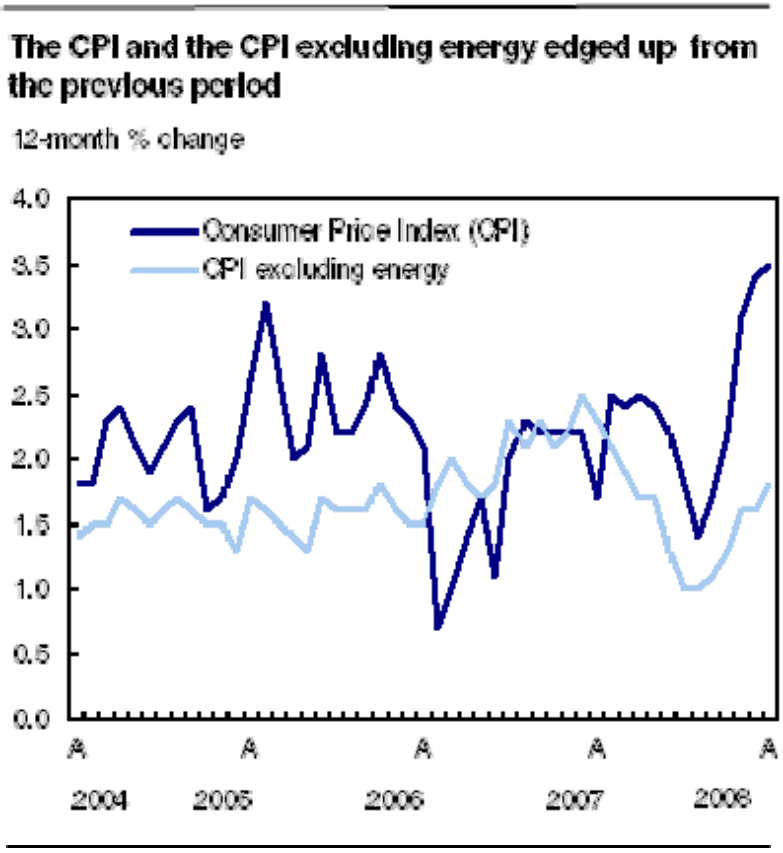
[7] http://www.rbc.com/economics/market/pdf/fcst.pdf
[8] http://www.uprr.com/customers/surcharge/wti.shtml

- Output and employment has shifted away from manufacturing and primary industries towards the tertiary (service) sector. The Alberta market still has a huge demand for manufacturing and fabrication.

- Present labour market shortages are likely a sign of the tight labour market expected in the future due to the aging population and retirement rate among current members of the workforce.

- Repatriation of workers from other provinces (net loss in migration) will have an equally or more significant impact on the labour force than aging population.

- The Consumer Price Index (CPI) posted a moderate 3.5% increase in August 2008. The 12-month increase in CPI in August was the largest since the 12-month rate of growth of 4.2% in March 2003. This can be mostly attributed to the higher prices for energy products. [9]



- Higher mortgage interest costs were also a contributing factor to the rise in consumer prices in May 2008. Prices for new homes continued to exert more upward pressure on this index than mortgage interest rates.

[9] http://www.statcan.ca/english/Subjects/Cpi/cpi-en.htm

- The Municipal Price Index (MPI) is projected to be 6% in 2009; 7.04% in 2010; and 6.9% in 2011.

- Gasoline prices rose 26.3% in August compared to August 2007. Prices for other energy components, such as natural gas and fuel oil and other fuels, also contributed significantly to the rise in consumer prices. Overall, energy prices rose 20.2% over the 12 months to August 2008.[10]

National Policies with Local Effects:

While the following policy changes have no direct impact to the City's operations, they can indirectly affect the local economy:

- On March 4, 2008, the Bank of Canada lowered the policy rate by 50 basis points to 3.5%[11] - lower bank interest rates coupled with the positive business environment for natural resource development in Alberta, will continue to stimulate economic activity in the Capital Region. In turn, this should encourage business expansion in St. Albert. Although interest rates may fall, accessing bank loans and/or venture capital may be more difficult over the next few years. The housing market has slowed down in St. Albert and the region, but many experts feel this has simply been a correction to the market and that it should start to grow again, although at a much slower pace than in the recent past (since the beginning of the year has been about one single family dwelling per week).

- The subprime mortgage fiasco in the U.S. has also tightened lending practices. Mortgage conditions have toughened (no more zero down and 40-year amortizations). Lending for non-residential development has also tightened, with bankers requiring higher investment levels and commitments for 50% of the project to be either leased or pre-sold before financing is approved. On one hand, growth should be stimulated through more discretionary consumer spending, but it may impact the business owner's ability to expand in order to achieve additional sales if financing for businesses is not readily available.

