



# 2017 Annual Report City of St. Albert Province of Alberta

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FOR THE YEAR ENDED DECEMBER 31, 2017

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City of St. Albert, Alberta, Canada

2017 Annual Report, for the year ended December 31, 2017

Prepared by: Strategic Services and Financial Services

City of St. Albert

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# MESSAGE FROM THE MAYOR

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On behalf of City Council, it is my pleasure to present the City of St. Albert's 2017 Annual Report.

The City of St. Albert offers residents a variety of essential services and we are proud to do so in a fiscally responsible manner. Council has taken a long-term view of what is required to ensure we have a sustainable city well into the future.

At the beginning of 2017, the previous Council approved the City of St. Albert Strategic Plan, which outlined the City's key priorities for their term of office. As part of the plan, Council identified three strategies that provide clarity on what we as a community are working together to achieve:

- Community Strategy (Social, Economic, Built Environment, Natural Environment and Culture)
- Governance Strategy
- Service Delivery Strategy

Our current Council, which was elected in October 2017, will govern our city until 2021. We tip our hats to the previous Council who did a lot of great work throughout their term. The 2017 election marked a distinct break from the past. As we move forward, we aim to carry the traditions of the past, seen through the lens of a bright future for our community.

As a Mayor and as Councillors, we decided on a new way of doing things and this change in approach marked the beginning of a new style of governance. Putting importance on knowing where we want to go and making the choices that will most efficiently get us there. As we honour the past, we are also excited about our Council's role in building a progressive, prosperous and positive future for our community.

I invite you to read the rest of this report to learn about the work Administration has done to support Council's strategic outcomes throughout 2017. In 2018, and beyond, Council looks forward to carrying on our work to ensure St. Albert continues to be one of the finest cities in which to live, work and play.

A handwritten signature in black ink that reads "C. Heron".

**Cathy Heron**  
Mayor, City of St. Albert  
The Botanical Arts City





# MESSAGE FROM THE CITY MANAGER

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On behalf of Administration, I am pleased to introduce the City of St. Albert's 2017 Annual Report.

During the past year, Administration continued to execute on Council's direction and steward to Council's strategic priorities and the Community Pillars. Key areas of focus for Administration were strategies related to community, governance and service delivery. Administration maintained existing service standards and recommended new initiatives to support these. The following are a few highlights you will find detailed in the report.

## **Community Strategy**

Throughout 2017, Administration remained dedicated to making progress on achieving our Community Vision and Pillars of Sustainability.

Every element found under the Community Strategy aligns with the following pillars: social, economic, built environment, natural environment and culture. The pillars assist us in establishing a single source of direction for the City and are an effective way to prioritize the actions required for implementation.

Select themes found in the plans and projects mentioned in this section of the report include: safe community supports; diversity and inclusion; accessible transportation; mental health awareness; investment in younger generations; diverse and robust business community; strong business supports and opportunities; thoughtful community design; city growth management; highlighting our built and natural environment; championing environmental action; preservation of history; and healthy and active living.

## **Governance Strategy**

In 2017, from a governance perspective, Administration worked diligently to maintain fiscal responsibility and transparency. We also stayed committed to develop strong working relationships with regional, provincial and federal partners and to strive to become a leader in analytics to enhance decision-making. Multiple projects and plans that commenced and continued throughout the year include: compensation review and talent management strategy, advocacy plan for Ray Gibbon Drive, annexation negotiations with Sturgeon County, and Capital Region Board growth plan update.

## **Service Delivery Strategy**

In support of Council's commitment to ensure the City is engaging the community to incorporate resident input and improve decision-making, and creating positive customer service experiences with the community, Administration undertook a number of programs, including the bi-annual Community Satisfaction Survey and a variety of open houses on key municipal initiatives.

Administration is committed to continuing to provide residents with high-quality, cost-effective and sustainable programs and services that are developed and delivered in alignment with Council's priorities for the community.

A handwritten signature in black ink, appearing to read 'Kevin Scoble'. The signature is fluid and stylized, with a long horizontal stroke at the end.

**Kevin Scoble**  
City Manager





The City of St. Albert is pleased to present its 2017 Annual Report, which provides an overview of the City's various corporate and financial accomplishments throughout the year. These accomplishments are based on the City of St. Albert Strategic Plan outlined in the report and the City's audited financial statements.

The Annual Report is divided into three sections:

**Introductory Section** – provides messages from the Mayor and City Manager, an overview of the City of St. Albert, including its municipal profile and government structure, and a Year in Review which provides an overview of key corporate activities and accomplishments based on the City of St. Albert Strategic Plan. A discussion and analysis of the financial statements is also included to enhance the reader's understanding of the City's fiscal results and overall condition.

**Financial Section** – provides the Management and Auditor Reports and presents the audited financial statements including related notes and schedules.

**Statistical Section** – provides a summary of various financial and general statistics.





## CITY PROFILE

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One of the most beautiful cities in Alberta, St. Albert has long been recognized as a community of choice with its picturesque landscape, celebrated parks and trail system, state-of-the-art amenities, inviting neighbourhoods with tree-lined streets, lively arts and culture, and outstanding attractions and events. Established in 1861, St. Albert is steeped in history and is the oldest non-fortified community in Alberta. Today, St. Albert is a vibrant city with a population of 64,645 (2016 Census report).

With direct access to resource development in northern Alberta and markets in the Capital Region, excellent transportation networks, and a highly-educated workforce, St. Albert is positioned to attract business and industry to support our local community, its growth, and the surrounding region.

## GOVERNMENT STRUCTURE

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The City of St. Albert's mandate is to provide various social and recreational programs, protective services, transportation systems, public utilities, and other local services to the community.

The municipality consists of two branches – a legislative branch (comprising City Council), and an administrative branch (led by the City Manager). City Council provides strategic direction to Administration through a variety of plans, bylaws, policies and other governance processes. City Council consists of a Mayor and six Councillors. Council is elected at large by residents to serve a four-year term and governs in accordance with powers granted under the *Municipal Government Act*.

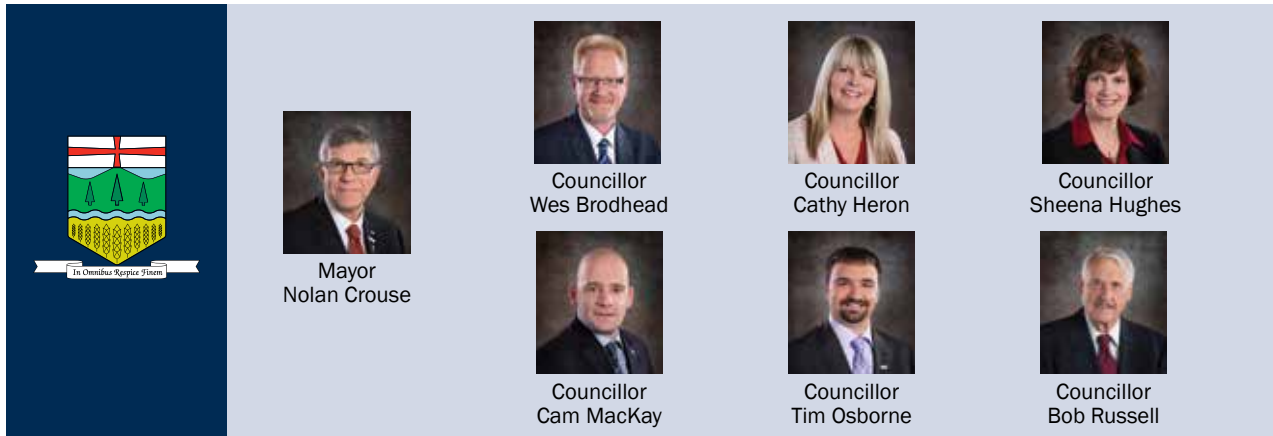
In 2017, a municipal election took place in October and a new City Council was elected.



# CITY COUNCIL

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## City Council 2013–2017



## City Council 2017–2021





# CITY COUNCIL VISION, MISSION AND VALUES

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City Council's Vision, Mission, and Values provide Administration the foundation to make recommendations to Council and to guide Administration's decisions. The Vision describes the type of city that Council wants St. Albert to become; the Mission describes the Council's purpose; the Values define how Council will carry out decisions and actions.

## COMMUNITY VISION

A vibrant, innovative and thriving City that we all call home, that sustains and cherishes its unique identity and small town values. We are the Botanical Arts City.

## PILLARS OF SUSTAINABILITY



**Social** – We are a friendly and inclusive community of passionate equals, where everyone feels a sense of belonging. We believe that community starts with the person next door.



**Economic** – We prosper and excel through a strong and diverse economy that is supported by forward-thinking commerce, outstanding local businesses and a dynamic downtown core.



**Built Environment** – We build our community towards the future to sustain balanced development, with a reverent eye to the past, honouring our unique settlement history and distinct identity.



**Natural Environment** – We protect, embrace and treasure our deeply-rooted connections with the natural environment through championing environmental action.



**Culture** – We are proud of our storied history that has fed and nurtured our festive and culturally-rich community.

## MISSION

Represent the residents of St. Albert, make decisions in the best interests of the entire community and ensure the corporation delivers results that will help sustain a high quality of life for St. Albertans.

## VALUES

### Community

Consider the best interests of the community.

### Engagement

Engage residents and stakeholders in City Council and community matters.

### Integrity

Behave consistently with our values.

### Respect

Respect and consideration for all people and their perspectives.

### Stewardship

Stewardship of community resources.

### Trust

Earn and retain trust.

### Understanding

Understand the issues – be inquisitive, informed and prepared.

### Acceptance

Accept the diversity of opinions and skill sets of Council members.

### Forward Thinking

Employ a forward-thinking mindset when faced with decisions that impact the long-term sustainability of the community.



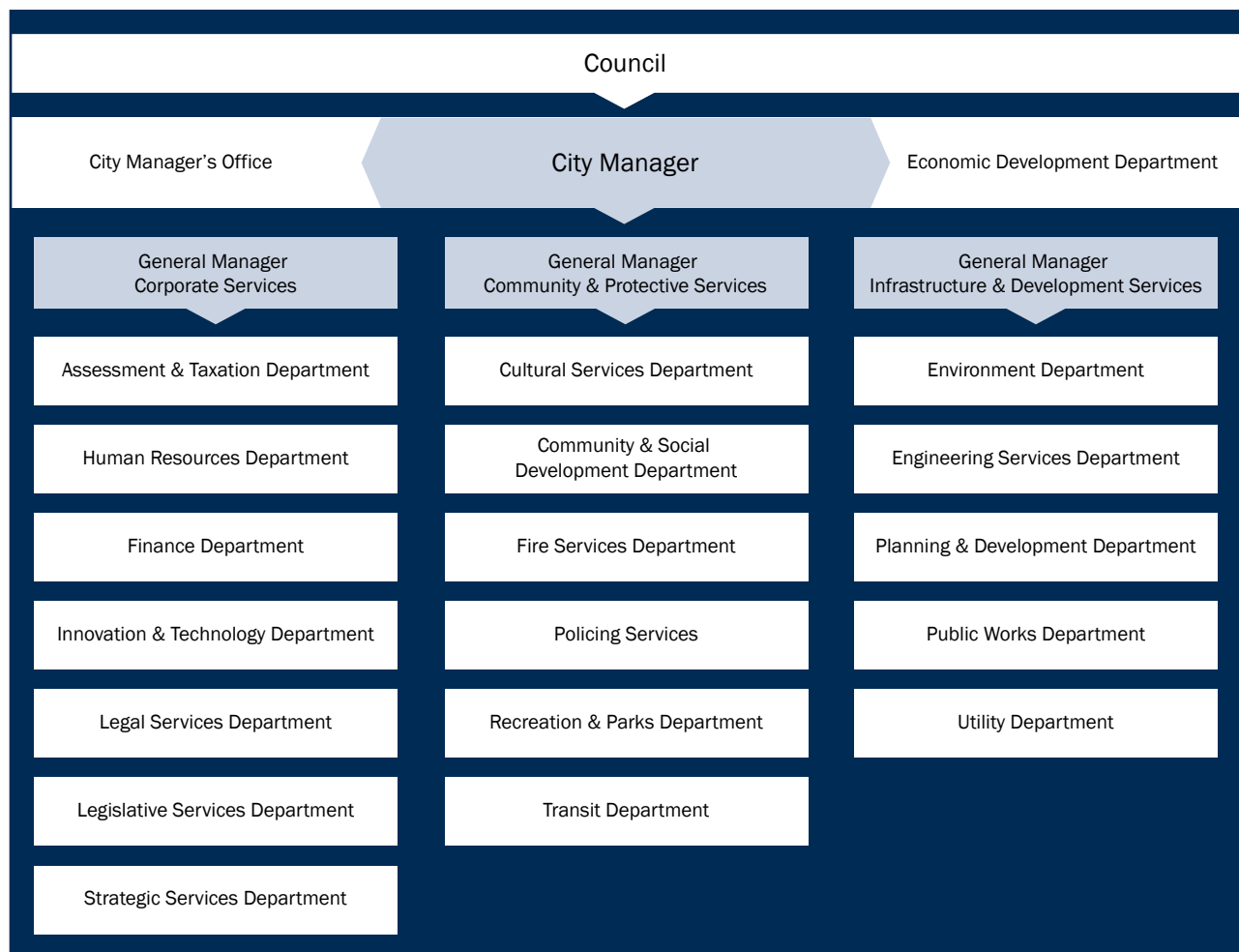
# ADMINISTRATION

City Administration is led by an appointed City Manager.

The Senior Leadership Team serves as the organization's executive administration and provides strategic direction. The Senior Leadership Team includes the City Manager and the following members:

- General Manager of Community & Protective Services
- General Manager of Corporate Services
- General Manager of Infrastructure and Development Services

A broader Leadership Team provides essential support and operational direction. It is made up of department directors.



# CITY OF ST. ALBERT STRATEGIC FRAMEWORK

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Our strategic framework starts with the City listening, responding, serving and reporting to residents. Ongoing public consultation also takes place throughout each phase to hear from residents and help guide decisions.

This structured framework provides clarity and directs the City's future, as well as provides a balanced approach to achieve long-term plans and focus on short-term action.



## COMMUNITY VISION AND VALUES

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The Community Vision and Pillars of Sustainability provide Administration with a single, shared community vision and set of sustainability pillars to govern, align and conform all strategic planning and decision-making efforts across the City.

## CITY OF ST. ALBERT STRATEGIC PLAN

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Council's strategic directions shall be identified through the development of a four-year City of St. Albert Strategic Plan. The strategic plan identifies Council's priorities for their term, based on its interpretation of the Community Vision and Pillars of Sustainability and long-term plans.

## LONG-TERM PLANS

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Long-term plans align with the strategic framework and act as the primary long-term plans to achieve the Community Vision and Pillars of Sustainability. These plans include the Municipal Development Plan (MDP), Master Plans, Long-Term Department Plans and other directional plans as deemed appropriate.

## CORPORATE ACTION PLANS

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Administration shall develop Corporate Action Plans to support the delivery of programs and services and implement the City of St. Albert Strategic Plan. Corporate Action Plans shall provide an overview of the programs and services delivered to the community, strategic initiatives undertaken in support of the City of St. Albert Strategic Plan and resources required to deliver on the plan.

## CORPORATE BUDGETING

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The corporate budget is the financial representation of the City of St. Albert Strategic Plan. All strategic and operational efforts that result from the City of St. Albert Strategic Plan and Corporate Action Plans are aligned to the City's budget cycle. Each year, Administration prepares a Corporate Business Plan that provides a summary of key strategic priorities, major projects and supporting budget requirements to residents during the annual budget process.

## PROGRAM & SERVICE DELIVERY

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All programs and services shall align to the Community Vision and Pillars of Sustainability.

## EVALUATION & REPORTING

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The City communicates its progress towards achieving the community vision through reporting. This includes both quantitative and qualitative statistics based on measurable indicators from the City of St. Albert Strategic Plan. Reporting typically occurs on a quarterly and annual basis.







## CITY SERVICES

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The City provides a wide-range of services related to community safety, community social support and development, economic development, transit, environmental sustainability, transportation and infrastructure, culture and heritage programming, recreation and sports programming and many community events. These programs and services are planned and delivered based on community needs, expectations, and Council's direction.

This section highlights services the City provided in 2017.



## CUSTOMER SERVICE

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### FRONT COUNTER SERVICE

City staff provide front counter services to address needs and inquiries including:

- tax and assessment inquiries;
- utility account management;
- cultural and recreational program information and registration;
- planning and development inquiries;
- engineering services;
- business licences and permits/licences issuance;
- police & bylaw inquiries; and,
- construction information desk.

The City provides food and beverage service at six of its recreation facilities, and City staff assist visitors with program registration and other needs at Grosvenor Outdoor Pool, Fountain Park Recreation Centre and Servus Place.



## SOCIAL SERVICES

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### COMMUNITY INVOLVEMENT

St. Albert highly values the work of groups and individuals who are active in promoting the community's well-being and development in areas including arts and culture and environmental protection. The City maintains contact with active community groups, creates opportunities for residents to volunteer on community issues and service delivery and works with groups to facilitate and support their activities.

The City also places a high priority on including public input into plans and actions that shape the City's future and public perception, opinion and satisfaction in order to continuously improve service delivery to the community.



## COMMUNITY SAFETY

The City's community safety services provide emergency response along with police and fire response, investigation and enforcement activities.

All 911 calls are answered by City of St. Albert staff. For health emergencies, St. Albert Fire Services dispatches ambulances under an Alberta Health Services contract.

Fire Services respond to all local fire and rescue emergencies including water/ice rescues. They also play a critical role, along with government and other public service organizations, in preparing for and responding to fire emergencies on a regional scale.

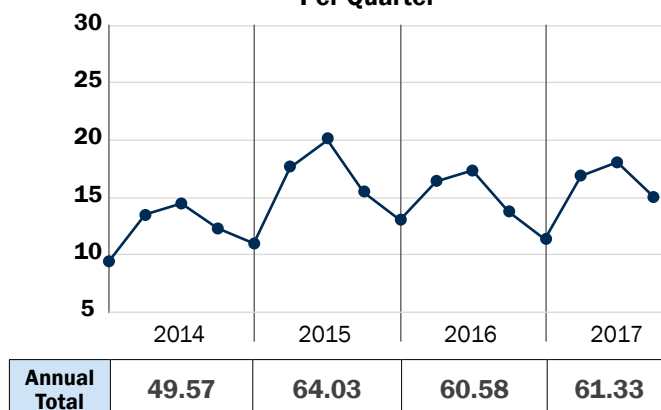
Fire prevention through public education and inspections to ensure compliance with fire codes are also key aspect of Fire Services' mission.

Policing is provided through a cooperative arrangement between the City Municipal Enforcement Service (MES) and the RCMP. The MES handles specific local issues such as animal control, traffic and parking enforcement, and community standards and enforces a number of provincial laws. MES also conducts education and crime prevention and reduction activities and supports the RCMP in provision of their services as appropriate.

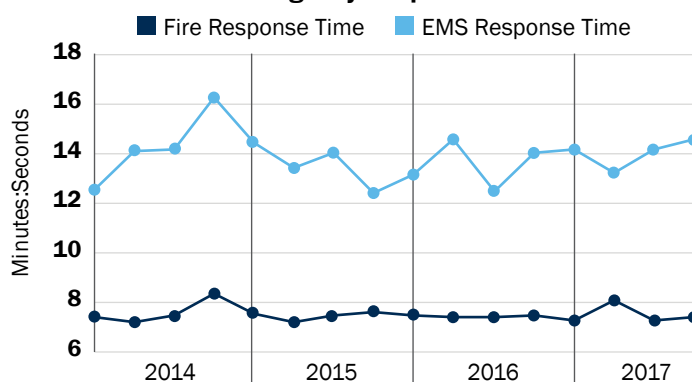
In 2017, the incidents per 1,000 capita peaked in quarter three at 18.03 which is in line with the trends over the last few years. The quarterly numbers were relatively stable with those of 2016, which peaked at 17.39.