- Other policies by the federal government include:

    - A reduction in federal corporate income tax, targeted to reach 15% by 2012, the lowest statutory rate in the G7[12] – as the cost of borrowing decreases, so does the cost of doing business. This may spur a rise in business expansion within Canada, as well as attract multinational firms to establish a branch in our region. However, Alberta is experiencing a shortage of skilled labour. Local organizations and the City itself have limited abilities to compete in this labour market due to workers demanding higher wages and better benefits. National policies, such as this tax policy, will stimulate the Alberta economy at a time when this province's economy is already growing at a very fast rate. This could lead to further stress on local businesses. Based on recent trends, which will

[10] http://www.statcan.ca/english/Subjects/Cpi/cpi-en.htm
[11] Economy in Brief, April 2008
[12] http://www.fin.gc.ca/activty/pubs/EPFrmwrk08_e.html

likely continue, the service sector will become more efficient and take advantage of technology advances. For instance, self check-out will become more widespread in the retail sector.

- Secondly, though the foreign temporary worker is only making up a small portion of the Alberta workforce, they have experienced phenomenal growth over the last two years. Expectations are that the province will continue to experience immigrant population growth, but this only provides businesses with a short-term solution to labour shortages. As the Alberta and Canadian birth rate declines, the emphasis on immigration increases as it is a means to managing existing and future labour needs.

  Recent Citizenship and Immigration Canada (CIC) statistics indicate that the number of temporary foreign workers in Canada increased by 22 % from 2006 to 2007. The most dramatic change was in Alberta where the influx of temporary workers now outnumbers the arrival of permanent residents[13]. There were over 37,000 temporary foreign workers in the province in 2007, a 66 % increase from the previous year. Alberta is now home to almost one of every five temporary workers in Canada, while it maintains only 8.8 % of permanent immigrants in Canada.

Provincial

The Port Alberta initiative presents an exciting opportunity for the City of St. Albert to be part of the Capital Region's effort in becoming a major international hub for transportation and logistical coordination in Canada. This is a multi-modal transportation hub that integrates air and surface transportation into one location. With the proximity to the Port of Prince Rupert and Port of Vancouver, the Edmonton Region is well positioned to become a gateway for major shipments to Asia and throughout Canada. St. Albert will undoubtedly benefit from the increase in shipping activity within the region. Funding for this initiative has been established through the Western Economic Diversification Program. It also links to the Capital Region Integrated Growth Management Plan. The Calgary - Edmonton corridor is one of Canada's largest economic areas; the Capital Region is the northern hub of this corridor.

Alberta Land Use Framework, which designed a new land use plan, separates the province into six regions based on the natural watersheds found throughout Alberta. Land use plans are to be drafted for each of the regions by the Cabinet Committee, the Land use Secretariat, provincial government departments and Regional Advisory Councils. [14]

- Municipalities will maintain their current authority and role in land-use planning, but will have to ensure their plans align with those of the region.

- Among other things, the regional plans will accomplish the following: define regional outcomes (economic, environmental and social) and a broad plan for land and natural resource use for both public and private lands within the region; align provincial

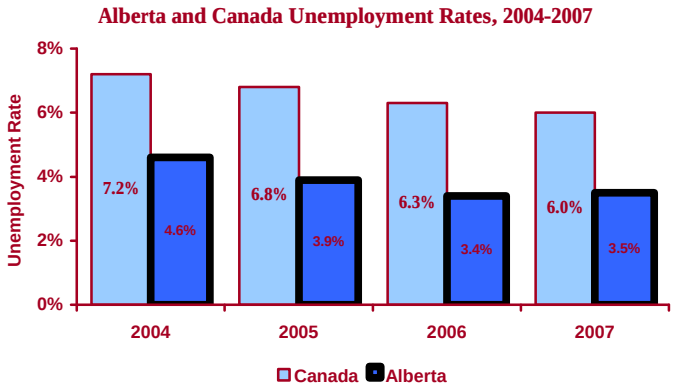
[13] <http://www.canadavisa.com/about-alberta.html>,
[14] BG – Regional Land Use Plans

strategies and policies at the regional level (including air, land, water and biodiversity); and reflect the uniqueness and priorities of each region.

While Alberta's housing starts have cooled so far in 2008, the economic forecast for the remainder of the year is still optimistic. The CanadaWest Foundation predicts real GDP growth of 3.1% and 3.2% for 2008 and 2009 respectively. In addition, major projects in Northern Alberta are set to exceed $200 billion over the next 10 years, which will have some windfall economic impact on the Capital Region[15]. High energy prices will likely sustain Alberta's economic growth in the coming years, supplemented by a strong labour market with an anticipated 161,000 jobs created by 2011[16].

Alberta's unemployment rate continues to be the lowest in Canada with a rate of 3.5% in 2007.[17] Alberta's unemployment rate has been consistently lower than the Canadian unemployment rate.

Figure 4: Alberta and Canada Unemployment Rates



Local and Regional

The energy boom in Alberta has caused incredible growth rates for both Edmonton and St. Albert in recent years although growth has slowed down considerably in the last two years. Although the higher-than-average rates of growth in population to the Capital Region and economic activity are unsustainable, the upward trend is forecast to continue for the next few years.