Since 2010, the fire response time has met the standard of responding to calls within nine minutes for 90% of all calls. The annual 90<sup>th</sup> percentile fire response time for 2017 was 7 minutes and 44 seconds, stable compared with from 2016's 7 minutes 43 seconds. The Emergency Medical Services (EMS) response time remained stable with slight improvement between 2016 and 2017, with the annual 90<sup>th</sup> percentile EMS response time for 2017 being 8 minutes and 43 seconds compared to 8 minutes and 46 seconds.

**Criminal Code Incidents Per 1,000 Capita Per Quarter**



**Emergency Response Time**



Year-End 90 <sup>th</sup> Percentile	8:52	8:17	8:46	8:43
Year-End 90 <sup>th</sup> Percentile	7:45	7:42	7:43	7:44



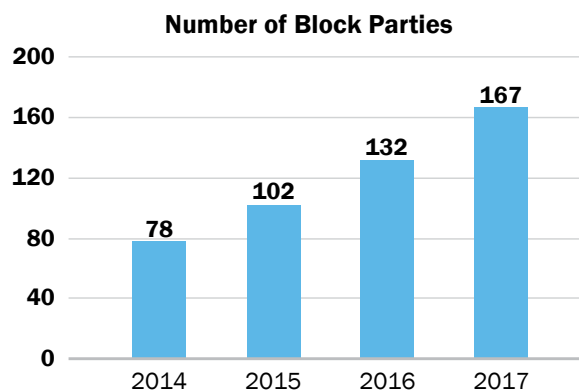
## COMMUNITY SOCIAL SUPPORT AND DEVELOPMENT

To promote and achieve a friendly and inclusive community, the City provides a range of services to ensure connection and understanding between its diverse residents.

Services are proactive to reach out to community members that may not have the capacity to advocate for themselves and to bring community members together to address issues and solve problems. The City seeks out and creates opportunities to educate and promote awareness of social issues that may affect individuals or groups.

Focusing on children and youth, the City provides counseling to school-aged children and their families, opportunities for youth to build interpersonal and leadership skills, and venues for connecting with other youth and with mentors.

Since 2010, Community and Social Development has helped foster a sense of community and connectedness through neighbourhood block parties. The number of block parties has been steadily increasing, from 61 in 2010 to 132 in 2016 and in 2017 there was a record 167 block parties. In 2016 and 2017, 97% of people who attended block parties reported an improved feeling of community connectedness.





# NATURAL ENVIRONMENT SERVICES

## ENVIRONMENTAL SUSTAINABILITY PROGRAM

A beautiful and functioning natural environment is a keystone of quality of life in St. Albert.

Trees and greenscapes in the City's urban, park and natural area settings are monitored and maintained to optimize their aesthetic, recreational and environmental values. The City provides services such as tree care, weed and pest control, and general maintenance care such as mowing and pruning to maintain St. Albert's natural environment.

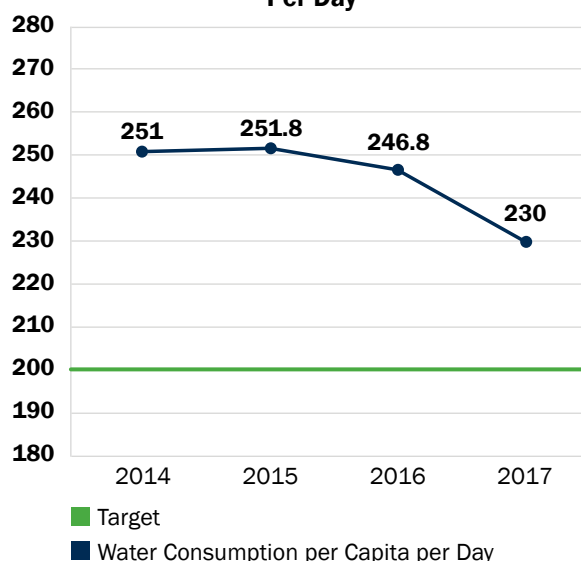
The City collects and treats wastewater, operates the municipal water supply system to provide safe drinking water, and manages neighborhood drainage problems and the systems that handle stormwater runoff that ultimately flows into the Sturgeon River.

The downward trend in the City's water consumption since 2010 plateaued in 2014 and 2015 at 251 litres per person per day but continued the path to reduction in 2017 with 230 litres. The City's overall target for composite water consumption per capita per day is 200 litres by 2020.

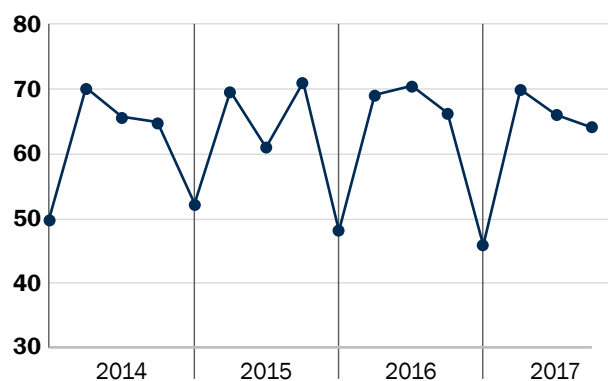
Waste collection and disposal services ensure that possible waste is recycled into resources such as compost and that hazardous wastes are properly disposed of.

The City's total landfill waste diversion rate for 2017 was 61.5%, a decrease from 2016's 63.5% and below the City's target rate of 65% by 2020. Despite the decrease, St. Albert is still a leader in Canada for residential landfill diversion.

Annual Composite Water Consumption Per Capita Per Day



Landfill Diversion Rate



Annual Total	64.8	63.5	63.5	61.5
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## TRANSIT PROGRAM

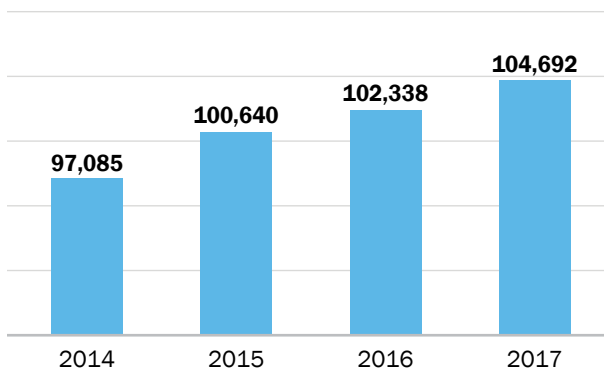
The City offers local and commuter conventional transit, specialized transit (Handibus) for residents with reduced mobility, and charter bus services. For St. Albert residents, public transit services provide safe, reliable, equitable, convenient and cost-effective travel within the City and to and from Edmonton.

In 2016, the City of St. Albert provided 102,338 hours of public transit, the highest number in the past seven years. Even more hours (104,692) were provided in 2017. This represents a 2.3% increase in transit service hours year over year. Services remain consistent with previous, the increase is attributed to challenges presented by construction, congestion and detours. Paralleling the increase in total transit service hours, 2017 ridership saw an increase to 1,105,820 from 2016's 1.1 million.

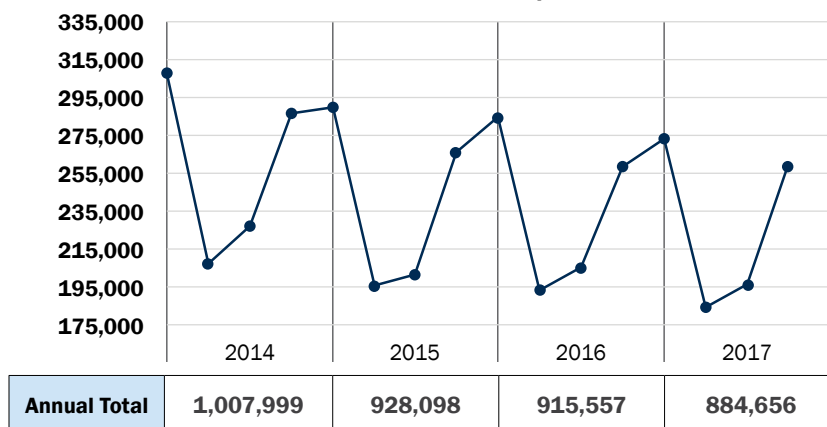
The total number of commuter riders per year continued its downward trend to a total of 884,656 in 2017. With commuter ridership numbers decreasing, but the annual total ridership increasing, the data is showing an increase in local ridership.



**Total Service Hours Per Year**



**Transit Commuter Ridership Per Year**



## COMMUNITY ENVIRONMENTAL PROGRAMS AND EVENTS

The City organizes and supports environmental education and awareness events and programs such as the Clean and Green RiverFest and Earth Hour to help meet the goals and targets of the Environmental Master Plan and provide opportunities for the community to get involved in preserving the environment. Incentives to conserve resources are also offered.



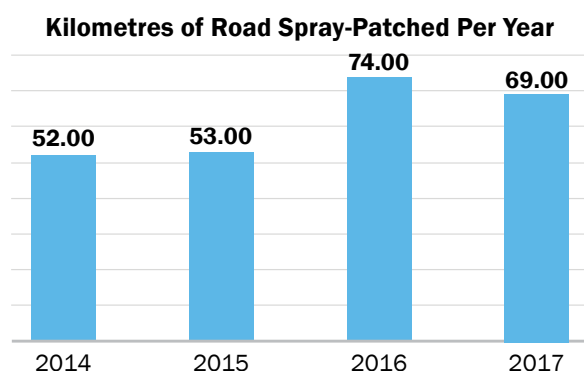
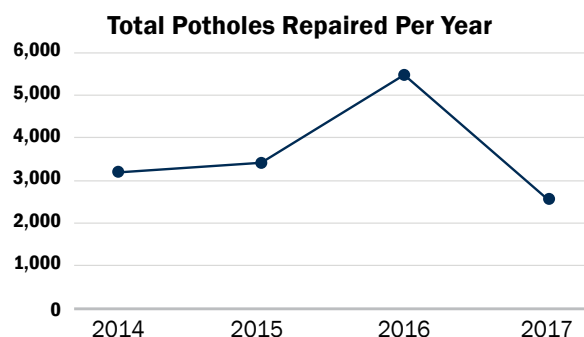
# BUILT ENVIRONMENT SERVICES

## TRANSPORTATION AND INFRASTRUCTURE

### Roadway Repair and Maintenance

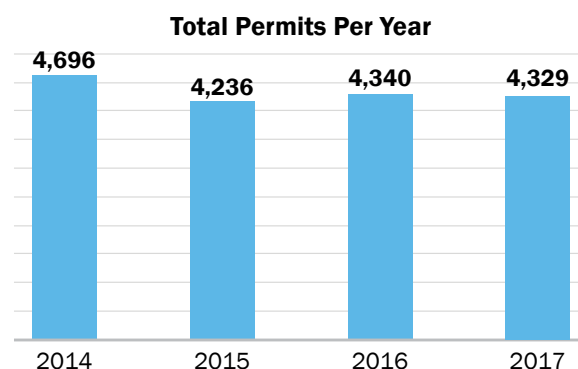
These services focus on ensuring that roadway infrastructure provides effective movement of people and goods. Key programs the City also provides are traffic management, roadway surface repair and maintenance, street cleaning, traffic and street signs, and collection and analyzing of traffic data to proactively address potential safety and efficiency issues.

In 2016, the City repaired 5,475 potholes, over two thousand more than in 2015 when 3,450 potholes were filled. In addition, in 2016 74 kilometers of roads were spray-patched compared to 53 in 2015. Warmer weather in 2016 allowed crews to work earlier and later in the season. As a result of the higher than normal pothole filling and kilometers of road spray-patched, 2017 volumes decreased to 2,630 potholes repaired while kilometers of roads spray-patched remained higher than usual at 69 km.

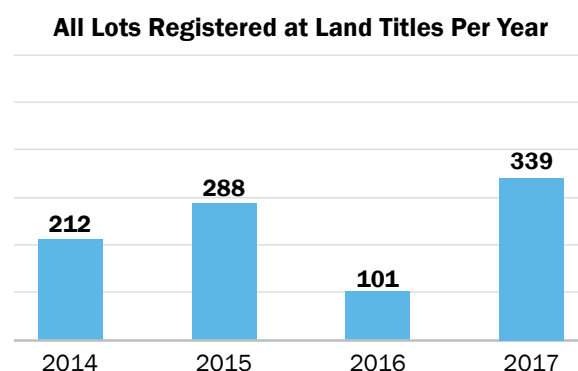


The City oversees land development for private and public purposes for the community. Key services include working with developers to process construction applications and permits to ensure compliance with planning goals and regulations, and administering the Offsite Levy Program to provide for infrastructure to serve and mitigate the impacts of new development.

From 2008 to 2013, the City issued significantly fewer than 4,000 permits each year. In 2014, the number rose to 4,696. In 2015 and 2016, permit volumes lowered but still remained higher than pre-2013 levels. The total number of permits issued in 2017 is in line with the post-2015 trend, at 4,329 permits.



In 2017, there were 339 subdivided and registered parcels for both residential and non-residential buildings, which is the highest number of parcels subdivided since 2010 at 480 lots. This is also a significant increase in subdivisions from 2016, when only 101 lots were subdivided.





## CULTURE SERVICES

### CULTURE AND HERITAGE

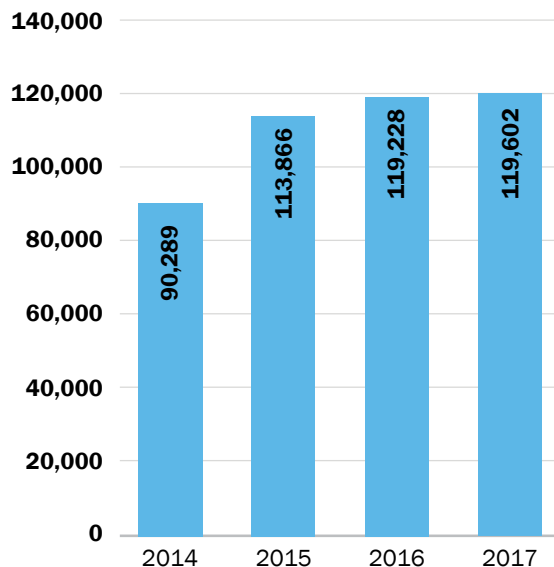
The City highly values the role and contribution of artists living and working in St. Albert and holds events such as the Mayor's Celebration of the Arts and venues for community members to interact with artists and art. To create opportunities for people to participate, the City offers classes in performing arts such as drama, musical theatre and dance and visual arts including painting, sculpture and photography.

Likewise, St. Albert also cherishes its heritage and the diversity of those who built its history and provides programming that identifies and celebrates individuals and groups and land-based heritage and archeological resources.

St. Albert operates cultural venues, including the Arden Theatre and St. Albert Place Visual Arts Studios.

Arden Theatre attendance has been steadily and significantly increasing since 2013 when it first topped 80,000. After rising to 90,289 in 2014 it surged to 113,866 in 2015 due to increased rentals and programming. In 2017, attendance rose to 119,602, due in part to increases in rental and school attendance which offset expected decreases in Children's Festival attendance, due to a reduced number of planned professional shows.

Arden Theatre Attendance Per Year



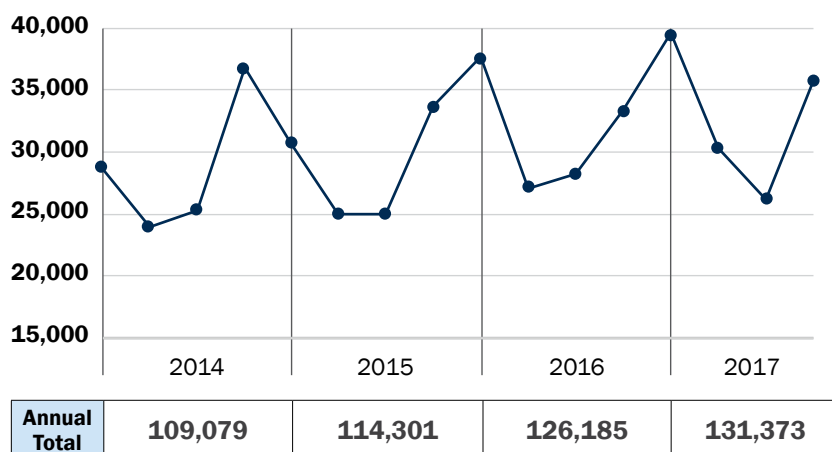


## RECREATION AND SPORT

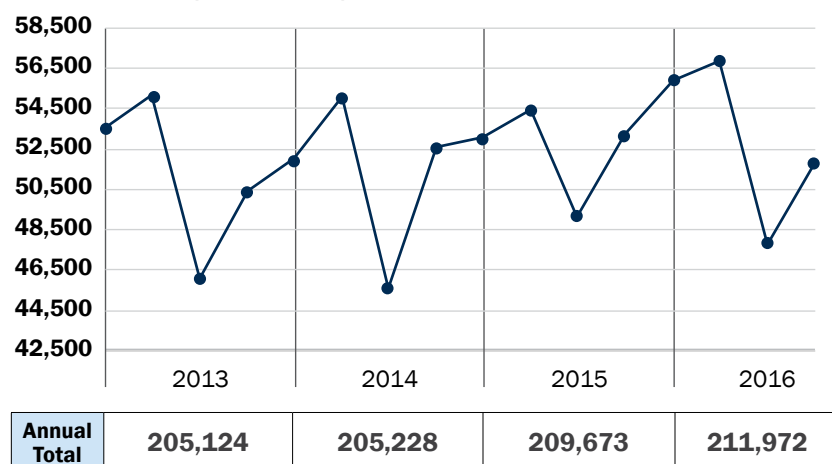
The City, in conjunction with community groups, provides programming at indoor and outdoor aquatic facilities including Grosvenor Outdoor Pool, Fountain Park Recreation Centre, Woodlands Water Play Park, and a host of indoor and outdoor sports fields, courts, and tracks including ball diamonds, gyms, ice surfaces, tennis and beach volleyball courts, skateboard/scooter and wheelchair-based activity facilities, and running/walking tracks.

In 2017, Fitness and Aquatics, and Recreation and Parks programs drew 131,373 drop-in participants, a healthy increase from 2016's 126,185 participants. Recreation saw a strong increase in drop-in senior fitness classes throughout the year.

**Drop-In Program Participation Per Quarter**



**Registered Program Participation Per Quarter**



The number of registered participants in Fitness and Aquatics, Recreation and Parks programs in 2017 (211,972) is up from 2016 (209,673). 2017 started strong with higher than usual registered participation. Participation decreased slightly in quarters three and four mainly due to fewer classes available and closures of facilities for repairs.

St. Albert operates and maintains neighborhood and community parks to give residents varied opportunities to spend time outdoors passively and actively. Many parks and open spaces are served by trail connections for pedestrians and cyclists to enjoy landscapes like the Sturgeon River shoreline and Big Lake. There are also dog parks so residents can enjoy outdoor activities with their dogs.

## COMMUNITY EVENTS

The City hosts arts, cultural and recreational events throughout the year including the Amplify Youth Festival, Servus Place Halloween Haunt and Canada Day.

The community's use and rental of city facilities including Servus Place (fieldhouses, gymnasiums, arenas), playfields/playgrounds, outdoor fields, Akinsdale/Kinex arenas, Fountain Park and Grosvenor pools, Arden Theatre, Progress Hall and Visual Art Studios, continues to grow.



# ECONOMIC SERVICES

## COMMUNITY GROWTH AND ECONOMIC DEVELOPMENT

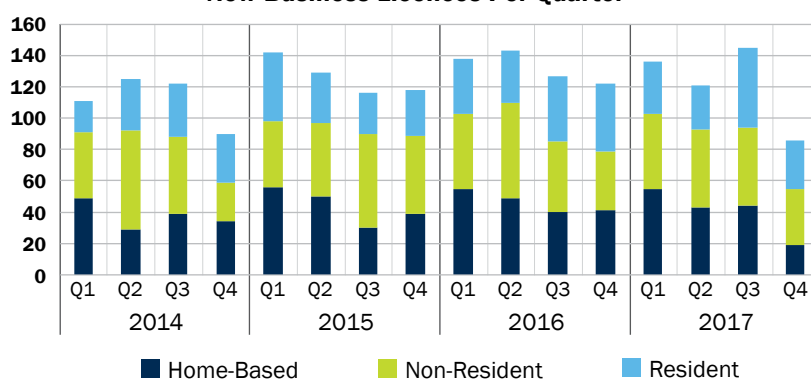
The health of local business is vital to making sure St. Albert remains a vibrant community. The City provides support and business development services to entrepreneurs to turn ideas into viable businesses, help existing enterprises grow, and attract new businesses, tourists, customers and investors.

St. Albert issues three types of business licences: home-based, in town (within city limits) and Out of Town (outside city limits). In total, the City issued 488 new licences in 2017, lower than both 2015 and 2016 numbers (505 and 530 respectively). Factors contributing to 2017's decrease include stronger economic conditions resulting in less business failures/turnovers and resultant commercial vacancies, as well as less new commercial space. A lower unemployment rate, could also result in fewer new start-ups.

Building construction values in the City have progressively increased since 2010. In quarter three 2017, values hit an all-time high of \$113.5 million, exceeding the previous high of \$104 million in quarter one 2016. Building construction values are measured by the permits granted for residential, industrial and commercial construction, and institutional development and/or renovations.

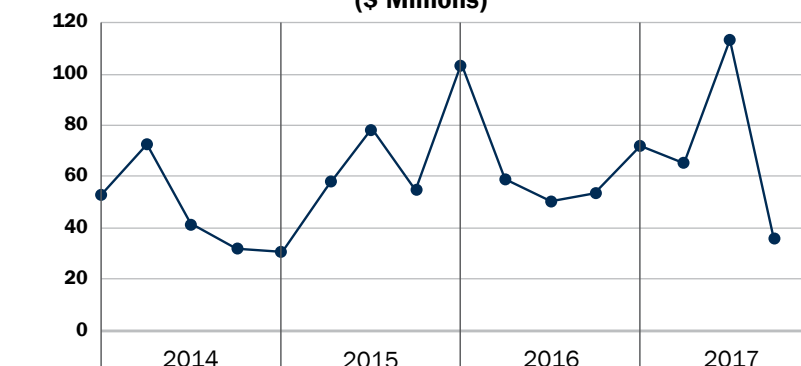
Reflecting 2017's quarter three peak, total construction value in 2017 was \$287.1 million, which continues the upward trend seen in the last five years.

**New Business Licences Per Quarter**



Annual Total	448	505	530	488
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**Building Construction Value Per Quarter (\$ Millions)**



Annual Total	200.21	219.8	266.74	287.1
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## GOVERNANCE AND CORPORATE MANAGEMENT

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City Administration provides diverse services and expertise to ensure that St. Albert conducts all activities in alignment with the goals, plans and policies that Council has set in conjunction with residents. These services also ensure that services to community are provided and assets are managed cost-effectively and to standard, that the City's risks are managed, and that the City's growth is managed in harmony with the community's vision for the future.

### LEADERSHIP AND SUPPORT SERVICES

These services support democratic decision-making for Council and the community, and include gathering and disseminating information for the City Council, City Administration, residents, and other stakeholders and ensuring that procedures and documents that underpin Council decisions comply with policies, standards and regulations. The City also manages municipal elections, in alignment with the *Municipal Government Act*.

Services also include collaborating with other governments and organizations at the regional, provincial, and national levels to further City interests and facilitate good governance and maintaining and responding to requests for public records.

### BUSINESS PLANNING AND SPECIAL INITIATIVES

These services steward the Corporate Business Plan and provide leadership and professional support to Council and Administration to enable effective business management, including strategic, business and operational planning, performance measurement and reporting, continuous improvement and change/transition management. These services also support development of City's Strategic Plan, Strategic Framework, Community Vision and Pillars of Sustainability.

### FINANCIAL PLANNING AND MANAGEMENT

Administration provides accounting, financial planning, and treasury management through development of fiscal policy and financial models for utility rates, taxes, user fees, and other sources of revenue; and managing billing and collection of monthly utilities and miscellaneous accounts receivable.

Equitable and accurate assessments are conducted to distribute the property taxes appropriately within the community. Services include levying and collecting annual and supplementary property tax revenue for municipal, and education purposes.





## **LEGAL, RISK MANAGEMENT, INSURANCE AND PURCHASING SERVICES**

City staff ensure that all municipal business operation take place in compliance with applicable regulations; identify and manage risks, procure insurance for City departments, and process claims against the City by third parties. Purchasing services include advising and assisting City departments with their purchasing requirements.

## **COMMUNICATIONS, ADVERTISING AND SPONSORSHIP**

Staff advise on, plan and execute strategies to inform residents and communicate the value of the City's programs, services and initiatives, and Council's goals and priorities. Also, the City's social media, web presence, communications, media relations, and publicity for City activities and events are managed in-house.

Coordination in the case of citywide emergencies is also conducted as part of communications services.

## **INNOVATION AND TECHNOLOGY**

The role technology plays in the City's effective functioning is continually growing. To enable service delivery, keep pace with advances and ensure the City's technology tools and assets are well-leveraged, staff manage the City's software suites and hardware, maintain network services for internal and external customers, GIS mapping and other data available, and operate the IT Service Desk.

## **HUMAN RESOURCES**

Human Resources services, including the provision of leadership and advice for recruitment, classification and job analysis, organizational design, employee and labour relations, safety and workplace wellness, compensation and employee benefits and training and development, support city departments in delivering services.

## **ENVIRONMENTAL PROTECTION AND LIABILITY MANAGEMENT**

These services are aimed at measuring and monitoring the quality of St. Albert's air, water, and other natural resources, ensuring that environmental protection and compliance is incorporated into City activities, stewarding the Environmental Master Plan, and responding to toxic spills and environmental liability issues.

## **DEVELOPMENT PLANNING, PROJECT AND CONTRACT MANAGEMENT**

City staff project needs and plan for future community and City buildings, capital improvement projects, schools and affordable housing, process development and building permit applications, revise and enforce the City's land use bylaw, and conduct building inspections. They also plan and construct capital projects for new City facilities and community projects.

## **CITY ASSET MANAGEMENT**

The City maintains and upgrades amenities and assets including transit facilities, parks and playgrounds, other recreational facilities, and City buildings and vehicles.





# CITY OF ST. ALBERT STRATEGIC PLAN 2017 ACHIEVEMENTS

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The 2017 City of St. Albert Strategic Plan includes three strategies, 33 results, and 75 strategies.

- **Community Strategy:** This strategy is based on making progress toward achieving the Community Vision and Pillars of Sustainability. Each sustainability pillar that was identified in pursuit of the community vision has specific results that the community expects to achieve. For each result, several strategies have been identified that describe how we are planning to achieve the result. The five pillars of the Community Strategy are:
  - Social
  - Economic
  - Built Environment
  - Natural Environment
  - Culture
- **Governance Strategy:** This strategy recognizes that Council is committed to ensuring that the City of St. Albert is a responsive, accountable government that delivers value to the community.
- **Service Delivery Strategy:** This strategy recognizes that Council is committed to ensuring that the City of St. Albert is engaging residents to identify opportunities to improve delivery of services to the community.

The following section provides an overview of the progress made in 2017 toward achieving the strategies outlined in the City of St. Albert Strategic Plan.



# COMMUNITY STRATEGY



## SOCIAL

We are a friendly community and inclusive community of passionate equals, where everyone feels a sense of belonging. We believe that community starts with the person next door.

**We live and share our small-town values by being a friendly, peaceful, supportive and safe community.**

## POLICING COMMITTEE

Council directed Administration to establish a Policing Committee where residents could voice their concerns about community safety in a formal manner. Administration worked with the RCMP and Solicitor General on drafting a Bylaw to present to Council. On June 12, 2017, Council passed the Policing Committee Bylaw and authorized necessary resources to support the new Committee's work. In late 2017, a recruitment package was posted online and applications for committee members were accepted. Council interviews of membership applicants took place in November will formal appointments made in December. The committee will have its inaugural meeting in January 2018.

## PROTECTION OF PERSON'S AND PROPERTY BYLAW REVIEW

The Protection of Person's and Property Bylaw outlines fines on public behaviour in the interest of public safety. In 2016, Administration presented the review findings to Council and Council directed Administration to prepare a new Protection of Person's Bylaw Draft for Council consideration. On June 30, 2017, Council gave 1st reading to a new Protection of Person's and Property Bylaw, along with a 1st reading to a Bylaw that would amend the Parks Bylaw. Council directed that prior to 2nd and 3rd reading that Administration accept public feedback on the

proposed changes. Third and final reading for the new bylaw was received on September 11, 2017. The new Bylaw gives enforcement officers new tools when dealing with public safety and disorder matters.

## SAFE JOURNEY TO SCHOOL PROGRAM IMPLEMENTATION

Implementation of the Safe Journeys to School program will be ongoing until 2021 pending Council approval of related project charters. In 2017, school zone warning flashers were installed at designated locations. The piloting of rectangular rapid flashing beacon crossings (RRFB's) also started and a recommendation for further placements was made in Quarter One. Not all construction work was completed around the 2017 priority school sites (Elmer Gish, Ecole La Mission, Keenoshayo, Neil M Ross, Sir George Simpson). This program will continue in 2018.



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**We are inclusive; we embrace, respect and support people of all ages, cultures and backgrounds**

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## **COMMUNITY DIVERSITY AND INCLUSION INITIATIVES**

The City received a grant of \$10,000 from the Alberta Human Rights Commission for the second year to implement further initiatives in our Diversity & Inclusion campaign. Throughout 2017, the “It Starts with Me” covered: disabilities and gender, ageism, indigenous history. To further support this work a Diversity and Inclusion Policy was brought to Council on September 11th.

## **MENTAL HEALTH AWARENESS**

Throughout 2017, multiple activities and events were pursued to increase mental health awareness in the community and organization:

- The City partnered with the St. Albert Community Foundation to host a youth mental health event with guest speaker Sheldon Kennedy. Kennedy delivered two presentations, one at Lorne Akins School and one at the Arden Theatre. All proceeds from the events were contributed to an endowment for Youth Mental Health.
- Various training opportunities:
  - Mental Health First Aid courses (city staff and local agency volunteers)
  - Applied Suicide Intervention training skills (agency and school staff)
  - Behavioural Strategies and Tools to help Reduce Anxiety in Children (residents and school staff)
- BAM youth hosted the Caelin Porter Mental Health Awareness Walk, which saw 400 attendees and \$4,500 raised for the St. Albert Youth Counselling Fund.
- The City developed a draft Community Mental Health Strategy.

Work to increase awareness of mental health in St. Albert will continue in 2018.





## TRANSIT GOVERNANCE REVIEW

A Task Force has been established to create a regional transit commission. The main goal of the Task Force is to create a draft Memorandum of Understanding (MOU) and corporate structure that establishes the governing principles for a new transit entity.

A work plan was developed for monthly meetings with participating municipalities. The Task Force has established a general frame work for the MOU and guiding principles which provides a focal point through which the governing structure can be created. The Memorandum of Understanding created by the task force was approved by both Edmonton and St. Albert City Councils and the Task Force recommended establishing a Regional Transit Services Commission (RTSC) for the Capital Region.

Pending Provincial support, the next phase of the project is to create a transition committee and reach out to other municipalities to jointly develop the bylaws and plans required to create a RTSC. Council approval will again be required at the conclusion of this next phase. Both Edmonton and St Albert sent joint letters to the Provincial Minister seeking financial support. A response was received late in Quarter Four, in which the Minister expressed encouragement for the project, but could not commit to funding until the Provincial Transit Strategy is released later in 2017, and/or until the Public Transit Infrastructure Fund (PTIF) negotiations with the Federal government have concluded.



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**We celebrate life-long learning, striving to build our knowledge to better teach and prepare our younger generations as the future stewards of our community.**

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## ESTABLISH A YOUTH COUNCIL

The Youth Council Bylaw was passed by Council on March 20, 2017. In the fall, 12 youth and young adults were appointed to the first Youth Council to provide information and advice to Council in relation to issues involving or affecting youth related to policy, initiatives, building relationships with youth focused organizations, education outreach. The Youth Council reports to Council once a year.





## ECONOMIC

We prosper and excel through a strong and diverse economy that is supported by forward-thinking commerce, outstanding local businesses and a dynamic downtown core.

**We have a diverse and robust business community, which enables economic prosperity to support community building and provide valuable jobs to our residents.**

### INCUBATION STRATEGY

To support start-ups and growth of local business, Administration developed an incubation strategy. Council approved the incubation strategy on June 26, 2017. An implementation strategy will be created by Economic Development staff and proposed to the partners in Quarter One of 2018.

### LAKEVIEW BUSINESS DISTRICT ACTION PLAN

In Quarter Two, Council approved the name “Lakeview Business District” for the lands that were previously referred to as the Employment Lands. Some marketing materials were created for the lands, but several factors such as existing servicing needs, market requirements and market readiness need to be established. Council approved the area structure plan funding for the City’s portion of the district on the west side and a land developer bought a 20% portion on the east side. The competitive analysis is approximately 25% complete and should be finished in the beginning of Quarter Three 2018.

### SHOP LOCAL CAMPAIGN

Throughout the spring and summer, residents were encouraged to post photos of their St. Albert purchases on social media with the hashtag #IGotItHere. This campaign highlighted all the great things that can be purchased locally and allowed customers to promote their favourite local businesses. One-hundred and nine businesses participated and the hashtag #IGotItHere was used 510 times on various social media channels. Five prizes were given away to participants through draws. Prizes included gift certificates to the local business of the winner’s choice.





## BUILT ENVIRONMENT

We build our community towards the future to sustain balanced development, with a reverent eye to the past, honouring our unique settlement history and distinct identity.

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**We are connected to one another by a safe, effective and accessible transportation network that supports public and active modes of movement.**

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### PARK & RIDE TRANSIT CENTRE PROJECT

The future Campbell Road Park and Ride Transit Centre is a priority project for St. Albert Transit. It has been in the development stage since 2009. In 2015, the City of St. Albert obtained necessary grant funding from the Province of Alberta's "Green Trip" incentive program, which allowed this project to proceed.

During 2017, a Request For Proposal (RFP) for engineering services was released in Quarter One 2017 and was awarded in Quarter Two. Full construction of the project will be completed as early as Quarter Four 2019. Work to prepare the site for construction began with an RFP for brush clearing that will be released early 2018.

Once complete, the proposed Campbell Road Park and Ride Transit Centre will be an 800-stall parking lot and transit station that will serve as St. Albert Transit's principal transfer and operation station.

### DIGITAL DISPLAY UPDATE

The Digital Display Update to the LUB allows for more options with regards to digital displays. Previously, digital displays could only use wording and no images. Feedback from the business community demonstrated a demand for more sign options.

In November 2016, Administration held a world café discussion with representatives of UDI and the Sign and Real Estate industries,

and posted an online survey for public input. A presentation was made to Council on February 27, 2017. Council requested further work and Administration returned on April 3, 2017. Council approved Digital Display amendments to LUB April 24, 2017. The bylaw amendments took effect as of July 14, 2017.

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**We believe community is about people and we design our neighbourhoods to make it easy for people to connect to one another through parks, trails, public transportation and community spaces.**

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### OPEN PAYMENT FARE SYSTEM PROJECT (SMART CARD)

St Albert Transit is pursuing an open payment system for all ride fares in collaboration with the City of Edmonton and Strathcona County. In 2017, a vendor was identified, and negotiations were successfully completed. Negotiations included costs, review budget, review terms and conditions of the project, timelines, and other project details prior to actually moving forward with the project. Work on the second phase of this project, which focuses on Smart Fare system design and fare structure, began in Quarter Three 2017 and is expected to continue into 2019. This project is expected to be fully implemented by 2020.



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We plan and manage the growth of our city so future generations can inherit the same strong, vibrant community we've enjoyed

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## **FIXED NETWORK AUTOMATED METER INFRASTRUCTURE (AMI) WATER METER SYSTEM**

2017 marked the beginning of an initiative to replace existing water meters within residential properties. Reading of water meters electronically will allow online access to water consumption data. It will also assist with detecting leakage in a timely manner and provide support to consumers in monitoring/reducing water consumption. Full implementation is not expected to be complete until March 2019.

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We build innovative, long lasting infrastructure that is efficient, minimizes the use of our natural resources and creates harmony between the natural and built environment.

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## **PARKS AND OPEN SPACE GUIDELINES**

Work was undertaken to review the existing 1994 Parks and Open Space Guidelines to align with current and future vision of parks and open spaces in St. Albert. The Parks and Open Space Guidelines direct park development throughout the city. Included within the guidelines are park principles, park classifications and the park planning model. Work is expected to continue on this update into 2018 with completion projected for mid-2018.

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We build our city to reflect the natural beauty we cherish, maintaining distinct landscaping and architectural standards that cultivate our city's identity.

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## **WHISTLE CESSATION**

September 19, 2016, Council approved Whistle Cessation Bylaw 15/2016, consolidated funds related to safety crossing improvements and whistle cessation, and will proceed in working with Transport Canada for potential grant funding related to safety improvements.

Grant applications submitted in 2016 to Transport Canada were not approved, resulting in lost funding of \$790,000 for implementation in 2017. As a result of the unsuccessful grant applications, the project experienced delays. Administration moved forward with some work related to the rail corridor protection (fencing) with first steps inclusive of site survey work. Site survey work was completed internally, along the rail corridor to propose fencing alignment.

The grant applications have been resubmitted to Transport Canada for the Rail Safety Improvement Program, and confirmation of CN's support for the grant applications provided. Grant application review and feedback is expected back in Quarter One of 2018 from Transport Canada.





## NATURAL ENVIRONMENT

We protect, embrace and treasure our deeply-rooted connections with the natural environment through championing environmental action.

We believe in working together with our regional partners to promote our understanding and to continually improve our care and management of the Sturgeon River watershed.

### STURGEON RIVER WATERSHED ALLIANCE

The City worked with the region and established an inter-municipal taskforce/technical committee to harmonize inter-municipal plans, bylaws and policies related to watershed management issues.

The Sturgeon River Watershed Alliance Steering Committee completed a draft resolution requesting provincial support for watershed planning for consideration by the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties in 2017. This resolution was presented and passed at the AUMA Mayors' Caucus on March 8th. The Alberta Government announced on March 22, 2017, World Water Day, \$12 million in guaranteed funding over three years for the 11 Watershed Councils including the North Saskatchewan Watershed Alliance. Technical studies are being completed on historical water quantity/hydrology patterns, historical and seasonal water quality assessment, environmental sensitive areas inventory and prioritization and riparian assessments.

We are an environmentally caring community, mindful of the nature that surrounds us, that puts the Earth first, which is reflected in our green living lifestyle and conservation of natural resources.

### CITY FACILITY ENERGY CONSERVATION PROJECT – SOLAR POWER RETROFITS

Administration assessed possible feasibility to place solar photo arrays on existing city facilities. Administration has also put an expression of interest in through the Municipal Climate Change Action Centre (MCCAC) for a Municipal Solar Grant which is provided as a rebate once the installation is completed. The Dez Legget Transit Centre was selected as the first City facility to have a large scale solar array placed on its roof. The new array will provide approximately 200 kW of energy to the facility and allow for our electric buses to partially be 'run by the sun'. The installation of a 301 kW solar array on the Dez Legget Transit Centre was completed in December. The final connection of the system to the electrical grid will take place in January 2018.







## CULTURE

We are a proud of our storied history that has fed and nurtured our festive and culturally-rich community.

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**We preserve and treasure our past, mindful of the roots from which our community has grown and will continue to bloom.**

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### CANADA'S 150TH PUBLIC ART PROJECT

The Canada 150 Public Art Project is a legacy public artwork and series of public engagement events that celebrate the community of St. Albert in recognition of Canada's 150th anniversary. Public engagement opportunities throughout the year allowed residents to provide input into what type of art would be most appropriate. With results from the public engagement activities, the Expression of Interest for the Canada 150 Public Art Project was released on July 13, and closed August 17, 2017. An artist was selected in November 2017 with an anticipated installation in fall of 2018. The Artist Team will work with the City of St. Albert to organize a cultural outreach day featuring various activities and events to coincide with the unveiling.