- Decrease in the Capital Region labour force due to an exodus of interprovincial migration over the last two quarters will undoubtedly have an impact on St. Albert as these new residents compete for housing, jobs and resources in the region (a surplus of houses have come on to the market and job vacancies continue to be hard to fill).

- Edmonton economic growth is forecast to grow at an average of 4.4% per year until 2012[18]

[15] EEDC Economic Outlook 08'
[16] Alberta Economic Outlook 2008 - 2011
[17] Statistics Canada, Labour Force Survey
[18] Edmonton Economic Outlook 2008

- Administration is forecasting St. Albert's population to hit nearly 67,000 residents by 2016[19]

- Smart Growth St. Albert Community Survey results – a survey of St. Albert residents and two focus groups were conducted regarding the Smart Growth Guidelines for St. Albert and its future development. Valuable insight was given as to what the participants preferred in terms of residential, commercial, transportation and urban design elements for the city[20].

- 2008 Transportation Master Plan – provides a comprehensive overview and recommendation for the City regarding its road system[21]

Inflation & MPI

Inflation impacts municipalities very differently than it impacts citizens. Municipalities purchase a unique mix within the "basket of goods" traditionally defined by the Consumer Price Index (CPI).

- Municipal Price Index (MPI) is defined as the year over year change in the price of items in the "municipal" basket of goods. This basket includes such commodities as wages, contracts, fuel, utilities, materials, etc. The MPI effectively represents the increase in the municipal operating budget to "keep the lights on" or to maintain current service/program levels.

- Strathcona County's MPI estimated rates for the next three years are 6.00% for 2009, 7.04% for 2010 and 6.90% for 2011.

- In the Edmonton CMA, gasoline prices for regular unleaded fuel have increased 26% between the period of June 2007 and June 2008[22].

- Construction cost index – Alberta has the highest inflation (3.2%) mainly due to rising housing costs[23]

- The Bank of Canada's core index, which is used to monitor the inflation control target, rose 1.5% in June 2008 compared with the same month of the previous year, which was also the same rate of increase posted in May 2008[24].

Assessment Mix & Taxation

The City of St. Albert has a mix of residential and non-residential assessment that is skewed heavily toward residential housing investment, causing St. Albert residents to face higher taxes. St. Albert is working towards shifting this reliance to an 80/20 ratio of residential to non-residential assessment.

[19] Corporate Assumptions, Appendix D of Corporate Business Plan 2009-2011
[20] Smart Growth Community Survey
[21] 2008 St. Albert Transportation Master Plan
[22] http://www40.statcan.ca/l01/cst01/econ154a.htm?sdi=gasoline%20prices
[23] Alberta Inflation 2008, Alberta Finance
[24] http://www.statcan.ca/english/Subjects/Cpi/cpi-en.htm

Recent Council decisions to allow for high-density residential zoning in the downtown area will boost the tax revenue collected by the City. Some of the changes to the assessment mix are due to the following factors:

- Slow housing starts in the first quarter of the year
    - Total Housing Activity as of April 2008 (was nine - including freehold ownership for single, semi, or row, apartment and other; condominium; rentals) compared to 56 at the same time last year.[25]
    - Single family activity to the end of August 2008 was 41 units. Last year there were 40 units in the month of August alone. This year we had five units in the month of August.
- The proposed Grandin Mall complex with high-density residential spaces and an urban village.
- St. Albert was tied for seventh place by Alberta Venture magazine as one of Alberta's best communities to do business in.[26]

SOCIAL FACTORS

As the community grows and evolves, the City of St. Albert must take into consideration the social well-being of its population and how to achieve sustainability for the future. These factors include areas that will contribute to and enhance quality of life in the community.

- Population growth is forecasted to be 0.75% in 2009; 1.0% in 2010 and 1.25% in 2011[27].
- In the March 24th edition of Maclean's magazine, St. Albert was ranked the ninth safest Canadian city. The report used annual crime data from Statistics Canada to rank 100 of Canada's largest cities or regions, each with a minimum of 50,000 people. The list draws on the 2006 rates for the following crimes: homicide, sexual assault, aggravated assault, vehicle theft, robbery, and breaking and entering.
- Municipal Sustainability – supported by the Fiscal Sustainability Framework that received Council's endorsement in July 2008. The end goal of Municipal Sustainability will be achieved through environmental stewardship, social development and sound infrastructure. Of the MSI funding the City of St. Albert received, 15% is earmarked for growth infrastructure.[28]
- Affordable housing

[25] CMHC Edmonton & Region Housing Activity 2008
[26] http://www.albertaventure.com/abventure_4703.html?doc_id=17682
[27] Corporate Assumptions 2009-2011 (Appendix D of this business plan)
[28] http://www.stalbertgazette.com/news/2008/0705/top5.htm, Fiscal Sustainability Framework

- In the suburban market, average price increases year over year topped 50.2 % in Morinville, 41.7 % in St. Albert, 41.6 % in Stony Plain, 39.1 % in Spruce Grove, 38.4 % in Leduc, 32.6 % in Sherwood Park and 33.2 % in Fort Saskatchewan.