## GOVERNANCE STRATEGY

Council is committed to ensuring that the City of St. Albert is a responsive, accountable government that delivers value to the community.

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Maintain the City of St. Albert as an Employer of Choice.

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## COMPENSATION REVIEW

To remain competitive, the City has undertaken a multi-year project to evaluate and redesign its total compensation strategy. The Compensation Review project is a multi-layered and complex project that will necessitate a phased approach. The first phase has established competencies for senior level staff within the organization (City Manager and leaders). Competencies will then be integrated and linked into our compensation review process.

## TALENT MANAGEMENT STRATEGY

The Talent Management strategy incorporates various initiatives that include competency development, leadership development and performance management. Talent Management is an ongoing process however 2017 will launch significant foundational aspects to the program that include competency levelling and expectations as well as performance management tools.

Competency Development was the focus for 2017 and was aligned to the performance management system as well as the compensation review process. A new performance management tool was developed for leadership positions that will incorporate the leadership competencies identified by SLT. The Competency Framework has been finalized and communicated to the Leadership Team.



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**Develop strong working relationships with regional, provincial and federal partners.**

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### **RAY GIBBON DRIVE ADVOCACY**

Ray Gibbon Drive advocacy efforts saw progress in 2017, with the Provincial government adding Ray Gibbon Drive as an unfunded line item in the 2017-18 Capital Plan. Council and Administration continue to work with the Province to improve this regionally significant roadway, the expansion of which, will help to alleviate traffic congestion and enable economic development opportunities.

### **ANNEXATION NEGOTIATIONS WITH STURGEON COUNTY**

In February of 2017, City of St. Albert and Sturgeon County Councils signed a Memorandum of Agreement to guide annexation negotiations within a maximum defined boundary. This agreement came as result of several months of Joint Growth Boundary Planning between the two Councils, which looked at shared growth opportunities and servicing requirements within the shared sub-region.

Since then, the City of St. Albert has initiated the formal annexation process, and negotiations with Sturgeon County started in December 2017. 2018 will involve the completion of required technical studies, public engagement with affected landowners, and continued to negotiations to formalize an annexation agreement.

### **CAPITAL REGION BOARD GROWTH PLAN UPDATE**

The Growth Plan outlines land use planning guidelines for municipalities within the Edmonton metropolitan region. Included in the Growth Plan are guiding principles, a framework for responsible growth, regional policies in addition to population projections and density targets for municipalities. The Edmonton Metropolitan Region Board (EMRB) (formerly Capital Region Board) approved the plan in October 2016 and was endorsed by the Provincial Government in October 2017. All Municipal Development Plans for EMRB member municipalities must comply with the Growth Plan within the next three years, which aims to promote contiguous, compact, and higher-density development and reduce servicing and development costs, thereby creating a more globally competitive and sustainable Edmonton Metropolitan Region.





## SERVICE DELIVERY STRATEGY

Council is committed to ensuring that the City of St. Albert is engaging residents to identify opportunities to improve delivery of services to the community.

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Engage the community to incorporate resident input and improve decision making.

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### COMMUNITY SATISFACTION SURVEY

Every two years, the City conducts a satisfaction survey to understand the state of service perceived by residents. The results from the survey are used to guide both Council decisions and Administration's recommendations. The 2017 Community Satisfaction Survey was conducted by Banister Research. The questionnaire was revised to measure how well the City is meeting residents' expectations for service levels. The survey was conducted from February 27 to March 22. Results of the survey were presented to Committee of the Whole on June 19, 2017.

### ELECTION 2017

A municipal election was held in October of 2017. This saw the election of four new councillors, two returning councillors, and a new mayor.







# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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The 2017 Annual Report for the City of St. Albert provides its recent financial performance, including significant financial practices, strategies, and events.

Combined with the City's consolidated financial statements, the Financial Statement Discussion and Analysis (FSD&A) section of the Annual Report is prepared by management in accordance with the principles and standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada, as well as the *Municipal Government Act* and provincial and federal regulations.

The FSD&A aims to provide the past year's results, with a summary of the sources, allocation and use of the economic resources, while capturing significant differences between the reported year and previous year as well as budgeted and actual results. This reports on how the financial resources entrusted to the City are being managed to provide municipal infrastructure, programs, and services. It depicts how the activities of the period have affected the municipality's results. Moreover, the FSD&A also identifies trends, risks and anticipated events that could have financial implications on the operations of the City.

Management has made every effort to ensure the financial statements present a fair accounting of the City's consolidated operating and capital activities for the fiscal year ended December 31, 2017. The City's financials are recognized and reported in observation of the City's policies and bylaws, where City Council provides governance and guidance to policy and bylaw changes and approval. To ensure accountability, City Council conducts quarterly and year-end reviews of the financial results.





The consolidated financial statements included the City government, its utilities, the St. Albert Public Library and the Arts and Heritage Foundation of St. Albert.

The City's auditor, KPMG, has audited the financial statements and provided the accompanying Auditor's Report. The financial statements and auditor's report satisfy a legislative reporting requirement as set out by the Alberta Municipal Government Act.

The FSD&A should be read in conjunction with the audited financial statements and accompanying notes. The responsibility for the preparation of both the financial statements and the FSD&A rests with the City's management. A multi-year statistical and financial section is provided for additional information.

The City's 2017 Consolidated Financial Statements include:

- **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

It reports financial assets, financial liabilities, net assets(debt), non-financial assets and accumulated surplus at December 31 year-end. This statement is used to evaluate the City's ability to finance its activities and satisfy its obligations and commitments.

- **CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

It reports revenues earned, expenses incurred and results of the fiscal year as annual surplus or deficit and summarizes the change in accumulated surplus.

- **CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

It reports the changes in net financial assets (debt) at year-end. This statement provides information regarding the extent to which expenditures in the year were met by revenues recognized in the year. It is a key indicator of the organization's overall financial health.

- **CONSOLIDATED STATEMENT OF CASH FLOWS**

It reports the cash resources provided by operations and financing and how cash was used during the reporting period. It reflects the net change in cash and cash equivalents since the last reporting period.





## FINANCIAL HIGHLIGHTS

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The significant events that contributed to the positive result at December 31, 2017 include:

- In 2017, the City increased cash and cash equivalents by \$15.5M due largely to funds generated by City operations.
- The City's net financial assets position increased by \$5.3M to \$91.9M, due to the increase in financial assets being larger than the increase in financial liabilities primarily due to an increase in cash and cash equivalents.
- On May 15, 2017, Council advanced priorities by approving an increase of non-residential taxes by 2.1% and residential taxes by 0.8% to generate municipal property taxes of \$97.5M. The City's property taxes Bylaw 16/2017 authorizes the rates of property taxation that were levied in 2017.
- During 2017, the City's operating revenues increased by \$1.2M to \$178.9M primarily due to an increase in property taxes, offset by a decrease of sales and user fees and a decrease of fine and penalty revenues. The operating expenses increased by \$13.1M to \$180.0M primarily due to increases in protective services, utility services and transportation and roadway services.
- The City's operating results ended 2017 on a positive note as reflected by the annual surplus of \$43.2M. This strengthened the City's financial position, resulting in an increase in the accumulated surplus. The surplus was generated through an increase in net financial assets of \$5.3M and the net additions of \$37.9M in new tangible capital assets.

## ECONOMY

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The Canadian economy accelerated in 2017 at a robust pace of 3.0%, but it slowed in the latter half of the year, though still significantly higher than the growth realized in 2016. For the full year, Statistics Canada reported that contributions to growth were marked largely by household spending, followed by inventory and business investment; Canadian exports, which further supported economic activity, strengthened for two straight years with gains in both goods and services. The Canadian dollar appreciated to about \$1.30 CAD per U.S. dollar. Alberta experienced growth momentum as its real gross domestic product (GDP) reached approximately 4%, trending higher than the national growth rate noted. Over the next two years, the Bank of Canada estimates the national growth to moderate with 2.0% this year and 2.1% in 2019.

In tandem with economic growth is the jobs growth and related employment data, with an overall increase in the national employment rate averaging 1.9% in 2017. Indeed, this healthy movement of the labour force outpaced the minimal labour growth experienced in 2016. The national unemployment rate declined to 6.3% compared to 7.0% the year before. With Alberta's unemployment numbers improving to 7.8% in 2017, down from 8.1% in 2016; this is a bright spot for Alberta, especially having weathered the severe 2015-2016 recession driven by the commodity price shock.



A growing economy often times leads to increased inflation – for businesses or employers alike, inflation is reflected in wage increases that represent rising costs for employers. To keep the economy from overheating while tempering inflation, the Bank of Canada raised the key interest rates three times since July 2017, with a 25 basis points increase in January 2018 to bring the key interest rate to 1.25%. The City may feel the pinch due to increased borrowing costs if it decides to obtain financing externally to fund capital projects.

## FINANCIAL PLANNING

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Financial Planning, that enables stewardship of assets and on-going continuity of the organization, is a critical tool for management to achieve stated objectives, including fiscal responsibility and sustainability. To carry out its commitment to strong fiscal management, Administration prepares a 10-Year Capital Plan, which provides a future outlook of long range requirements, comprising of key strategic inputs over the planning horizon, and a framework for the 3-Year Operating Plan.

Consistent with the 3-Year Operating Plan, the annual operating budget includes the required revenues to fund the City's delivery of approved programs and services to the community and represents City Council's priorities as identified in the City's Strategic Plan and other sources. As the operating budget is prepared on a modified cash flow basis, the City uses tax revenues, reserve transfers and government transfers to balance its operating budget. As such, the budget does not include revenue from contributed assets, or amortization expenses.

To advance City Council's strategic priorities, Administration executes investments in infrastructure and capital assets to ensure it adheres to the annual Capital Budget and 10-Year Capital Plan. The purpose of the plan is to identify the capital projects and requirements to maintain the City's infrastructure, as well as to support the growth requirements and desires of the community. City Council approves each capital project budget on the basis of the project to accommodate the planning and scheduling requirements. A portion of the year's budget is often carried forward to future years for projects not completed in the year, and as a result, capital budgets are not directly comparable with current year actuals.





## FINANCIAL ASSETS

From cash to receivables to investments, financial assets are resources that are considered as cash or could be turned into cash if required to fund day-to-day government services. In comparison to 2016, financial assets increased by \$10.3M primarily as a result of an increase of cash and cash equivalents. With financial assets trending higher, the City continues to be in a stable financial position. The Consolidated Statement of Financial Position summarizes the financial assets at year end.

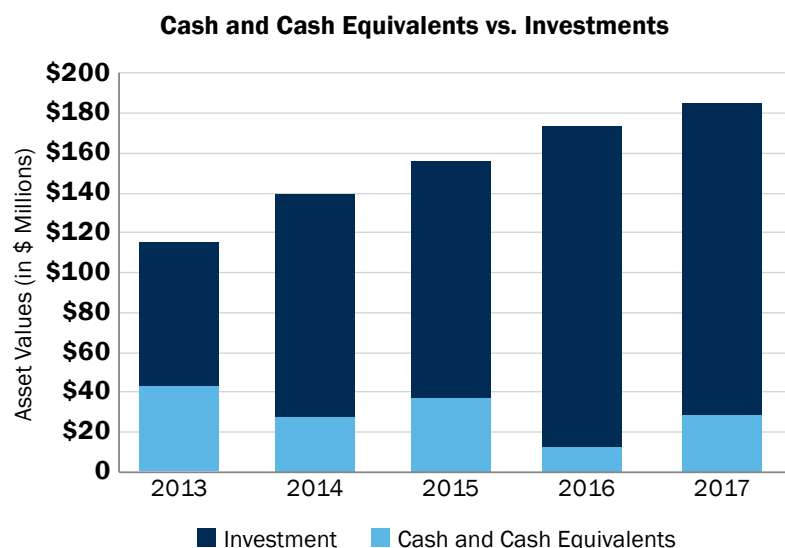
### CASH POSITION

Cash and cash equivalents are financial resources that consist of short-term cash and temporary investments of three months or less that are held to pay for on-going expenditures and obligations. Uses of cash are subject to the City's Cash Management Policy, which is in place to ensure the cash position is optimized in order to take advantage of investment opportunities.

During 2017, the City's changes in cash position were largely due to:

- \$68.2M generated from City operations
- \$52.4M invested in capital assets and offset by \$0.3M received proceeds from disposal of capital assets
- \$3.5M applied maturity of investments
- \$4.1M paid for loan principal

At December 31, 2017, cash flows increased by \$15.5M, ending at \$28.3M. The City's sources and uses of cash are summarized on the Consolidated Statement of Cash Flows.



An increase in cash position  
of \$15.5M.



## RECEIVABLES

Receivables are amounts owed by customers for general taxes, trade, sales and user fees, and other revenues. In the past year, receivables decreased by \$1.1M to \$16.6M, indicating more funds were collected and available for use. Collections of receivables are generally due to timing and do not present risks to the City.

## INVESTMENTS

Ranging from short-term investments to long term bonds, the City's investments are funds invested to generate income, which provides for another source of funding for City services. Short term investments have maturity terms from three months to one year. Long term investments are financial securities that have varying maturity terms that extend past one year.

Guided by the City's Investment Policy, investments are consistent with the objective of preserving capital, maintaining liquidity and achieving optimum rates of return. Investment performance is benchmarked against the three-month Federal Treasury Bill rate, and the three and seven-year Government of Canada benchmark bond yield rates. In 2017, the City's investments consisted of short-term notes and deposits and long-term corporate bonds.

Overall, investment returns were favourable in the year compared to designated benchmarks. Investments are also maintained in compliance with regulations stipulated in the *Municipal Government Act*. These regulations are limited to instruments in which the principal is unconditionally guaranteed.

In comparison to 2016, the carrying value of investments ended lower by \$3.5M, which represents a 2% decline, mainly as a result of timing of maturities. The investment income earned in the year was \$2.8M, an increase of \$0.2M from the year before due to a higher long-term bonds investment base that occurred in late 2017, an increase of 23% from \$42.5M in the prior year. Details on investments are provided in Note 2 to the financial statements.

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### Investment Objectives:

1. Preserve Capital
  2. Maintain Liquidity
  3. Optimize Rate of Return
- 

### RATES OF RETURN COMPARISON

	Term	St. Albert Portfolio Rates of Return	Bank of Canada T-Bill and Bond Rates	Benchmark
Short-Term Investments	0-90 days	1.45 - 1.58%	0.71%	3 months
	91-180 days	1.36 - 1.46%	0.71%	3 months
	181 days - 1 yr	1.26 - 1.90%	0.71%	3 months
	1-3 yrs	1.64 - 2.64%	1.20%	3 years
Long-Term Investments	3-10 yrs	2.18 - 3.84%	1.20 - 1.56%	3-7 years



## FINANCIAL LIABILITIES

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Financial liabilities include accounts payable and accrued liabilities, deferred revenue, offsite levy liabilities, debt, and other liabilities. At year end, this account increased by \$5.0M to close at \$109.8M, as a result of increases in offsite levy liabilities, accounts payable and accrued liabilities and deferred revenue, and partly offset by a repayment of principal of long-term debt. The Consolidated Statement of Financial Position summarizes the financial liabilities at December 31, 2017.

### ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are current short-term amounts owed to vendors for work completed or services rendered to the City. The payments to these vendors will be made within the next year. At December 31, 2017, this account increased by \$2.0M to \$19.4M broadly due to timing of payments to vendors.

### DEFERRED REVENUE

Deferred revenue, representing mostly restricted capital revenues, are held due to restrictions placed on funds by Provincial and/or Federal governments based on funding agreements. Funds in deferred revenue are recognized as revenue in the period when the timing or conditions associated with the revenues have been satisfied. Generally, this means that revenues can be recognized as eligible expenditures are made on grant funded capital or operating projects.

During the year, deferred revenue increased by \$2.1M due to:

- \$0.7M earnings on interest, with \$0.5M mainly attributed to the Municipal Sustainability Initiative for capital projects
- \$34.6M net contributions received and offset by
- \$33.2M revenue recorded

Deferred revenue ended the year at \$36.8M, most of which was related to capital projects supported by government transfers of \$33.0M and the remaining deferred revenue of \$3.8M were mostly designated for operating purposes. Note 3 to the financial statements provides more detailed information on deferred revenue.



## OFFSITE LEVY LIABILITIES

The City's key services include working with developers to oversee land development for private and public purposes in the community. This involves processing development applications and permits to ensure compliance with planning goals and regulations. One of the major components when developing a new area of land is ensuring that key connecting infrastructure such as roadways, water, sanitary and storm are in place to support the proposed development.

The City collects offsite levies from developers to fund the construction of these items. The funds are held by the City, restricted and reported as offsite liability until such time as the infrastructure is built.

The balance of this fund fluctuates over time based on the pace of development. The Offsite Levy Program specifies that the burden of paying for the cost of the infrastructure rests with developers and supports a growth-pays-for-growth philosophy.

Offsite Levy Liabilities increased by \$3.6M to \$12.9M over 2016, as a result of the issuance of new development agreements and corresponding payment of required levies. More detailed information is specified within the Development Agreement, the Offsite Levy Bylaw and Note 4 to the financial statements.

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**Net increase of \$3.6M in  
levy liabilities related to new  
development.**

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## DEBT

City Council considers long-term debt when internal financing is unavailable to fund capital projects and when it's prudent to do so. Current long term debt consists of fixed term financing agreements with the Alberta Capital Finance Authority. The interest rates were established at the time of borrowing and remain constant throughout the term. The City's current debt is tax supported debt whereby debt servicing payments are funded through tax, with a requirement for semi-annual or payments of principal and interest. During the year, the city repaid a principal amount of \$4.1M and accrued interest expense of \$1.9M, resulting in a year-end balance of \$37.5M.

The City's existing long term debt originated from two projects that were approved in 2004 – the first stages of Ray Gibbon Drive and Servus Credit Union Place. These two significant projects required 20-Year external borrowings that increased the City's debt by about \$22M and \$38M, respectively.

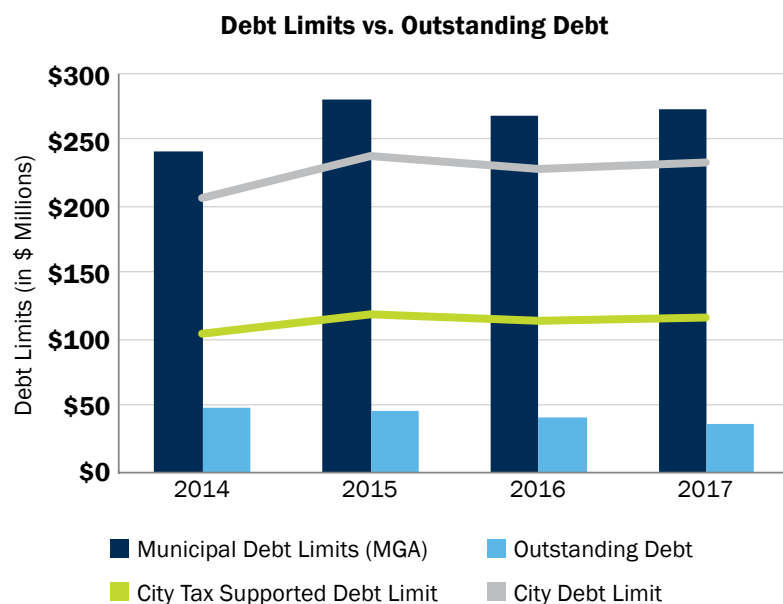
In the upcoming year, the City is planning to obtain new debt with a maximum limit of \$30M for the North Interceptor Trunk Line project (a sanitary sewer line). In addition to the costs incurred to date of \$9.6M, this capital project is anticipated to cost \$24.2M





over the next 18 months. Principal and interest payments for this debt are approved to come from an established reserve thereby having no impact to property taxes.

The ability to borrow is governed by the *Municipal Government Act* (MGA), which sets maximum limits to ensure a municipality does not take on too much debt or exceed their ability to service that debt. In a rising interest rate environment, the regulation safeguards municipalities from over-extending their limits to ensure that they are able to meet the required payments. Debt, when used strategically, is an effective long term financing strategy. St. Albert remains largely below prescribed debt limits set by the Province of Alberta and internal limits imposed by its Debt Management Policy.




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City debt at 13% of provincial limit.

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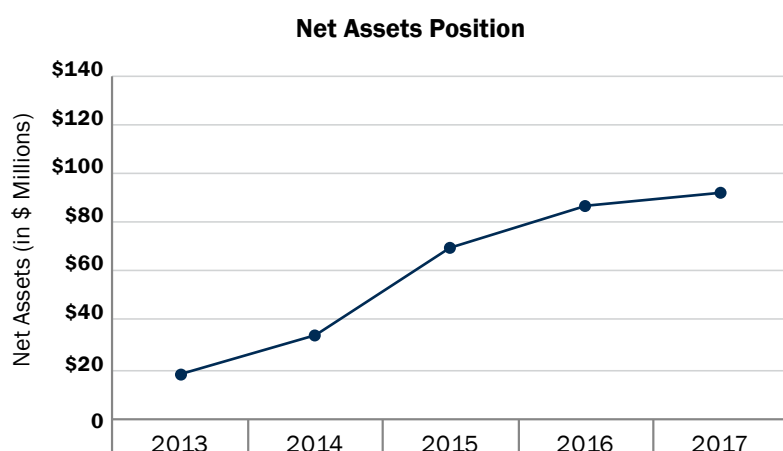
## ENVIRONMENTAL LIABILITIES

The City recognized the estimated costs on obligations of \$1.4M at December 31, 2017, pertaining to contaminated site, landfill closure and post closure liabilities. These obligations are based on estimates and assumptions, using the best information available to management. These costs are primarily related to ongoing environmental monitoring activities in the next twenty-five years instead of the five years previously recognized. Future events such as changes to regulatory requirements, may result in changes to these estimated costs.



## NET FINANCIAL ASSETS

A government's net financial assets (net debt) position is a function of its total financial liabilities and its total financial assets. This calculation is a key financial indicator related to the City's financial position as it reflects the relationship between annual surplus, tangible capital asset acquisitions/disposals/amortizations, and treatment of other inventories or expenses. The City's net financial assets position increased by \$5.3M to \$91.9M, due to an increase in financial assets being larger than the increase in financial liabilities. The Consolidated Statement of Changes in Net Financial Assets provides more detailed information on the net assets at December 31, 2017.



**Net financial assets increased \$5.3M in 2017.**



## NON-FINANCIAL ASSETS

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Non-Financial Assets are comprised largely of Tangible Capital Assets (TCA), but also include, inventories of materials and supplies and prepaid expenses. These assets are acquired and used in the production of goods and services primarily for the purpose of providing services to its citizens. Overall, non-financial assets increased by \$37.9M which was attributed to increases in the Tangible Capital asset base in 2017. The Consolidated Statement of Financial Position outlines the non-financial assets balances for the year.

### CAPITAL ASSETS

Whether costs are incurred to construct, buy or maintain assets such as roads, buildings, or equipment, these costs are considered tangible capital assets. Any increase of tangible capital assets is therefore, a form of investment in the community for which citizens can expect to benefit in future years. In general, these assets have physical substance, and a have long-lived service life greater than one-year and in some cases decades. Examples of tangible capital assets would include such things as transit buses, recreation centers, parks and trails, cultural amenities, roadways and water reservoirs.

There are two streams of capital assets – contributed assets and self-constructed/purchased/leased assets. In the normal course of operations, the City receives ownership of tangible capital assets from developers and records them as contributed assets. Once contributed as assets, the City takes on the future responsibility for repairs, maintenance and eventual replacement of those assets. Contributed assets provide a future economic benefit to the City and include such things as roads, land, sidewalks and street lighting. These contributions are reported as revenue upon receipt from developers and at the time of project completion, which results in an increase in the accumulated surplus.

For the year, the value of the City's capital assets is comprised of:

- \$65.6M increase in tangible capital assets acquisitions and transfers (including \$13.3M in contributed tangible capital assets and \$3.8M in developer contributions and levies)
- \$24.3M amortization expenses
- \$3.1M loss on disposals net of amortization and \$0.3M proceeds on disposals

Net tangible capital assets increased by \$37.9M, ending the year at \$959.8M.

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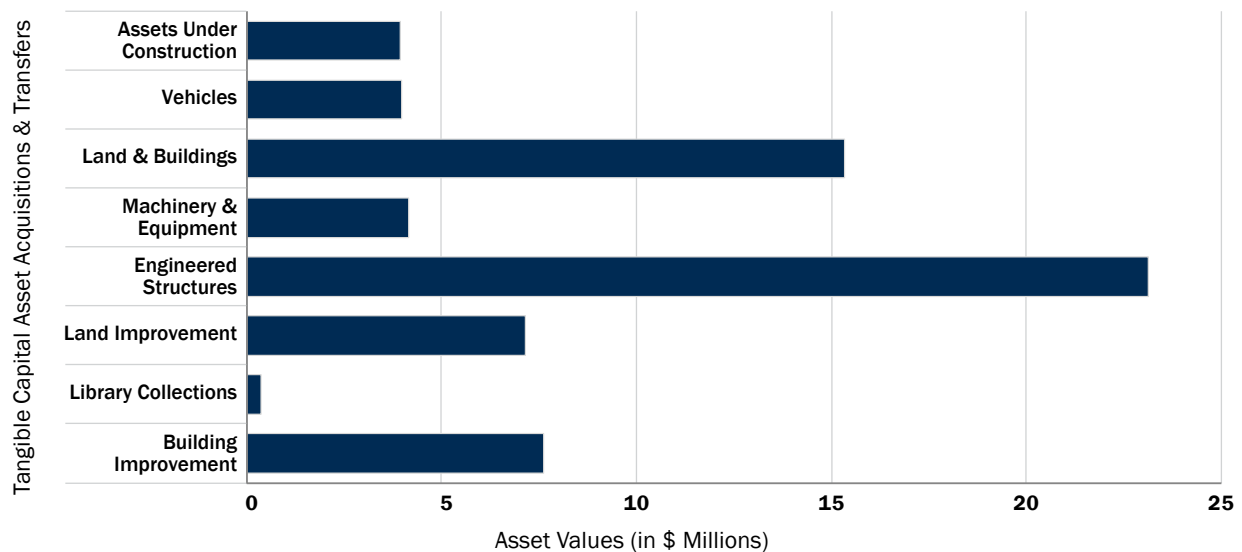
**\$37.9M of net tangible capital assets added in 2017.**

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Capital spending in the past year was mainly on land and land improvement, building improvement, and engineered structures such as roadway system, water system, and wastewater system. TCA amortization, also referred to as depreciation, is a drawdown of its value, representing the annual cost of using the asset due to wear and tear from use. Land is not a depreciable asset. Note 7 to the financial statements provides more information on the major components of tangible capital assets, along with its respective amortization amounts in 2017.

### 2017 Tangible Capital Asset Acquisitions & Transfers





## ACCUMULATED SURPLUS

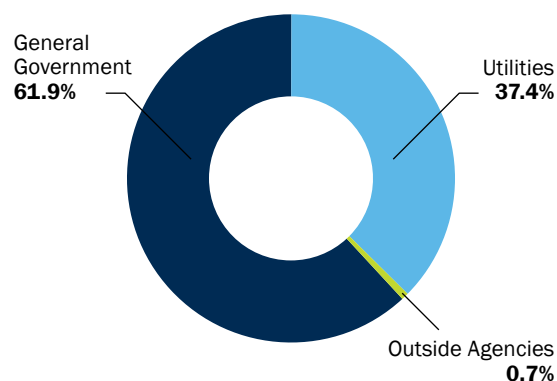
Accumulated surplus, also known as Municipal equity, is a balance representing the value of the City and consists of both restricted and unrestricted reserves and equity invested in tangible capital assets. It is driven by the City's investments and ownership of capital assets over time. The accumulated surplus balance is attributed to all assets exceeding all liabilities over time. A positive balance indicates that the government has sufficient net resources to enable the City to provide services in the future. At December 31, 2017, the accumulated surplus increased by \$43.2M, primarily due to an increase in capital revenues. The accumulated surplus ended the year at \$1,053.6M compared to \$1,010.4M in 2016. The Consolidated Statement of Operations and Accumulated Surplus summarizes the accumulated surplus, with additional information in Note 9 to the financial statements.

## RESERVES

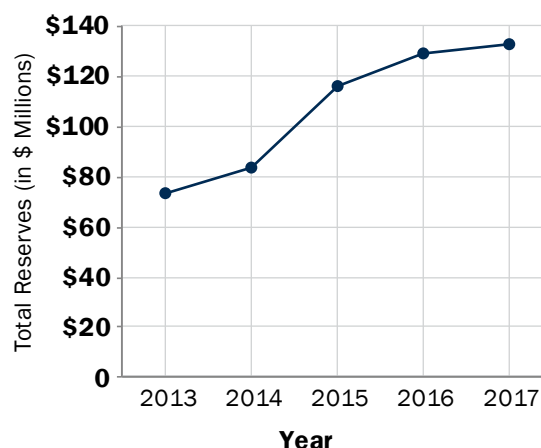
Reserves are funds set aside to provide for capital investments, budget shortfalls or unexpected economic events through general fund contributions and investment income, in an effort to stabilize future tax. The City's reserves are designated for operating and capital purposes, however, the majority of reserves are for capital projects as part of the plan for future expenditures. A growing reserve balance represents good financial management – indicative of healthy fundamental practices and is consistent with the City's conservative approach.

The City's restricted reserves have grown from \$73.9M in 2013 to \$132.7M in 2017, which increased by \$3.0M from \$129.7M a year earlier. Schedule 1 of Restricted Surplus Reserves provides more information on the restricted reserves for the City of St. Albert and its related entities.

**2017 Operating and Capital Reserves By Type**



**Reserve Balance Trend**



## FINANCIAL OPERATIONS

The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's operating results in 2017. While contributing positively to the City's strong financial position, this year's annual surplus of \$43.2M is primarily attributed to revenues recognized for capital projects completed. The segmented information on the lines of service provided by the City is detailed in Note 16 to the financial statements and with the corresponding revenues and expenses presented by object in each functional category.

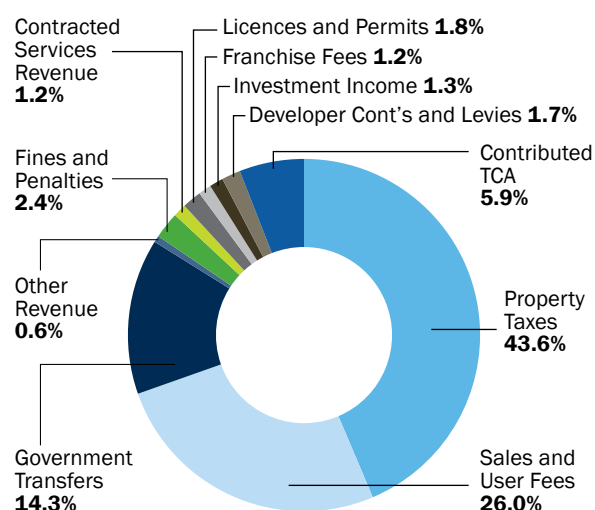
### OPERATING REVENUES (2017 ACTUAL VS BUDGET)

Property tax is the City's primary source of revenue; however, sales and user fees and government transfers also provide a steady stream of revenues. In general, some of the City's revenues fluctuate with economic conditions, while other revenue sources performed largely as budgeted.

In 2017, the City's consolidated operating revenues were in-line with the budget, ending at \$178.9M. The variances of actual revenues from budgeted amounts are as follows:

- \$0.7M higher in Licences and Permits due primarily to permit development and other land fees as a result of an increase of development.
- \$0.6M higher in Government Transfers for operating projects.
- \$0.4M higher in Other Revenue related to Recreation and Parks as a result of unbudgeted grants associated to the Canada 150 celebration, Mental Health and Indigenous Cultural Conservation grants.
- \$0.7M lower in Fines and Penalties mainly due to a decrease of photo radar fines as fewer tickets were issued.
- \$0.6M lower in Sales and User Fees as a result of a decrease in water purchase and water treatment due to a wet year (high precipitation), which led to less water requirements from residents, resulting in lower revenues of water and wastewater

**2017 Operating & Capital Revenues By Object**



## 2017 OPERATING REVENUES BY OBJECT (\$ Million)

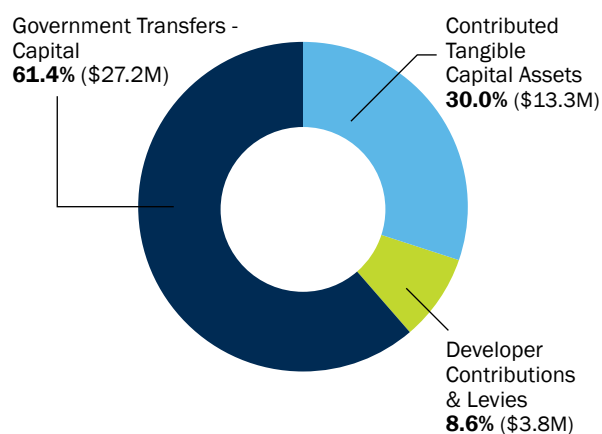
Account	2017 Budget	2017 Actual	Variance \$ vs Budget	Variance % vs Budget	2016 Actual	Variance \$ vs Prior Year	Variance % vs Prior Year
Property Taxes	\$97.7	\$97.4	-\$0.3	0%	\$93.1	\$4.3	5%
Sales and User Fees	\$58.7	\$58.1	-\$0.6	-1%	\$60.5	-\$2.4	-4%
Government Transfers - Operating	\$4.1	\$4.7	\$0.6	15%	\$4.5	\$0.2	4%
Fines and Penalties	\$6.1	\$5.4	-\$0.7	-11%	\$6.4	-\$1.0	-16%
Licenses and Permits	\$3.0	\$3.7	\$0.7	23%	\$3.9	-\$0.2	-5%
Contracted Services Revenue	\$2.7	\$2.7	\$0.0	0%	\$2.7	\$0.0	0%
Investment Income	\$3.0	\$2.8	-\$0.2	-7%	\$2.6	\$0.2	8%
Franchise Fees	\$2.5	\$2.7	\$0.2	8%	\$2.2	\$0.5	23%
Other Revenue	\$1.0	\$1.4	\$0.4	40%	\$1.8	-\$0.4	-22%
<b>Total Operating Revenues</b>	<b>\$178.8</b>	<b>\$178.9</b>	<b>\$0.1</b>	<b>0%</b>	<b>\$177.7</b>	<b>\$1.2</b>	<b>1%</b>

## CAPITAL REVENUES (2017 ACTUAL VS BUDGET)

Funding for capital projects comes from a variety of mechanisms such as tax revenues, reserves, government transfers, third-party contributed assets, developer contributions and levies, and to a lesser extent investment income and other revenues. In 2017, 61.4% of capital funds were received from government transfers, 30.0% from contributed assets and 8.6% from developer contributions and levies.

In addition, capital revenues for capital activities can vary from year-to-year depending on timing of capital project schedules, thus comparison of current year to prior year actuals provides nominal value. As project expenditures are incurred, revenue is match as earned; thus, delays in capital projects result in delays in revenue recognition for projects. The 2017 capital revenues varied by \$14.4M from budget, primarily due to unbudgeted contributed tangible capital assets and unbudgeted developer contributions and levies as well as timing of capital projects completion. A total of \$44.3M capital revenues were recognized in the year.

### 2017 Capital Revenues



## EXPENSES

In the delivery of municipal services, the City incurs expenditures for work performed by employees, vendors and contractors to provide for City services. This requires cash outflows to settle amounts owed by the City. The City's consolidated expenses are comprised of operating and capital expenditures. In general, the City's expenditures are subject to inflationary pressures. As such, the effects of inflation on contracted services and materials, goods and supplies continue to put pressure on costs associated with delivering the City's programs and services.

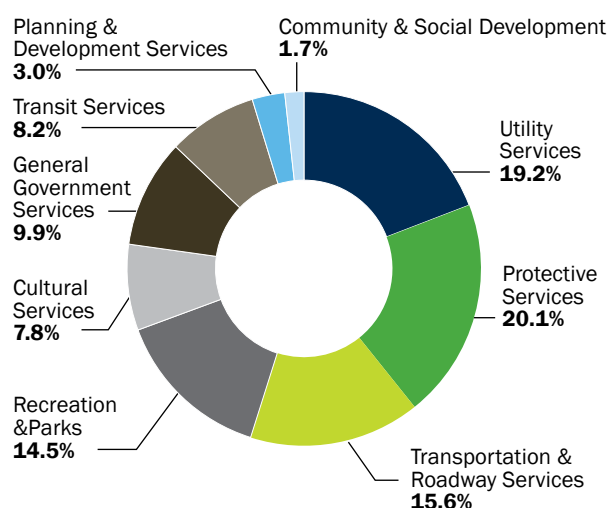
### EXPENSES (2017 ACTUAL VS BUDGET)

During 2017, consolidated City expenses were \$21.7M higher than the budget, ending at \$180.0M, primarily as a result of two City practices. First, the City does not budget for amortization costs of \$24.3M. Amortization costs were particularly pronounced in the areas of transportation and roadway services, recreation and parks, and utility services. Second, the interest portion of long term debt servicing costs of \$1.9M is included in the above results for each functional category and was slightly lower than in 2016 of \$2.0M. This indicates that interest payments are trending lower as fixed term borrowings are repaid.

Variances of actual expenses to budgeted amounts are as follows:

- \$12.5M higher in Transportation and Roadway Services expenses due to unbudgeted amortization costs and unbudgeted financing interest expenses and a net loss on disposals of capital assets.
- \$7.4M higher in Utility Services expenses, including water, wastewater, storm water, and solid waste mostly due to unbudgeted amortization costs, a revised estimate of monitoring costs related to environmental liabilities, and a net loss on disposals of capital assets.
- \$4.2M higher in Recreation and Parks expenses primarily due to unbudgeted amortization costs and unbudgeted financing interest expenses and partially offset by personnel cost savings from staff vacancies.
- \$1.7M higher in Protective Services expenses mainly due to unbudgeted amortization costs and an increase in Royal Canadian Mounted Police (RCMP) contract costs as a result of more officers.

**2017 Expenses by Function**





- \$1.6M higher in Transit Services expenses primarily due to unbudgeted amortization costs.
- \$1.5M higher in Cultural Services expenses primarily due to increases related to externally funded portion of ongoing operations of the Arts and Heritage Foundation not budgeted by the City and unbudgeted amortization costs.
- \$4.9M lower in General Government Services expenses due to budgeted financing interest expenses that are reported corporately with the actuals being allocated to each functional category, unbudgeted amortization, as well as personnel cost savings due to staff vacancies.
- \$2.2M lower in Planning and Development Services due to budgeted consulting fees and employee salaries and wages related to the Sturgeon County Annexation project, which was just commenced in 2017, and is a multi-year budgeted project.

2017 EXPENSES BY FUNCTION (\$ Million)							
Account	2017 Budget	2017 Actual	Variance \$ vs Budget	Variance % vs Budget	2016 Actual	Variance \$ vs Prior Year	Variance % vs Prior Year
Protective Services	\$34.5	\$36.2	-\$1.7	-5%	\$35.0	-\$1.2	-3%
Utility Services	\$27.1	\$34.5	-\$7.4	-27%	\$29.4	-\$5.1	-17%
Recreation and Parks	\$21.9	\$26.1	-\$4.2	-19%	\$25.2	-\$0.9	-4%
Transportation and Roadway Services	\$15.6	\$28.1	-\$12.5	-80%	\$24.8	-\$3.3	-13%
General Government Services	\$22.7	\$17.8	\$4.9	22%	\$17.5	-\$0.3	-2%
Transit Services	\$13.1	\$14.7	-\$1.6	-12%	\$13.8	-\$0.9	-7%
Cultural Services	\$12.6	\$14.1	-\$1.5	-12%	\$13.4	-\$0.7	-5%
Planning and Development Services	\$7.6	\$5.4	\$2.2	29%	\$4.7	-\$0.7	-15%
Family and Social Services	\$3.2	\$3.1	\$0.1	3%	\$3.1	\$0.0	0%
<b>Total Expenses</b>	<b>\$158.3</b>	<b>\$180.0</b>	<b>-\$21.7</b>	<b>-14%</b>	<b>\$166.9</b>	<b>-\$13.1</b>	<b>-8%</b>

## SURPLUS

Surplus is the difference between the current year's excess of revenues over expenditures.