- In St. Albert average prices are holding steady. June sales returned an average sale price of just under $450,000, compared to $428,000 in May and around $440,000 in March and April.[29] At 2007 year-end, the highest priced suburban homes, on average, were found in St. Albert at $484,601.[30]

- Aging population and the associated strain on civic services to meet demand – access to medical help, support for caregivers, addressing social isolation, social, recreation and lifestyle needs

  - "Smart Growth" strategies present an opportunity to develop communities that are facing a greying trend. There is a move towards more compact communities with a good mix of land uses and reduced need for automobile use to access services and facilities[31].

- Increasing Consumer Price Index (CPI)

  - Edmonton Economic Outlook for 2008 - 2011 estimates the rate of CPI growth in the Capital region to be 5.0% for 2008, 4.5% for 2009 and 4.0% for 2010-2012.

- Interprovincial migration and immigration

  - Although net migration to the Greater Edmonton area has increased significantly in the past few years, forecasts predict a softening of this trend, which subsequently affects the housing market and labour pool[32].

- Access to healthcare and the availability or shortage of skilled healthcare professionals in the area

  - Recent move by the provincial government to take over ambulatory services beginning in April 2009.

  - One provincial governance board will replace Alberta's nine regional health authority boards, the Alberta Mental Health Board, Alberta Cancer Board and Alberta Alcohol and Drug Abuse Commission (AADAC) to ensure the provincial health system is patient-focused and provides equitable access to all Albertans in the 21st century[33].

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[29] http://www.stalbertgazette.com/news/2008/0705/top2.htm
[30] http://www.rewedmonton.ca/content_view2?CONTENT_ID=2085 (January 17, 2008)
[31] CMHC Aging Population Report
[32] Edmonton Economic Outlook 2008
[33] http://alberta.ca/home/NewsFrame.cfm?ReleaseID=/acn/200805/23523ED9498C0-0827-451C-E98A0B8430DC1879.html

- Capital Health will face a shortage of 5,000 healthcare providers by 2016[34].

- Volunteerism[35]

  - Results from the *Giving, Volunteering, and Participating in Alberta Survey*, released in 2004, shows that 25% of volunteers contributed 75% of all volunteer hours.

  - The decline in the number of volunteers is a concern because organizations are becoming overly dependent on a small core of volunteers that is resulting in the burnout of that core. As the volunteer base shrinks, not-for-profits are competing for the same unpaid workforce.

  - Some social science evidence indicates a longer-term decline of perhaps 1 - 1.5%, maybe even 2%, exists in volunteering. This is small for one or two years, but if the numbers were to remain like that over a decade, a decline of perhaps 20 percent could occur.

TECHNOLOGICAL FACTORS

Advances in Financial Accounting

Recent changes made by the Public Sector Accounting Board will have a significant effect on accounting policies and reporting for municipalities across the country. Specifically, new mandatory regulations, which come into effect in 2009, will require municipalities to record and amortize all tangible capital assets. The implication for St. Albert is that staff will be required to inventory, classify, value at cost and amortize over $1 billion in tangible capital assets. While this requirement must be completed for reporting in 2009 so that a new financial reporting model can be implemented, much of the work will need to be accomplished in time to facilitate the development of the 2009 Budget in 2008.

Business Continuity Planning

Whether it's caused by nature, technical problems or human error, any emergency or disruption can force catastrophic consequences and enormous costs on City / department operations or service delivery. The results are as follows: property damage, interruption of operations and services, lost revenues, inability to meet legal requirements, frustration for customers, businesses and residents, bad publicity and damaged reputation.

In emergency or disruptive situations, it is critical that the right decisions are made to ensure the immediate threat to the organization and its employees is under control. The City and its departments must resume their most important functions during and after an emergency or disruption as quickly as possible. When these situations occur, the one factor that all organizations have working against them is time. Lost time translates into dissatisfied customers, lost revenue and more.

[34] Capital Region Integrated Growth Management Plan
[35] Corporate Assumptions 2009-2011 (Appendix D of this business plan)

Business Continuity Planning is a planning process that can be undertaken at the department or City-wide level to ensure that the City and its departments will have the abilities to perform their essential functions in the event of a disruption to normal business activities. In the business continuity planning process, each department must determine what its priority functions are and describe its business continuity measures. The resulting plans should describe the strategy, procedures and resources that will be used to enable the department to continue essential processes regardless of whether or not systems are operational, facilities and infrastructure services are available, or other interdependent relationships are viable.

GIS (Geographic Information Systems) Technologies

There are two current technology trends that are driving the direction of municipal GIS today: mobile GIS and server-based GIS.