In 2017, the City realized an annual surplus of \$43.2M, which strengthened the City's net assets position. The 2017 surplus was mainly attributable to the net additions of capital assets.



## FINANCIAL CONTROL AND ACCOUNTABILITY

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The City maintains a number of processes and financial controls to ensure that accountability is maintained and that management is able to proactively identify and address financial challenges.

### FINANCIAL GOVERNANCE

Notwithstanding that the City's management is responsible for the preparation of the FSD&A and financial statements, the City's governance structure requires a review of various quarterly reporting, financial policies, audit findings, significant or unusual financial transactions, and accounting treatments or estimates. City Council has established a Governance, Priorities and Finance Committee to conduct these reviews, and also to assist Council by making recommendations on these matters. City Council is ultimately responsible for approving the City's budget, appointing the auditor, and providing general financial authority and oversight.

### BUDGETING AND FINANCIAL REPORTING

Based on the input from citizens, businesses, and numerous other stakeholders, City Council establishes an annual operating budget each year. This operating budget includes the required revenues to fund the City's delivery of desired programs and services to the community and represents City Council's priorities as identified in the City's Strategic Plan and other sources. From year-to-year, services may be altered when City Council identifies a clear need. Note that the operating budget is also prepared on a modified cash flow basis. Based on this method the City uses tax revenues, reserve transfers and government transfers to balance its operating budget. The budget does not include revenue from contributed assets, or amortization expenses.

The City also prepares an annual capital budget based on the long-term projections of its 10-Year Capital Plan. Budget items for the current year are carefully reviewed on a project basis, and funded through a variety of mechanisms such as tax revenues, reserve transfers or government transfers. As there is typically a portion of the capital budget carried forward for projects not completed within the fiscal year, budgets are not directly comparable with current year actual amounts.

The City is organized into various business areas, each responsible for managing the delivery of program services in accordance with the resources allocated to those programs. While all departments share a common accounting and reporting system, financial and accounting services are administered within the Financial Services department and delivered to each business area based on its needs.



The City uses Fund Accounting as the basis for recording and reporting all financial transactions. The City utilizes three fund categories to record and monitor its financial operations: Operating Fund, Capital Fund and Reserves Fund. In addition, these funds are utilized in the preparation of the City's budget and the distribution and use are applied in accordance within the respective fund policy.

## INTERNAL CONTROLS

The City uses financial policies and procedures to ensure appropriate financial internal controls are in place. Policies and procedures are reviewed annually to comply with the *Municipal Government Act* (MGA) and Generally Accepted Accounting Principles (GAAP) as set by the Public Sector Accounting Board (PSAB). A proactive approach is taken to identify and address financial challenges.

## AUDITING PROCESS

The *Municipal Government Act* requires a Municipal council to appoint an independent auditor. In 2017, a tender for audit services was completed and City Council appointed the chartered accounting firm of KPMG as the external auditor for a five-year term, with an option to extend an additional four years, at City Council's discretion. Following a comprehensive audit process and after working closely with management, the auditor must report to City Council with the annual consolidated financial statements. City Council approved the 2017 Consolidated Financial Statements at its meeting on April 16, 2018.



## RISKS AND UNCERTAINTIES

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The City is committed to an integrated approach to risk management, where it is viewed as a key component of sound business practice and due diligence. Management promotes a proactive, corporate-wide and systematic approach to managing risks that could affect City objectives. The City is exposed to various risks that are mitigated through operational and financial controls.

### NORMAL OPERATIONAL RISKS

Normal operational risks are related to delivery of the City's programs and services; as well as social, legal, regulatory, and economic events that could impact City operations, human resource availability and costs, and investment risks related to volatile financial markets. Along with the use of estimates and judgements, the City maintains a system of internal controls to provide reasonable assurance that attests to the fairness and reliability of information and data. To protect and safeguard City assets, control systems are regularly reviewed and enhanced as required.

### REVENUE VOLATILITY

The City's revenue is exposed to economic or other external influences. To address the challenge connected with revenue volatility, the City adopts strategies and practices, which include conservative budgeting, quarterly forecasting, long term investment strategy, and environmental scanning techniques to identify market changes. When appropriate, the City lobbies senior government and other organizations for sufficient and reliable transfers; however, the current provincial government deficits presents a risk related to future transfers.

### INFRASTRUCTURE REPLACEMENT

Municipal infrastructure is required to support a community's economy and quality of life. To ensure that sufficient local infrastructure is available, the City applies long-term construction and maintenance plans or strategies. In many cases, the City's identified infrastructure requirements exceed its funding capacity; therefore City Council engages in ranking and seeks other sources of funding, such as borrowing or government transfers. If not addressed, a municipality's infrastructure deficit could result in lost productivity, damage to property, and decreased quality of life.





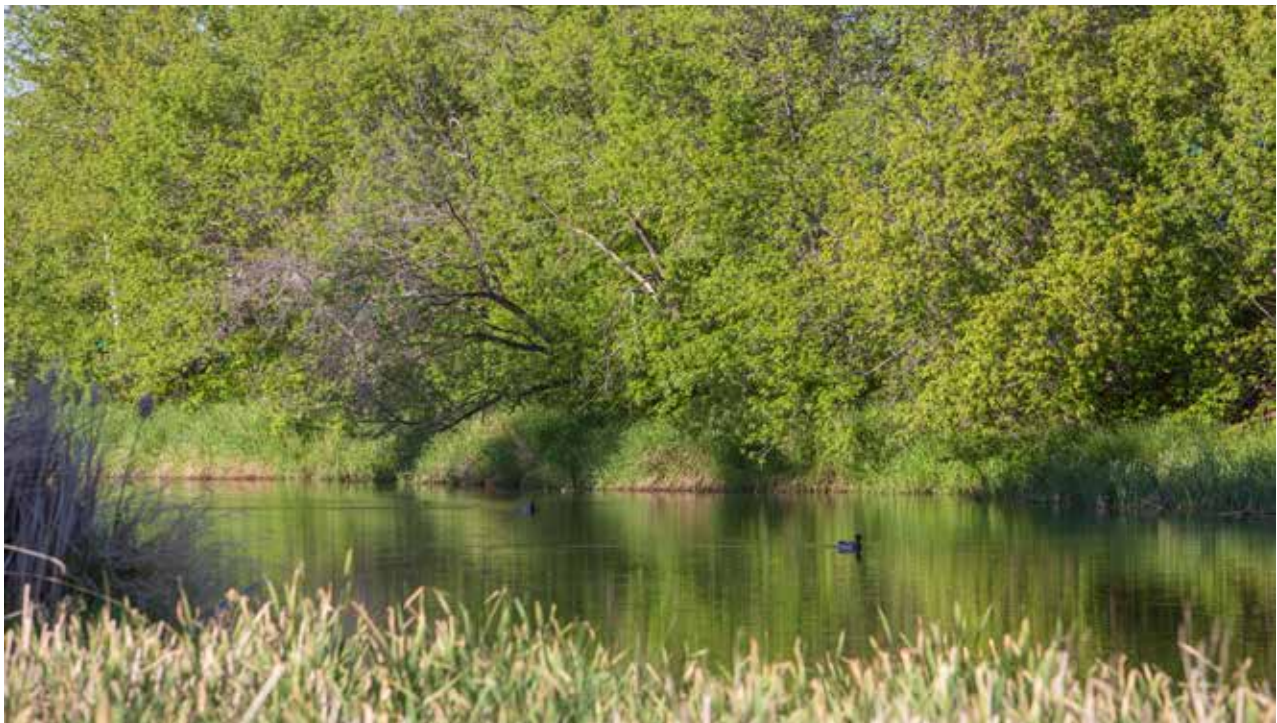
## INSURANCE LOSS

The City maintains an insurance program to cover losses related to its activities, operations, assets and infrastructure. This program has two components: an insurance program purchased through well capitalized external insurers and a self-funded insurance program for all losses falling below policy deductibles. The City's approach to risk management attempts to achieve a balance between risk and total cost.

A claims reserve was established in 2008 to fund the City's self-insured program. The reserve is funded to a confidence level at the 95th percentile of the City's projected losses, as recommended in the November 2011 loss projection analysis report provided by an external consultant. At December 31, 2017, the City's outstanding and fully reserved insurance claims related liabilities were \$0.4M, and its claims self-insurance reserve fund was another \$1.3M.

## ENVIRONMENTAL RISK

The City employs environmental management professionals to assist departments in complying with environmental laws and regulations. The City has also adopted policies and procedures to govern the City's approaches, and it follows environmental systems that provide a sound model to effectively deal with environmental impacts associated with municipal activities. In addition, insurance policies are in place to handle potential unexpected environmental risks.



## FUTURE OUTLOOK

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The City of St. Albert, the Botanical Arts City, is known for its commitment to the natural environment and support for cultural engagement. We continue to be recognized as one of the best places to live and raise a family in Canada. While continued economic development tops our list of priorities, we also focus on enhancing the quality of life for our residents by providing an environment with high levels of service, in a fiscally responsible manner.

New business developments within St. Albert such as the Alberta Gaming & Liquor Commission warehouse, expansion in Riel Business Park, and residential developments have created new opportunities for both developers and home buyers. Residential developments in Riverside, Ville Giroux, and Erin Ridge, and other residential and commercial construction illustrate ongoing stability and sustainable growth in St. Albert.

As a community that borders the northwest corner of Edmonton, we are impacted by economic conditions within the region as well as Alberta as a whole. Due to the latest brisk economic activities that have lifted business investments and provided for a positive labour market, the City remains optimistic as we look towards the future. Our limited non-residential tax base creates challenges in our goals of managing organizational costs to provide programs and services, maintaining our infrastructure and supporting the growth of the City. To address these challenges the City will continue to focus efforts on attracting and retaining commercial, industrial and institutional investment as well as fostering innovation throughout the organization.

The City of St. Albert is in an enviable financial position with healthy reserve balances, well managed debt levels and strong financial policies and practices.

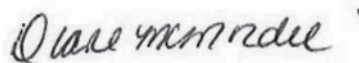
Pending the legalization of cannabis by the Federal government expected in 2018, there is, at this point, no commitment from the provincial government in terms of how, if or when any resulting taxation revenues will be shared with municipalities. Ultimately the burden of costs for carrying out zoning, business licensing, enforcement and community services related to cannabis will be borne by the City. We foresee these risks and will be monitoring the impacts very closely with the potential need to draw on internal reserves in the short-term.

Given that the Federal and Provincial governments are projecting deficits for several years into the future, we are anticipating challenges with municipal funding allocations for capital grants – particularly the provincial Municipal Sustainability Initiative.

The past year's success is made possible through the efforts of the dedicated staff of the City of St. Albert. Their hard work and continuing service ensures the delivery of high-quality programs and services and effectively maintains and grows our civic infrastructure. Our appreciation is extended to all of those who make St. Albert a great place to live and work.



Kevin Scoble  
Chief Administrative Officer



Diane McMordie  
Director of Financial Services

April 16, 2018



## CANADIAN AWARD FOR FINANCIAL REPORTING

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For the last 17 years, the City has received a Canadian Award for Financial Reporting for its Annual Financial Reports. This award, presented by the Government Finance Officers Association of the United States and Canada (GFOA), is presented to governments across Canada who publish high-quality financial reports.

In order to qualify, a government must publish an easily readable and efficiently organized annual financial report, the contents of which conform to program standards beyond the minimum requirements prescribed by Canada's Generally Accepted Accounting Principles. Such a report should clearly communicate the municipality's financial condition, enhance an understanding of financial reporting, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one-year only. The City of St. Albert believes its current Report continues to conform to the program award requirements and will therefore again forward it to the Government Finance Officers Association for award consideration.



Government Finance Officers Association

### **Canadian Award for Financial Reporting**

Presented to

**The City of St. Albert  
Alberta**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2016**

*Christopher P. Morrell*

Executive Director/CEO





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## Management's Report

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To the Mayor and members of Council of the City of St. Albert,

Management is responsible for the integrity, relevance and comparability of the data in the accompanying consolidated financial statements. The consolidated financial statements have been prepared by Management in accordance with Canadian Public Sector Accounting Standards. The preparation of the consolidated financial statements necessarily includes some amounts which are based on Management's best estimates.

It is City policy to practice the highest standard of ethics. The City also has policies and procedures for internal controls.

Management is committed to maintaining an extensive system of internal controls, providing reasonable assurance that:

- \* all transactions are appropriately authorized
- \* assets are properly accounted for and safeguarded
- \* all transactions are appropriately recorded, and financial records are reliable for the preparation of financial statements.

Oversight for Management's responsibilities for financial reporting is provided by City Council through the Standing Committee of the Whole. There are regular meetings between the Committee, Management and independent auditors to discuss auditing and reporting on financial matters, and to ensure that Management is carrying out its responsibilities with its preparation of the financial statements. The auditors have full and free access to the Committee and Management.

The consolidated financial statements have been audited by the independent firm of KPMG LLP.



Kevin Scoble,

City Manager



Diane McMordie, CPA, CMA

Director of Financial Services





KPMG LLP  
2200, 10175 - 101 Street  
Edmonton AB T5J 0H3  
Canada  
Telephone (780) 429-7300  
Fax (780) 429-7379

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the City of St. Albert

We have audited the accompanying consolidated financial statements of the City of St. Albert, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising, a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of St. Albert as at December 31, 2017, and its consolidated statement of operations and accumulated surplus, its consolidated changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Comparative Information*

The financial statements of the City of St. Albert as at and for the year ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 18, 2017.

Chartered Professional Accountants

April 16, 2018  
Edmonton, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



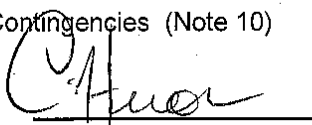
**CITY OF ST. ALBERT**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31, 2017 (in thousands of dollars)

	2017	2016
<b>Financial Assets</b>		
Cash and Cash Equivalents	\$ 28,286	\$ 12,805
Accounts Receivable	13,686	14,790
Taxes Receivable	2,896	2,943
Inventories Held for Resale	26	30
Land Held for Resale	-	614
Investments (Note 2)	156,794	160,245
<b>Total Financial Assets</b>	<b>201,688</b>	<b>191,427</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	19,437	17,366
Deferred Revenue (Note 3)	36,796	34,715
Offsite Levy Liabilities (Note 4)	12,900	9,330
Deposit Liabilities	1,759	1,552
Long-Term Debt (Note 5)	37,475	41,586
Environmental Liability (Note 6)	1,389	325
<b>Total Liabilities</b>	<b>109,756</b>	<b>104,874</b>
<b>Net Financial Assets</b>	<b>91,932</b>	<b>86,553</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 7)	959,796	921,897
Inventories of Materials and Supplies	1,080	1,199
Prepaid Expenses	786	748
<b>Total Non-Financial Assets</b>	<b>961,662</b>	<b>923,844</b>
<b>Accumulated Surplus (Note 9)</b>	<b>\$ 1,053,594</b>	<b>\$ 1,010,397</b>

Commitments and Contingencies (Note 10)

Approved by:

  
 Mayor

  
 Councillor



**CITY OF ST. ALBERT**
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

Year Ended December 31, 2017 (in thousands of dollars)

	2017 Budget (Note 15)	2017	2016
<b>Operating Revenue</b>			
Property Taxes (Note 11)	\$ 97,693	\$ 97,419	\$ 93,123
Sales and User Fees	58,733	58,055	60,524
Government Transfers - Operating (Note 12)	4,056	4,740	4,524
Fines and Penalties	6,121	5,428	6,394
Licenses and Permits	3,003	3,731	3,896
Contracted Services Revenue	2,699	2,676	2,679
Investment Income	3,003	2,822	2,559
Franchise Fees	2,483	2,650	2,209
Other Revenue	1,012	1,373	1,811
<b>Total Operating Revenue</b>	<b>178,803</b>	<b>178,894</b>	<b>177,719</b>
<b>Expenses</b>			
Protective Services	34,514	36,171	35,008
Utility Services	27,117	34,445	29,364
Recreation and Parks	21,863	26,091	25,182
Transportation and Roadway Services	15,619	28,139	24,778
General Government Services	22,727	17,790	17,541
Transit Services	13,076	14,725	13,796
Cultural Services	12,600	14,126	13,478
Planning and Development Services	7,609	5,371	4,704
Family and Social Services	3,216	3,134	3,070
<b>Total Expenses</b>	<b>158,341</b>	<b>179,992</b>	<b>166,921</b>
<b>Annual (Deficiency) Surplus Before Capital Revenue</b>	<b>20,462</b>	<b>(1,098)</b>	<b>10,798</b>
<b>Capital Revenue</b>			
Contributed Tangible Capital Assets	-	13,273	28,959
Developer Contributions and Levies	-	3,860	930
Government Transfers - Capital (Note 12)	29,890	27,162	22,616
<b>Total Capital Revenue</b>	<b>29,890</b>	<b>44,295</b>	<b>52,505</b>
<b>Annual Surplus</b>	<b>50,352</b>	<b>43,197</b>	<b>63,303</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>1,010,397</b>	<b>1,010,397</b>	<b>947,094</b>
<b>Accumulated Surplus, End of Year</b>	<b>\$ 1,060,749</b>	<b>\$ 1,053,594</b>	<b>\$ 1,010,397</b>





**CITY OF ST. ALBERT**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

Year Ended December 31, 2017 (in thousands of dollars)

	2017 Budget (Note 15)	2017	2016
<b>Annual Surplus</b>	\$ 50,352	\$ <b>43,197</b>	\$ 63,303
Acquisition of Tangible Capital Assets	(181,212)	<b>(52,396)</b>	(40,032)
Contributed Tangible Capital Assets	-	<b>(13,273)</b>	(28,959)
Proceeds on Disposal of Tangible Capital Assets	-	<b>335</b>	87
Amortization of Tangible Capital Assets	-	<b>24,334</b>	22,757
Loss on Disposal of Tangible Capital Assets	-	<b>3,101</b>	134
	(130,860)	<b>5,298</b>	17,290
Acquisition of Inventories of Materials and Supplies	-	<b>(1,080)</b>	(1,199)
Acquisition of Prepaid Expenses	-	<b>(786)</b>	(748)
Consumption of Inventories of Materials and Supplies	-	<b>1,199</b>	1,049
Use of Prepaid Expenses	-	<b>748</b>	499
	-	<b>81</b>	(399)
<b>Increase (Decrease) in Net Financial Assets</b>	(130,860)	<b>5,379</b>	16,891
<b>Net Financial Assets, Beginning of Year</b>	86,553	<b>86,553</b>	69,662
<b>Net Financial Assets, End of Year</b>	\$ (44,307)	\$ <b>91,932</b>	\$ 86,553



**CITY OF ST. ALBERT**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year Ended December 31, 2017 (in thousands of dollars)

	2017	2016
<b>Cash Provided by (Used in):</b>		
<b>Operating Activities</b>		
Annual Surplus	\$ 43,197	\$ 63,303
<b>Items Not Involving Cash:</b>		
Amortization of Tangible Capital Assets	24,334	22,757
Contributed Tangible Capital Assets	(13,273)	(28,959)
Loss on Disposal of Tangible Capital Assets	3,101	134
	<b>57,359</b>	<b>57,235</b>
<b>Change in Non-Cash Assets and Liabilities:</b>		
Accounts Receivable	1,104	(2,675)
Taxes Receivable	47	(13)
Inventories Held for Resale	4	(8)
Land Held for Resale	614	-
Accounts Payable and Accrued Liabilities	2,071	165
Deferred Revenue	2,081	537
Offsite Levy Liabilities	3,570	6,682
Deposit Liabilities	207	(60)
Environmental Liability	1,064	-
Inventories of Materials and Supplies	119	(150)
Prepaid Expenses	(38)	(249)
<b>Cash from Operating Activities</b>	<b>68,202</b>	<b>61,464</b>
<b>Capital Activities</b>		
Acquisition of Tangible Capital Assets	(52,396)	(40,032)
Proceeds on Disposal of Tangible Capital Assets	335	87
<b>Cash applied to Capital Activities</b>	<b>(52,061)</b>	<b>(39,945)</b>
<b>Investing Activities</b>		
Purchase of Investments	(167,287)	(171,213)
Maturity of Investments	170,738	129,025
<b>Cash from (applied) to Investing Activities</b>	<b>3,451</b>	<b>(42,188)</b>
<b>Financing Activities</b>		
Repayment of Long-Term Debt	(4,111)	(3,929)
<b>Cash applied to Financing Activities</b>	<b>(4,111)</b>	<b>(3,929)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>15,481</b>	<b>(24,598)</b>
Cash and Cash Equivalents, Beginning of Year	12,805	37,403
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 28,286</b>	<b>\$ 12,805</b>



# **CITY OF ST. ALBERT**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Year Ended December 31, 2017 (in thousands of dollars)**

The City of St. Albert (the City) is a municipality in the Province of Alberta and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c. M-26, as amended (MGA).