Mobile GIS is one of the fastest growing areas of the GIS industry and a trend that is looking to revolutionize the way some municipal GIS is carried out. Mobile GIS refers to the digital capture or editing of GIS data while outside of the office environment. The technology used includes GPS (Global Positioning System) handheld units and small handheld or tablet computers. While, traditionally, GIS information was captured by GIS-trained staff, mobile data capture is generally carried out by lay staff using simple applications and forms. This empowers non-GIS staff to take ownership of information used in their daily jobs and creates efficiencies in the information capture process. An additional benefit is that GIS staff can then spend time on more complex activities. Public Works and Engineering departments are the largest municipal users of this type of technology.

GIS technology started out as strictly the domain of the GIS expert. The software was primarily installed on workstation and desktop computers. One of the recent directions taken in GIS software development is the move to using central servers to deliver software applications via computer networks and/or the internet. The use of servers also allows for the integration of GIS technology with other municipal databases and software. Server-based applications are typically aimed at assisting non-technical users to view and query GIS and other information. These types of GIS applications help to meet the growing demand from both staff and the public for immediate on-demand access to data. Interactive web maps are an example of such an application of server-based GIS technology. The emergence of Google Earth and Microsoft's Virtual Earth has also vastly increased the public demand for such access to information and has raised the bar for municipal GIS technology delivery.

Records Management

Organizations are becoming more and more reliant on the reproduction of accurate records that can be proven authentic in the courts. In an increasingly litigious environment, the City is obligated to produce accurate and authentic records. There are two environmental threats to the preservation of these types of records, particularly if they are only in paper form. The City's infrastructure is aging, which results in increased threats of fire, water damage or storage collapse due to the weight of a large volume of records.

Similar to the rest of North America, this City appears to be more and more vulnerable to flood, tornado, and fire.

Aging paper records are difficult to recreate especially given that acid-free paper and environmentally secure storage environments were not applied to the City's historical records.

The City must be able to preserve its permanent records to recreate its history. Also, in order to recover following a disaster, the City needs to be able to reproduce its vital records. Duplicate copies of vital and permanent records are absolutely necessary to the City's sustainability. Storage of duplicates in electronic form provides for backup of the records at more than one remote location and reduces physical storage space.

Other Technologies

There are numerous technologies that are constantly changing and being developed. The City must remain aware of these technologies and adapt to them. Some of the current technologies that the City is adapting include:

- New GPS on buses and equipment
- New smart card technology for Transit buses
- Internet bus routing for passengers
- Asset Management software for Engineering and Public Works
- New environmental monitoring capability to maintain environmental data
- Environmental solutions that use technology for monitoring rather than employees
- User friendly and marketing focused website.

Individually, while these technological advances are not significant; they are incremental in nature and the City must implement them to keep up with the times.

ENVIRONMENTAL FACTORS

The Government of Canada and Kyoto Protocol - federal and provincial emissions targets have been legislated, which affects businesses and the economy as they work to comply with these targets:

- Released in March 2008 - federal targets aim for an absolute 20% reduction from 2006 national levels by 2020 (= 330 Megatonnes from projected levels). Regulations on industry will become progressively more stringent, especially on oil sands operations and coal-fired plants. By 2012, there is to be no construction of new coal-fired plants and any new power plants built will be required to be outfitted with carbon capture and storage capabilities. In addition to industry standards, stricter regulations will be placed on consumer products, from fuel-consumption standards for vehicles to energy efficiency requirements for household appliances[36].

[36] Government of Canada – Turning the Corner

- Provincial targets aim for a 50% below Business As Usual levels (= 200 Megatonnes) reduction by 2050, or a 14% reduction below 2005 levels by 2050. Taking action in three forms: conserving and using energy efficiently, implementing carbon capture and storage methods and greening energy production[37]

Liberal and Conservative Members of Parliament passed Bill C-33, the long-awaited biofuels bill, on May 28. The bill, if approved by the Senate, will require 5% of all gasoline sold in Canada to be ethanol by 2010 and 2% of all diesel and heating oil to be biodiesel (or another renewable fuel) by 2012. This bill will mean stronger grain markets for farmers and less greenhouse gas emissions from cars, said Edmonton–St. Albert Conservative MP John Williams.[38]

New civic bylaws, such as the Idle-Free Bylaw and the proposed Tree Bylaw, were drafted to improve the quality of life in St. Albert by addressing issues of pollution and calling attention to the importance of environmental protection:

- Idle-Free Bylaw prohibits a vehicle from idling for more than three minutes in a 30-minute time frame unless certain weather conditions or job-related activities allow for it

- Tree Bylaw intends to set enforcement and management policies regarding the value of green infrastructure

An Environmental Master Plan will be available in the latter part of 2008, which will identify and prioritize environmental issues that are important to the St. Albert community.

A proposed carbon tax from Stephane Dion and his Liberal party may have some effect if it is implemented across Canada. Currently, carbon taxes are only present in the province of B.C. and the Alberta government has no intention to follow suit.

Public awareness of environmental issues:

- A Canada West poll found that environmental protection is a high/very high priority for 74.5% of Albertans.[39]

A proposed bitumen upgrader for the Sturgeon County area may have effects on the environment in the surrounding region, including St. Albert.

Citizen Input and Media Attention

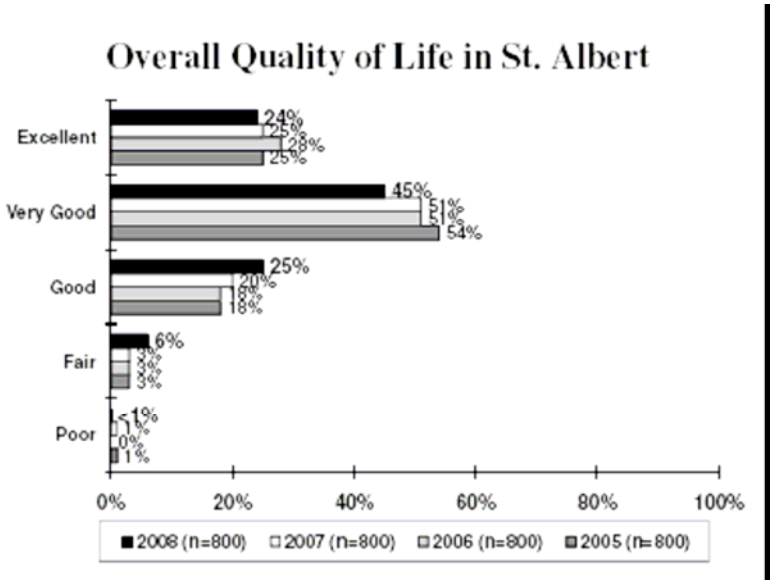
Through the gathering of citizen input and tracking of media coverage, the City can evaluate the community's level of satisfaction and perceptions. These are also valuable in assisting City Council and Administration to gauge and identify priorities for planning purposes. Media analysis can also strengthen the City's abilities to identify concerns in the community, enabling the corporation to address these areas in a proactive, responsive manner.

[37] Alberta – Climate Change Strategy
[38] http://www.stalbertgazette.com/news/2008/0604/enviro1.htm
[39] CanWest Poll on Climate Change

CITIZEN INPUT

We continuously gather the community's feedback and input into all we do. Some of the ways we gather the community's feedback include the following: community consultations, community survey, Council meetings with the public, at various events and meetings, as well as staff input and expertise.

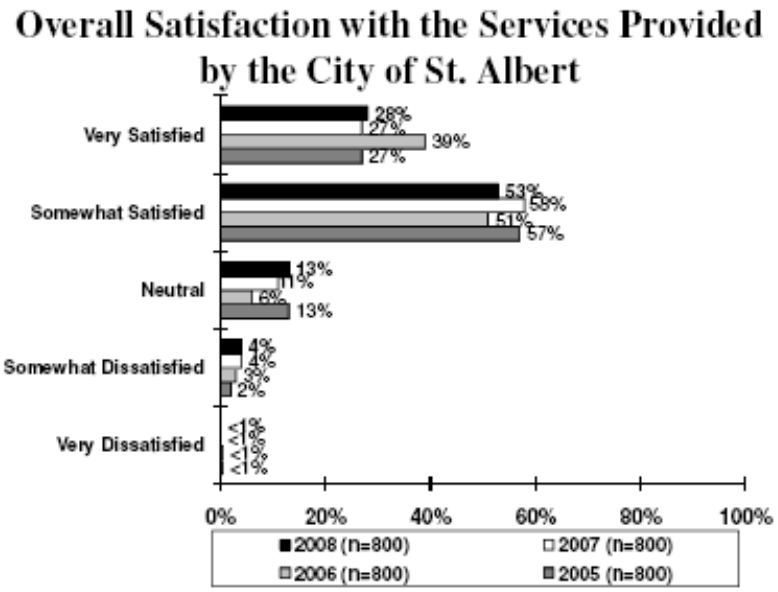
In this section, we highlight the results of the 2008 Community Satisfaction Survey, an annual means of gathering input. In comparison to the previous year, the 2008 results show moderate to significant increases in satisfaction for many areas.