### **1. Significant Accounting Policies**

The consolidated financial statements ("financial statements") of the City are the representations of management and have been prepared in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the City are as follows:

#### **a. Reporting Entity**

The financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The entity is comprised of all organizations, committees and local boards that are owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources. In addition to the City's municipal government operations, entities include the St. Albert Public Library and the Arts & Heritage Foundation of St. Albert. Inter-departmental and inter-organizational transactions and balances between these entities have been eliminated. The consolidated financial statements also include requisitions for educational and other organizations that are not part of the City.

#### **b. Use of Estimates**

The preparation of the consolidated financial statements of the City requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant estimates include assumptions used in a number of areas including useful lives of tangible capital assets and the fair value of contributed tangible capital assets. Estimates are also used for various liabilities, including environmental liabilities, offsite levy liabilities and accrued liabilities. Other areas that estimates are used include, revenue recognized in the year, provision for tax exempt appeals, investment impairment, provisions for allowances in accounts receivable and in performing actuarial valuations of employee future benefits.

Actual results could differ from these estimates.

#### **c. Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting.

##### **i. Revenue**

Revenue is accounted for in the period in which it is earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.



# **CITY OF ST. ALBERT**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017 (in thousands of dollars)

### **c. Basis of Accounting**

#### **i. Revenue**

Offsite levies are collected from a developer upon the execution of a Development Agreement as per the Offsite Levy Bylaw. These funds are restricted to fund the construction of specific infrastructure and are recognized as revenue once the said infrastructure has been built and the City has provided a construction completion certificate.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase or construction of tangible capital assets. These transfers are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. These are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

#### **ii. Expenses**

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

### **d. Land Held for Resale**

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under the respective function.

### **e. Investments**

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the straight line basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Investment income is reported as revenue in the period earned. When required by agreement or legislation, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

### **f. Inventories Held for Resale**

Inventories held for resale are valued at lower of cost and net realizable value.

### **g. Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

#### **i. Tangible Capital Assets**





# CITY OF ST. ALBERT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

### g. Non-Financial Assets

#### i. Tangible Capital Assets

acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land, is amortized on a straight line basis over the estimated useful lives as follows:

Buildings and Building Improvement	5 to 50 years
Land Improvement	10 to 30 years
Library Collections	5 years
Engineered Structures	
Roadway System	15 to 60 years
Water System	35 to 75 years
Wastewater System	35 to 75 years
Storm System	35 to 75 years
Machinery and Equipment	5 to 25 years
Vehicles	10 to 25 years

One half of annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Cultural and historical assets such as works of art, historical and heritage sites are not recorded as tangible capital assets in these consolidated financial statements but are disclosed.

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Where an estimate of fair value could not be made, the tangible capital asset is recognized at a nominal value. The City has not assigned nominal values to any assets.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

#### ii. Contributions of Tangible Capital Assets

Tangible Capital Assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

#### iii. Inventories of Materials and Supplies

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and replacement cost.



# CITY OF ST. ALBERT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

### **h. Post Employment Benefits**

The City participates in multi-employer pension plans. As such, contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

### **i. Environmental Liability**

The costs to close and maintain solid waste landfill sites are based on estimated future expenses, adjusted for Alberta Capital Finance Authority discount rate and City of St. Albert municipal index rate to current dollars. These costs are reported as a liability on the Consolidated Statement of Financial Position.

Pursuant to the Alberta Environmental Protection and Enhancement Act, the City is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The liability for closure and post-closure care has been recognized based on an estimate of future expenses.

Contaminated sites are defined as the result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring. Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the City's responsibility is not determinable, a contingent liability may be disclosed.

### **j. Requisition Over-levy and Under-levy**

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.



# CITY OF ST. ALBERT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

### k. Future Accounting Standard Pronouncements

The following summarizes upcoming changes to public sector accounting standards issued by the Public Sector Accounting Standards Board. In 2018, the City will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translations (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

Public Sector Accounting Standard	Name	Effective Date
PS2200	Related Party Transactions	April 1, 2017
PS3420	Inter-Entity Transactions	April 1, 2017
PS3210	Assets	April 1, 2017
PS3320	Contingent Assets	April 1, 2017
PS3380	Contractual Rights	April 1, 2017
PS3430	Restructuring Transactions	April 1, 2018
PS1201	Financial Statement Presentation	April 1, 2019
PS3450	Financial Instruments	April 1, 2019
PS2601	Foreign Currency Translation	April 1, 2019
PS3041	Portfolio Investments	April 1, 2019

## 2. INVESTMENTS

	2017		2016	
	Carrying Value	Market Value	Carrying Value	Market Value
Short Term Notes and Deposits	\$ 104,261	\$ 104,261	\$ 117,544	\$ 117,544
Corporate Bonds	52,333	52,597	42,501	43,538
Credit Union Shares	200	200	200	200
	<b>\$ 156,794</b>	<b>\$ 157,058</b>	<b>\$ 160,245</b>	<b>\$ 161,282</b>

Short term notes and deposits have effective rates of 1.26% to 2.64% (2016 - 1.23% to 2.79%), are for fixed terms, and have maturity dates ranging between 3 months and one year. The City's bond portfolio has effective rates of 2.18% to 3.84% (2016 - 1.78% to 3.84%), with call dates ranging between 2018 and 2027.



**CITY OF ST. ALBERT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017 (in thousands of dollars)

**3. DEFERRED REVENUE**

	2016	Net Contributions	Interest Earned	Revenue Recognized	2017
<b>Deferred Revenue - Capital Government Transfers</b>					
Municipal Sustainability Initiative	\$ 24,342	\$ 16,723	\$ 508	\$ (18,292)	\$ 23,281
New Deal for Cities and Communities	5,705	3,497	115	(3,872)	5,445
Ray Gibbon Drive Provincial Grant Funding	128	-	-	-	128
Basic Capital Grant	1,104	5,834	50	(2,888)	4,100
<b>Total Deferred Revenue - Capital Government Transfers</b>	<b>31,279</b>	<b>26,054</b>	<b>673</b>	<b>(25,052)</b>	<b>32,954</b>
<b>Deferred Revenue - Operating Government Transfers</b>					
Municipal Sustainability Initiative	103	475	2	(580)	-
Family and Community Support Services	-	1,425	-	(1,425)	-
Community	25	10	-	(35)	-
Arts and Heritage Foundation	196	316	-	(196)	316
Other	70	200	-	(220)	50
<b>Total Deferred Revenue - Operating Government Transfers</b>	<b>394</b>	<b>2,426</b>	<b>2</b>	<b>(2,456)</b>	<b>366</b>
<b>Deferred Revenue - Other</b>					
Servus Place	1,094	3,308	-	(3,307)	1,095
Other Operating	680	1,470	-	(996)	1,154
Licensing	904	934	-	(937)	901
Community	3	60	-	(33)	30
Other Capital	18	180	-	(198)	-
Utilities	98	1	-	-	99
Performing Arts	185	152	-	(185)	152
Library	60	47	-	(62)	45
<b>Total Deferred Revenue - Other</b>	<b>3,042</b>	<b>6,152</b>	<b>-</b>	<b>(5,718)</b>	<b>3,476</b>
<b>Total Deferred Revenue</b>	<b>\$ 34,715</b>	<b>\$ 34,632</b>	<b>\$ 675</b>	<b>\$ (33,226)</b>	<b>\$ 36,796</b>





**CITY OF ST. ALBERT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017 (in thousands of dollars)

**4. OFFSITE LEVY LIABILITIES**

	2016	Contributions	Interest Earned	Applied	2017
<b>Offsite Levy Liabilities</b>					
Transportation Offsite Levy	\$ 3,859	\$ 3,141	\$ 50	\$ (3,683)	\$ 3,367
Water Offsite Levy	3,490	2,724	86	-	6,300
Sanitary Sewer Levy	1,938	1,219	45	(86)	3,116
Stormwater Levy	43	165	-	(91)	117
<b>Total Offsite Levy Liabilities</b>	<b>\$ 9,330</b>	<b>\$ 7,249</b>	<b>\$ 181</b>	<b>\$ (3,860)</b>	<b>\$ 12,900</b>

**5. LONG-TERM DEBT**

**a. Long-term debt consists of:**

	2017	2016
Municipal Tax Supported Debenture	\$ 37,475	\$ 41,586

Debenture debt has been issued on the credit and general security of the City. Debentures are held by the Alberta Capital Finance Authority. Debenture interest is payable, before Provincial subsidy, at rates ranging from 3.34% to 5.00% per annum. The debentures are payable in annual or semi annual amounts and mature in periods ranging from 2019 to 2028.

The City has an operating line of credit with its bank of \$5,000 (2016 - \$5,000). This credit facility bears interest at the TD Composite Prime minus 0.50% and was not drawn on at December 31, 2017.

The City's total cash payments for interest in 2017 were \$1,890 (2016 - \$2,072)

**b. Long-term debt principal and interest amounts due in each of the next five years and thereafter are as follows:**

	Principal	Interest	Total
2018	\$ 4,302	\$ 1,698	\$ 6,000
2019	4,502	1,498	6,000
2020	4,257	1,293	5,550
2021	4,461	1,089	5,550
2022	4,674	876	5,550
Thereafter	15,279	1,600	16,879
	<b>\$ 37,475</b>	<b>\$ 8,054</b>	<b>\$ 45,529</b>



# CITY OF ST. ALBERT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

### 5. LONG-TERM DEBT

#### c. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits, as defined by Alberta Regulation 255/2000 for the City be disclosed as follows:

	2017	2016
Total Debt Limit	\$ 274,131	\$ 267,974
Total Debt	37,475	41,586
<b>Amount of Debt Limit Unused</b>	<b>236,656</b>	<b>226,388</b>
Maximum Allowable Debt Servicing Limit	45,689	44,662
Annual Payments of Existing Debt	6,000	6,000
<b>Amount of Debt Servicing Limit Unused</b>	<b>\$ 39,689</b>	<b>\$ 38,662</b>

The debt limit is calculated at 1.5 times revenue of the City (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the City, rather, the consolidated financial statements and other factors must be considered.

### 6. ENVIRONMENTAL LIABILITY

Under Provincial legislation, the City has a liability for closure and post closure care of landfill sites, which includes final covering and landscaping, plumbing of groundwater and leachates from the sites, and ongoing environmental monitoring, site inspections and maintenance. The action plan includes objectives that will maintain the integrity of the containment berms, minimize the generation of leachate and continued monitoring of the groundwater. In addition, under Provincial legislation, the City is required to remediate certain lands with salt contamination in excess of Provincial environmental standards related to a former salt storage shed.

The City's landfill post closure and contaminated sites monitoring costs are based on estimated future monitoring expenses in current dollars by applying Alberta Capital Finance Authority discount rate of 3.0035% and the St. Albert municipal price index rate of 2.45%. An amount of \$828 (2016 - \$200) has been set up for the landfill post closure monitoring expenses and an amount of \$561 (2016 - \$125) has been set up for contaminated sites monitoring costs. These environmental liabilities relate to salt impact, which are affecting the soil and groundwater from a former salt storage shed.

The reported liabilities are based on estimates and assumptions with respect to events using the best information available to management. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total expenses and will be recognized prospectively as a change in estimate when applicable.

	2017	2016
Estimated Post Closure Monitoring Costs	\$ 828	\$ 200
Estimated Contaminated Site Monitoring Costs	561	125
<b>Estimated Monitoring Costs</b>	<b>\$ 1,389</b>	<b>\$ 325</b>



**CITY OF ST. ALBERT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017 (in thousands of dollars)

**7. TANGIBLE CAPITAL ASSETS**

	2017									
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery and Equipment	Land	Vehicles	Assets Under Construction	Total
<b>Cost</b>										
Balance, Beginning of Year	\$ 8,457	\$ 2,200	\$ 49,844	\$ 602,132	\$ 129,883	\$ 24,963	\$ 397,392	\$ 41,868	\$ 57,745	\$ 1,314,484
Acquisitions and Transfers	7,612	376	7,133	23,130	2,743	4,149	12,611	3,961	3,954	65,669
Disposals	-	(443)	-	(15,952)	-	(2,302)	(1,001)	(897)	-	(20,595)
<b>Balance, End of Year</b>	<b>16,069</b>	<b>2,133</b>	<b>56,977</b>	<b>609,310</b>	<b>132,626</b>	<b>26,810</b>	<b>409,002</b>	<b>44,932</b>	<b>61,699</b>	<b>1,359,558</b>
<b>Accumulated Amortization</b>										
Balance, Beginning of Year	1,252	1,137	26,771	270,250	62,141	12,800	-	18,236	-	392,587
Amortization	382	434	2,195	13,312	2,684	2,768	-	2,559	-	24,334
Disposals	-	(443)	-	(13,749)	-	(2,150)	-	(817)	-	(17,159)
<b>Balance, End of Year</b>	<b>1,634</b>	<b>1,128</b>	<b>28,966</b>	<b>269,813</b>	<b>64,825</b>	<b>13,418</b>	<b>-</b>	<b>19,978</b>	<b>-</b>	<b>399,762</b>
<b>Net Book Value, End of Year</b>	<b>\$ 14,435</b>	<b>\$ 1,005</b>	<b>\$ 28,011</b>	<b>\$ 339,497</b>	<b>\$ 67,801</b>	<b>\$ 13,392</b>	<b>\$ 409,002</b>	<b>\$ 24,954</b>	<b>\$ 61,699</b>	<b>\$ 959,796</b>





**CITY OF ST. ALBERT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended December 31, 2017 (in thousands of dollars)

**7. TANGIBLE CAPITAL ASSETS**

	2016							
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery and Equipment	Land	Assets Under Construction
Cost								Total
Balance, Beginning of Year	\$ 7,545	\$ 2,235	\$ 49,057	\$ 561,722	\$ 129,740	\$ 23,295	\$ 384,674	\$ 49,942
Acquisitions and Transfers	912	400	787	40,410	143	3,206	12,718	7,803
Disposals	-	(435)	-	-	-	(1,538)	-	-
<b>Balance, End of Year</b>	<b>8,457</b>	<b>2,200</b>	<b>49,844</b>	<b>602,132</b>	<b>129,883</b>	<b>24,963</b>	<b>397,392</b>	<b>57,745</b>
<b>Accumulated Amortization</b>								
Balance, Beginning of Year	1,026	1,123	24,776	257,537	59,488	11,815	-	-
Amortization	226	444	1,995	12,713	2,653	2,331	-	-
Disposals	-	(430)	-	-	-	(1,346)	-	-
<b>Balance, End of Year</b>	<b>1,252</b>	<b>1,137</b>	<b>26,771</b>	<b>270,250</b>	<b>62,141</b>	<b>12,800</b>	<b>-</b>	<b>-</b>
<b>Net Book Value, End of Year</b>	<b>\$ 7,205</b>	<b>\$ 1,063</b>	<b>\$ 23,073</b>	<b>\$ 331,882</b>	<b>\$ 67,742</b>	<b>\$ 12,163</b>	<b>\$ 397,392</b>	<b>\$ 57,745</b>
								<b>\$ 921,897</b>



**CITY OF ST. ALBERT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017 (in thousands of dollars)

**7. TANGIBLE CAPITAL ASSETS**

**a. Assets Under Construction**

Assets under construction have a cost of \$61,699 (2016 - \$57,745) and will be amortized when the assets are put into service.

**b. Contributed Tangible Capital Assets**

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The fair value of contributed tangible assets received during the year is \$13,273 (2016 - \$28,959). This amount is comprised of roads infrastructure in the amount of \$5,783 (2016 - \$8,790), water, storm and wastewater infrastructure in the amount of \$4,211 (2016 - \$10,515), land improvement (contributed land per the agreement) in the amount of \$3,279 (2016 - \$9,579), and Culture \$0 (2016 - \$75).

**c. Works of Art and Historical Treasures**

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets.

**8. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2017	2016
Tangible Capital Assets (Note 7)	\$ 1,359,558	\$ 1,314,484
Accumulated Amortization (Note 7)	(399,762)	(392,587)
Long-Term Debt (Note 5)	(37,475)	(41,586)
	<b>\$ 922,321</b>	<b>\$ 880,311</b>

**9. ACCUMULATED SURPLUS**

Accumulated surplus consists of unrestricted, restricted and amounts invested in tangible capital assets as follows:

	2017	2016
Unrestricted Surplus	\$ (1,421)	\$ 412
Restricted Surplus - Reserves (Schedule 1)	132,694	129,674
Equity in Tangible Capital Assets	922,321	880,311
<b>Total Accumulated Surplus</b>	<b>\$ 1,053,594</b>	<b>\$ 1,010,397</b>



**CITY OF ST. ALBERT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017 (in thousands of dollars)

**10. COMMITMENTS AND CONTINGENCIES**

**a. Annexation**

On February 14, 2007 the Lieutenant Governor in Council approved the request of the City of St. Albert to annex land from Sturgeon County ("County"). Effective January 1, 2007 the City's boundaries were extended to include all of the land that St. Albert had requested. The City is obligated to pay the County \$800 at a rate of \$80 per year starting in 2009 and ending 2018.

**b. Legal Claims**

As at December 31, 2017, the City was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no adverse effect on the City's financial position.

**c. Lease Commitments**

The City has entered into several operating lease agreements for space rental. Lease commitments over the next five years and thereafter are as follows

2018	\$	1,054
2019		989
2020		938
2021		607
2022		268
Thereafter		36
		<hr/>
		\$ 3,892
		<hr/>



**CITY OF ST. ALBERT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017 (in thousands of dollars)

**11. PROPERTY TAXES**

	2017 Budget (Note 15)	2017	2016
<b>Taxation</b>			
Real Property Taxes	\$ 128,985	\$ 126,935	\$ 122,242
Linear Property Taxes	1,076	1,075	1,076
Government Grants in place of property tax	-	1,777	1,339
<b>Total Taxation</b>	<b>130,061</b>	<b>129,787</b>	<b>124,657</b>
<b>Requisitions</b>			
Alberta School Foundation Fund	23,966	23,953	23,071
Opted Out School Board	7,201	7,214	7,279
Sturgeon Foundation Requisition	1,121	1,121	1,104
Other	80	80	80
<b>Total Requisitions</b>	<b>32,368</b>	<b>32,368</b>	<b>31,534</b>
<b>Property Taxes Available for Municipal Purposes</b>	<b>\$ 97,693</b>	<b>\$ 97,419</b>	<b>\$ 93,123</b>

**12. GOVERNMENT TRANSFERS**

	2017 Budget (Note 15)	2017	2016
<b>Government Transfers for Operations</b>			
Provincial Transfers	\$ 3,806	\$ 4,399	\$ 4,294
Federal Transfers	250	341	230
<b>Total Operating Transfers</b>	<b>4,056</b>	<b>4,740</b>	<b>4,524</b>
<b>Government Transfers for Capital</b>			
Provincial Transfers	21,616	23,189	20,143
Federal Transfers	8,274	3,973	2,473
<b>Total Capital Transfers</b>	<b>29,890</b>	<b>27,162</b>	<b>22,616</b>
<b>Total Government Transfers</b>	<b>\$ 33,946</b>	<b>\$ 31,902</b>	<b>\$ 27,140</b>



# CITY OF ST. ALBERT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

### 13. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer, and the designated officer is required by Alberta Regulation 313/2000. This information is not presented in thousands of dollars.