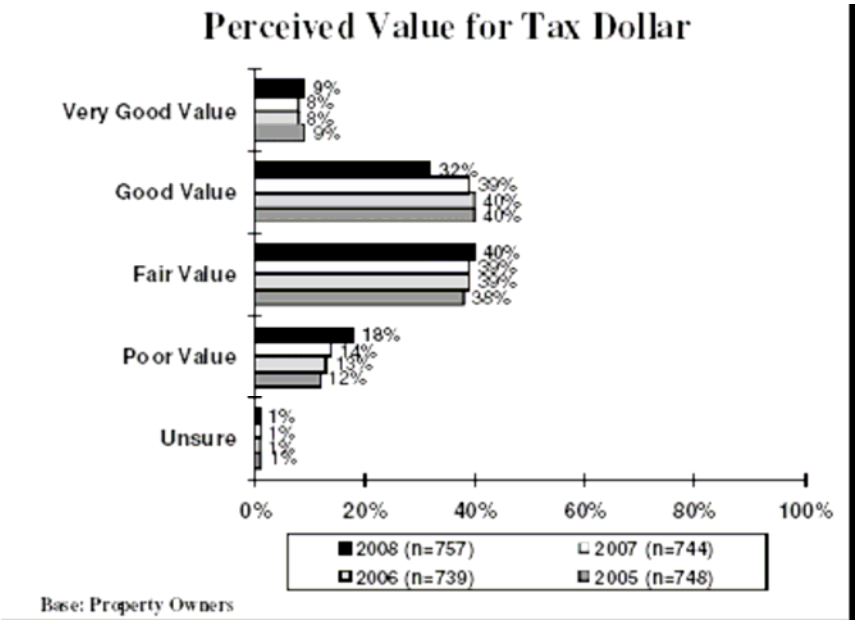
Banister Research and Consulting Incorporated conducted the survey for the City during the latter part of April and early May of 2008. The results offer a look at ratings and feedback from St. Albert residents in relation to City amenities, programs, services and activities.

Quality of life for residents remains high in St. Albert, with 94% of respondents providing a positive rating. As in previous years, residents mentioned the city's parkland, green spaces and river trail system as top factors contributing to a high quality of life. This was followed by the availability of shopping and other amenities, as well as the residential community atmosphere and friendly people.

Citizens report high satisfaction with the service, programs and facilities offered by the City of St. Albert, with more people being “very satisfied”. The vast majority of respondents (81%) were very or somewhat satisfied overall with City of St. Albert services.



Citizens believe they receive high value for the taxes they pay, although less of this year’s respondents would support inflationary tax increases to maintain services (59% agree versus 66% in 2007).



In conducting satisfaction and importance assessments, factors or services with the lowest levels of satisfaction ratings or lowest importance ratings may not necessarily be the areas where improvement is most desired or needed. By mapping the following areas, it identifies priority areas in terms of City of St. Albert service improvements:

- higher importance and lower satisfaction or areas primarily perceived as needing improvements;
- higher importance and higher satisfaction or service strengths;
- lower importance and higher satisfaction; and
- lower importance and lower satisfaction.

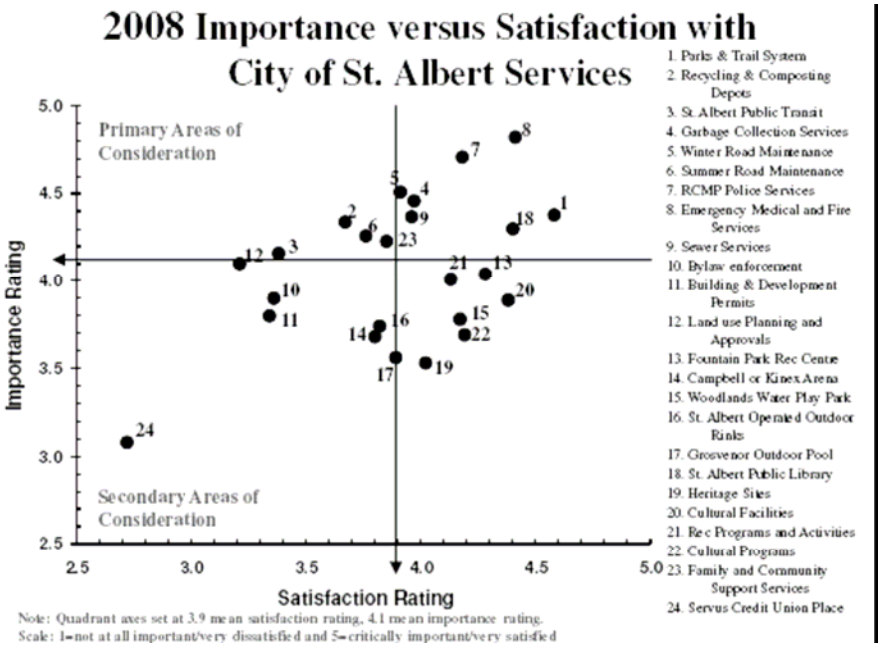
Figure 4, below, maps the average importance and performance ratings for each of the 24 City services measured. Services in the upper left quadrant are of higher than average importance, but lower than average satisfaction, or where ratings of overall importance are considerably greater than overall satisfaction ratings. These services are viewed as primary areas of improvement. As shown, the following services clearly fall within this quadrant:

- Recycling and composting depots;
- St. Albert Public Transit;
- Summer road maintenance
- Family and community support services
- By-Law Enforcement
- Building & Development Permits
- Land Use Planning & Approvals

Improvements to these services would do most to increase residents' satisfaction with the overall services provided by the City of St. Albert.

Winter road maintenance and land use and planning approvals fall upon the border of this quadrant. It will be important to monitor satisfaction with land use and planning approvals and satisfaction with garbage collection services, especially if importance placed upon them increases.

Figure 5: Importance Versus Satisfaction



The Community Satisfaction Survey is conducted every year. It offers valuable input for City Council priority setting meetings and is used by City Administration in developing and reviewing departmental plans.

A total of 800 residents were surveyed between April 23 and May 7 of 2008 and the results are considered accurate within a margin of +/- 3.3%, or 19 times out of 20. Further details on results can be obtained through the 2008 Community Satisfaction Survey Final Report, which is available for review at the St. Albert Public Library or online at www.stalbert.ca.

MEDIA ATTENTION

This review is based on hard news stories and not on opinion pieces or letters to editors. Overall, media attention in St. Albert has increased over the last three years.

First quarter findings:

- The first quarter of 2008 saw a total of 255 news stories related to City business, programs, services and activities. Many of the high-interest topics included: the Servus Place deficit and review process; various RCMP/law enforcement activities; announcements and progress on City planning and priorities; details on the line-up for the 2008 Children's Festival and news of a major television series being filmed in the city.

- Of the 255 news stories that ran, 42 were involving Servus Credit Union Place, most of which focused on the deficit and operational review process. Following this top story

was the RCMP with 37 stories, City Planning/Priorities/Budget with 32 stories and Planning and Engineering with 29 stories.

- Hot topics covered by the media included Affordable Housing with 9 stories, Regional Planning with 8 stories and Taxes with 2 stories.

Second quarter findings:

- From April through June 2008, a total of 289 news stories ran related to City business, programs, services and activities. This is the highest number of stories to run in a single quarter over the past two years.

- The large number of stories is due to high profile issues and a major event taking place during the second quarter of the year. These include the Servus Place Operational Review; the announcement of market value assessment results and issuing of tax notices; and the International Children's Festival.

- In the area of hot topics, taxes garnered the most attention with 21 stories, focused on market value increases and the effects on property taxes. This was followed by 13 stories on the June 17 flood that caused damage to city infrastructure, businesses and residences.

APPENDIX F: GLOSSARY OF TERMS

BSS	Business and Strategic Services Division
C & P S	Community & Protective Services Division
C/S	Corporate Services Division
Capital Business Case	A proposal for new investment in an asset or an element of infrastructure with long-term redeeming value to the Corporation.
CM or CMO	City Manager's Office
Consumer Price Index (CPI)	A consumer price index (CPI) is a measure of the average price of consumer goods and services purchased by households. It is one of several price indices calculated by national statistical agencies. The percent change in the CPI is a measure of inflation. The CPI can be used to index (i.e., adjust for the effects of inflation) wages, salaries, pensions, or regulated or contracted prices. - Wikipedia
Corporate Objectives	Administration's translation of Council's direction into corporate wide expectations.
Corporate Planning Framework	The comprehensive assortment of documents ranging from the very long term strategic to the immediate term tactical plans, including everything from statutory and legislative elements, to policy and governance documents, Master Plans, Long Term Department Plans, Long Term Financial Plans, as well as 3-year Business Plans for the Corporation and its departments.
Initiative	Major undertakings, either directed by Council or identified by Administration, that are important components of the Business Plan. (e.g.: Address User Fees; Volume of Service; Cost Reduction; Capital Management)
Investments	Incremental Operating or Capital expenditures identified in business cases that provide justification for additional spending and support the Corporate Objectives.
Mission Statement	The Corporation's purpose that defines "***WHAT*** is our business?"
Municipal Price Index	Municipal Price Index (MPI) is defined as the year over year change in the price of items in the "municipal" basket of goods. This basket includes such commodities as wages, contracts, fuel, utilities, materials, etc. The MPI effectively represents the increase in the municipal operating budget to "keep the lights on" or to maintain current service/program levels.
Operating Business Case	A proposal for new investment in staff, program or material that supports civic operations.
Outcome Goal	City Council's vision for what they would like to see the City evolve towards.
P & E	Planning & Engineering Division
Performance Measure	A quantifiable expectation of how well our actions should perform to meet Council's Outcome Goals and the Corporate Objectives.
Performance Target	Represents the outcome the performance measure should achieve. Can be a financial measure (($XX)= Favourable) or an operational performance measure.

Performance Trend	Represents the results of our performance measures but does not set a target for the future. Performance trends provide us with information for making decisions.
Priorities	City Council's Priority Projects. Essential or required projects and activities as identified by City Council.
TBD	A number to be determined prior to final draft of the Business Plan.
Values	The values our organization holds dear and will not compromise as the future unfolds. Describes "***HOW*** we are going to do business."
Vision	Our preferred vision of the future that defines "***WHY*** we are organized together."