	Salaries (a)	Benefits and Allowances (b)	2017	2016
Mayor Heron (i)	\$ 19,504	\$ 1,120	\$ 20,624	\$ -
Councillor Hansen (i)	7,979	988	8,967	-
Councillor Joly (i)	7,979	994	8,973	-
Councillor K. MacKay (i)	7,979	304	8,283	-
Councillor Watkins (i)	7,979	870	8,849	-
Councillor Brodhead	41,612	5,835	47,447	47,134
Councillor Hughes	40,612	5,884	46,496	43,191
Mayor Crouse (ii)	114,147	7,521	121,668	146,508
Councillor Heron (ii)	33,633	2,762	36,395	51,858
Councillor C. MacKay (ii)	32,233	3,431	35,664	42,266
Councillor Osborne (ii)	32,433	5,216	37,649	49,943
Councillor Russell (ii)	31,233	257	31,490	37,916
Chief Administrative Officer	250,000	42,889	292,889	696,726
Designated Officer	143,855	39,945	183,800	184,982

(i) Council Term started October 2017.

(ii) Council Term completed October 2017.

#### a. Salaries

Salaries above includes amounts received from an independent organization by the Mayor and Councillors when acting in their capacity. These amounts were paid through the City and are included in the City's expenses, in the consolidated financial statements.

#### b. Benefits and Allowances

Benefits and allowances above, include any allowances, as well as the City's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, employment insurance, WCB, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance, long and short term disability plans, professional memberships, and car allowances.

#### c. Chief Administrative Officer (CAO)

As at December 31, 2016, salaries, benefits, and allowances for the Chief Administrative Officer (CAO) include severance costs and related benefit payouts.





# CITY OF ST. ALBERT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

### 14. PENSION PLANS

#### a. Local Authorities Pension Plan

Approximately 667 (2016 – 621) employees of the City participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The plan is financed by employer and employee contributions and investment earnings of the LAPP Fund. The City is required to make current service contributions to the LAPP of 11.39% (2016 - 11.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% (2016 - 15.84%) on pensionable earnings above this amount. Employees of the City are required to make current service contributions of 10.39% (2016 - 10.39%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2016 – 14.84%) on pensionable salary above this amount.

Total contributions by the City to the LAPP in 2017 were \$6,693 (2016 - \$6,434). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2017 were \$6,176 (2016 - \$5,936). At December 31, 2016, the plan reported the value of its assets at \$37.7 billion (2015 - \$34.4 billion) and disclosed an actuarial deficiency of \$0.64 billion (2015 – \$0.92 billion). Plan asset and actuarial deficiency data as at December 31, 2017 were not yet available.

#### b. APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2004. This plan provides supplementary pension benefits to a prescribed class of employees 16 beneficiaries (2016 - 18). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. The employees and the City are required to make current service contributions to APEX of 2.84% and 3.78% (2016 - 2.50% and 3.00%) respectively, of pensionable earnings up to \$146 (2016 - \$145). Total current service contributions by the City to APEX in 2017 were \$89 (2016 - \$78). Total current service contributions by the employees of the City were \$67 (2016 - \$65).

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. The cost of post retirement benefits are fully funded.

As at December 31, 2017, the APEX supplementary pension plan has vested with approximately 80% of eligible employees. The City has disclosed contributions to the APEX plan.

#### c. MuniSERP

The MuniSERP supplementary overcap retirement plan extend LAPP and APEX pension benefit levels beyond the Canada Revenue Agency maximum. The plan commenced on January 1, 2003, and provides supplementary benefits to a prescribed class of employees 8 beneficiaries (2016 - 10). MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered supplementary employee retirement plan. The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. As at December 31, 2017, an actuarial costing has been completed along with corresponding disclosure of designated assets.



**CITY OF ST. ALBERT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017 (in thousands of dollars)

**14. PENSION PLANS**

The following presents the MuniSERP obligation as at December 31, 2017:

	2017	2016
<b>Accrued Benefit Obligation</b>		
Balance, Beginning of Year	\$ 255	\$ 339
Current Service Cost and Interest Cost	(88)	(84)
<b>Balance, End of Year</b>	<b>\$ 167</b>	<b>\$ 255</b>

There are no defined benefit plan assets.

The significant actuarial assumptions in measuring the City's accrued benefit obligation are as follows:

	2017	2016
Discount Rate	4.75 %	4.75 %
Rate of Compensation Increase	3.50 %	3.50 %

**15. BUDGET INFORMATION**

The budget data presented in these consolidated financial statements is based upon the 2017 operating and capital budgets approved by Council. Amortization, contributed tangible capital assets and loss on sale of tangible capital assets were not contemplated in development of the budget and, as such, have not been included. The 2017 operating budget, approved by Council December 12, 2016 (2016 - December 14, 2015), is reported on the accrual basis in accordance with Canadian Public Sector Accounting Standards, which excludes the repayment of long-term debt and reserve transactions. The capital budget reports the authorized activity for the year ended December 31, 2017, as follows:

	2017	2016
Capital Budget approved by Council	\$ 72,591	\$ 50,231
Approved Capital Budget Amendments	(10,497)	41,224
Unspent Prior Years Budgeted Capital Expenditures and Amendments	121,438	137,135
Amounts Deemed Not Capital in Nature	(2,320)	(2,378)
<b>Capital Budget for Acquisition of Tangible Capital Assets</b>	<b>\$ 181,212</b>	<b>\$ 226,212</b>

Budgets established for capital acquisitions and related financing are calculated on a project oriented basis. As these transactions may be carried out over one or more years, they are not directly comparable with current year actual amounts.



# CITY OF ST. ALBERT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

### 16. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**a. General Government Services**

The City's general services include its corporate functions, such as finance, information technology, human resources, taxation and assessment, legislative operations, and common and fiscal services.

**b. Protective Services**

The City contracts with the Royal Canadian Mounted Police for police protection, and holds a contract through Alberta Health Services to provide emergency medical services within the community. The City also operates a municipal fire department and provides bylaw enforcement services.

**c. Recreation and Parks**

The City owns large park systems such as the Red Willow Park and numerous community and neighbourhood parks and playgrounds. The City also provides a variety of recreational programs and services to residents on a year round basis.

**d. Utility Services**

Four utilities – water, wastewater, storm, and solid waste/recycling – are administered directly by the City. While these utilities are funded independently from municipal operations as per the City's Utility Rate Model, financial results are included with the City.

**e. Transportation and Roadway Services**

The City provides a number of maintenance and related services for streets, sidewalks, lighting, and equipment pool. Costs related to summer and winter road maintenance are also captured here. Roadway services provides service to other segments of the organization on a cost recovery basis, which is reflected in other expense recoveries.

**f. Transit Services**

St. Albert Transit is a municipally owned and operated transit service offering local and commuter routes for riders. St. Albert Transit operates on a subsidized fee for service basis.

**g. Cultural Services**

St. Albert has cultural programs, services, and events. The St. Albert Public Library and Arts & Heritage Foundation of St. Albert are included in Cultural Services on the Consolidated Statement of Operations and Accumulated Surplus.



**CITY OF ST. ALBERT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017 (in thousands of dollars)

**16. SEGMENTED INFORMATION**

**h. Planning and Development Services**

To ensure that the community is well planned and attractive for investment, the City is active in the area of land use planning, engineering, and economic development.

**i. Family and Social Services**

Social services include those provided by the City's Family and Community Support Services department, in addition to costs related to the St. Albert Cemetery and other community supports.





## CITY OF ST. ALBERT NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

### 16. SEGMENTED INFORMATION

The following tables report the financial operations for each of the above mentioned segments.

December 31, 2017	General Government Services	Protective Services	Recreation and Parks	Utility Services (Schedule 2)	Transportation & Roadway Services	Transit Services	Cultural Services	Planning and Development Services	Family and Social Services	Total 2017	Budget 2017
<b>Operating Revenue</b>											
Property Taxes	\$ 13,982	\$ 21,235	\$ 13,451	\$ 16,684	\$ 9,610	\$ 8,045	\$ 7,752	\$ 4,681	\$ 1,979	\$ 97,419	\$ 97,693
Sales and User Fees	486	1,261	10,758	37,551	519	4,456	1,899	887	238	58,055	58,733
Government Transfers - Operating	472	1,543	36	5	130	2	965	104	1,483	4,740	4,056
Fines and Penalties	902	4,387	-	139	-	-	-	-	-	5,428	6,121
Licenses and Permits	841	367	-	-	20	-	-	2,503	-	3,731	3,003
Contracted Services Revenue	-	2,676	-	-	-	-	-	-	-	2,676	2,699
Investment Income	1,513	18	102	1,012	60	65	41	11	-	2,822	3,003
Franchise Fees	2,650	-	-	-	-	-	-	-	-	2,650	2,483
Other Revenue	112	4	554	156	60	-	475	3	9	1,373	1,012
<b>Total Operating Revenue</b>	<b>20,958</b>	<b>31,491</b>	<b>24,901</b>	<b>55,547</b>	<b>10,399</b>	<b>12,568</b>	<b>11,132</b>	<b>8,189</b>	<b>3,709</b>	<b>178,894</b>	<b>178,803</b>
<b>Expenses</b>											
Salaries, Wages and Benefits	14,456	20,595	14,280	5,445	9,379	2,407	8,605	3,610	1,659	80,436	80,375
Contracted and General Services	1,020	2,202	2,647	10,226	4,138	8,357	2,398	479	166	31,633	33,847
Amortization	1,563	953	3,621	4,737	10,861	1,836	716	47	-	24,334	-
Purchases from Other Governments	-	10,366	-	10,850	-	-	-	-	-	21,216	21,120
Materials, Goods and Utilities	334	1,014	3,281	1,221	4,800	2,035	1,653	71	103	14,512	14,592
Transfers to Individuals & Organizations	184	-	-	30	33	-	449	268	1,192	2,156	3,853
Interest on Long-Term Debt	-	-	-	-	891	-	-	-	-	1,858	1,889
Other Expenses (Recovery)	233	1,043	1,334	811	(3,109)	18	305	96	15	746	2,665
Loss (Gain) on Disposal of Tangible Capital Assets	-	(2)	(39)	1,125	1,146	72	-	799	-	3,101	-
<b>Total Expenses</b>	<b>17,790</b>	<b>36,171</b>	<b>26,091</b>	<b>34,445</b>	<b>28,139</b>	<b>14,725</b>	<b>14,126</b>	<b>5,370</b>	<b>3,135</b>	<b>179,992</b>	<b>158,341</b>
<b>Excess (Deficiency) of Revenue over Expenses before Capital Revenue</b>	<b>3,168</b>	<b>(4,680)</b>	<b>(1,190)</b>	<b>21,102</b>	<b>(17,740)</b>	<b>(2,157)</b>	<b>(2,994)</b>	<b>2,819</b>	<b>574</b>	<b>(1,098)</b>	<b>20,462</b>
<b>Capital Revenue</b>											
Contributed Tangible Capital Assets	-	-	-	4,211	5,763	-	-	3,279	-	13,273	-
Developer Contributions and Levies	-	-	-	18	3,842	-	-	-	-	3,860	-
Government Transfers - Capital	721	-	1,210	2,728	11,250	9,601	1,586	66	-	27,162	29,890
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 3,889</b>	<b>\$ (4,680)</b>	<b>\$ 20</b>	<b>\$ 28,059</b>	<b>\$ 3,135</b>	<b>\$ 7,444</b>	<b>\$ (1,408)</b>	<b>\$ 6,164</b>	<b>\$ 574</b>	<b>\$ 43,197</b>	<b>\$ 50,352</b>





**CITY OF ST. ALBERT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended December 31, 2017 (in thousands of dollars)

**16. SEGMENTED INFORMATION**

December 31, 2016	General Government Services	Protective Services	Recreation and Parks	Utility Services (Schedule 2)	Transportation and Roadway Services	Transit Services	Cultural Services	Planning and Development Services	Family and Social Services	Total 2016	Budget 2016
<b>Operating Revenue</b>											
Property Taxes	\$ 13,724	\$ 20,899	\$ 12,918	\$ 15,789	\$ 8,717	\$ 8,214	\$ 7,738	\$ 3,029	\$ 2,095	\$ 93,123	\$ 93,194
Sales and User Fees	519	2,964	10,641	38,351	503	4,372	1,973	961	240	60,524	58,204
Government Transfers - Operating	465	1,536	52	-	122	3	691	89	1,566	4,524	3,800
Fines and Penalties	974	5,420	-	-	-	-	-	-	-	6,394	772
Licenses and Permits	833	372	-	-	24	-	-	2,667	-	3,896	5,351
Contracted Services Revenue	-	2,679	-	-	-	-	-	-	-	2,679	2,593
Investment Income	1,446	17	102	776	134	53	26	5	-	2,559	2,569
Franchise Fees	2,209	-	-	-	-	-	-	-	-	2,209	2,280
Other Revenue	582	-	500	36	189	-	490	2	12	1,811	2,617
<b>Total Operating Revenue</b>	<b>20,752</b>	<b>33,887</b>	<b>24,213</b>	<b>54,952</b>	<b>9,689</b>	<b>12,642</b>	<b>10,918</b>	<b>6,753</b>	<b>3,913</b>	<b>177,719</b>	<b>171,380</b>
<b>Expenses</b>											
Salaries, Wages and Benefits	14,455	21,031	13,706	4,449	8,455	2,184	8,164	3,597	1,506	77,547	75,242
Contracted and General Services	1,052	3,192	2,573	7,969	3,443	8,158	2,646	788	336	30,157	30,863
Amortization	1,337	869	3,452	4,502	10,121	1,751	677	48	-	22,757	-
Purchases from Other Governments	-	8,079	-	10,660	-	-	-	-	-	18,739	19,856
Materials, Goods and Utilities	283	975	3,167	979	4,388	1,694	1,560	87	112	13,245	13,727
Transfers to Individuals & Organizations	187	-	-	16	(2)	-	264	97	1,103	1,665	3,614
Interest on Long-Term Debt	(4)	-	1,077	-	969	-	-	-	-	2,042	2,072
Other Expenses (Recovery)	231	861	1,227	789	(2,754)	20	162	87	12	635	2,250
(Gain) Loss on Disposal of Tangible Capital Assets	-	1	(20)	-	158	(11)	6	-	-	134	-
<b>Total Expenses</b>	<b>17,541</b>	<b>35,008</b>	<b>25,182</b>	<b>29,364</b>	<b>24,778</b>	<b>13,796</b>	<b>13,479</b>	<b>4,704</b>	<b>3,069</b>	<b>166,921</b>	<b>147,624</b>
<b>Excess (Deficiency) of Revenue over Expenses before Capital Revenue</b>	<b>3,211</b>	<b>(1,121)</b>	<b>(969)</b>	<b>25,588</b>	<b>(15,089)</b>	<b>(1,154)</b>	<b>(2,561)</b>	<b>2,049</b>	<b>844</b>	<b>10,798</b>	<b>23,756</b>
<b>Capital Revenue</b>											
Contributed Tangible Capital Assets	-	-	-	10,515	8,790	-	75	9,579	-	28,959	-
Developer Contributions and Levies	365	-	-	546	19	-	-	-	-	930	-
Government Transfers - Capital	2,489	49	1,856	2,348	11,727	739	1,261	2,147	-	22,616	25,346
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 6,065</b>	<b>\$ (1,072)</b>	<b>\$ 887</b>	<b>\$ 38,997</b>	<b>\$ 5,447</b>	<b>\$ (415)</b>	<b>\$ (1,225)</b>	<b>\$ 13,775</b>	<b>\$ 844</b>	<b>\$ 63,303</b>	<b>\$ 49,102</b>

**CITY OF ST. ALBERT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017 (in thousands of dollars)

**17. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.

**18. COMPARATIVE INFORMATION**

Certain comparative information has been reclassified to conform with the current year presentation.



# CITY OF ST. ALBERT

Year Ended December 31, 2017

## SCHEDULE 1 - SCHEDULE OF RESTRICTED SURPLUS - RESERVES

	2017	2016
<b>City of St. Albert</b>		
Operating	\$ 12,872	\$ 13,322
Capital	69,299	69,751
	<b>82,171</b>	<b>83,073</b>
<b>*Outside Agencies</b>		
Operating	463	414
Capital	473	498
	<b>936</b>	<b>912</b>
<b>Utilities</b>	<b>49,587</b>	<b>45,689</b>
<b>Total Restricted Surplus Reserves</b>	<b>\$ 132,694</b>	<b>\$ 129,674</b>

\* Outside Agencies includes the St. Albert Public Library, the Arts & Heritage Foundation of St. Albert and other Community & Social Development Services.



# CITY OF ST. ALBERT

Year Ended December 31, 2017

## SCHEDULE 2 - SCHEDULE OF UTILITY SERVICES\*

	Water	Wastewater	Storm	Waste	Utility Finance	2017	2016
<b>Operating Revenue</b>							
Sales and User Fees	\$ 13,242	\$ 11,842	\$ 6,025	\$ 6,410	\$ 32	\$ 37,551	\$ 38,351
Government Transfers - Operating	1	1	3	-	-	5	-
Fines and Penalties	-	-	-	-	139	139	-
Investment Income	329	298	325	60	-	1,012	776
Other Revenue	110	11	35	-	-	156	36
<b>Total Operating Revenue</b>	<b>13,682</b>	<b>12,152</b>	<b>6,388</b>	<b>6,470</b>	<b>171</b>	<b>38,863</b>	<b>39,163</b>
<b>Expenses</b>							
Salaries, Wages and Benefits	1,761	1,558	550	1,049	527	5,445	4,449
Contracted and General Services	1,878	1,947	1,157	5,121	123	10,226	7,969
Amortization	1,727	1,157	1,493	360	-	4,737	4,502
Purchases from Other Governments	4,613	6,237	-	-	-	10,850	10,660
Materials, Goods and Utilities	721	258	105	127	10	1,221	979
Transfers to Individuals & Organizations	-	-	-	-	30	30	16
Other Expenses (Recovery)	137	231	30	404	9	811	789
(Gain) Loss on Disposal of Tangible Capital Assets	116	934	75	-	-	1,125	-
<b>Total Expenses</b>	<b>10,953</b>	<b>12,322</b>	<b>3,410</b>	<b>7,061</b>	<b>699</b>	<b>34,445</b>	<b>29,364</b>
<b>Excess (Deficiency) of Revenue over Expenses Before Capital Revenue</b>	<b>2,729</b>	<b>(170)</b>	<b>2,978</b>	<b>(591)</b>	<b>(528)</b>	<b>4,418</b>	<b>9,799</b>
<b>Capital Revenue</b>							
Contributed Tangible Capital Assets	805	735	2,671	-	-	4,211	10,515
Developer Contributions and Levies	6	12	-	-	-	18	546
Government Transfers - Capital	48	917	1,763	-	-	2,728	2,348
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 3,588</b>	<b>\$ 1,494</b>	<b>\$ 7,412</b>	<b>\$ (591)</b>	<b>\$ (528)</b>	<b>\$ 11,375</b>	<b>\$ 23,208</b>

\* Property taxes have been excluded from the above schedule as the City does not allocate property taxes to individual utility services.





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## GENERAL STATISTICAL INFORMATION

(Unaudited)

For the Years Ended December 31, 2013 - 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
<b>POPULATION (2)</b>	<b>65,589</b>	<b>64,645</b>	<b>63,255</b>	<b>63,255</b>	<b>61,421</b>
<b>NUMBER OF DWELLING UNITS (4)</b>	<b>26,541</b>	26,140	25,285	25,040	24,714
<b>MUNICIPAL AREA (IN HECTARES)</b>	<b>4,973</b>	4,973	4,973	4,973	4,973
<b>BUILDING PERMITS VALUE (IN THOUSANDS)</b>					
Residential	<b>196,245</b>	133,412	154,980	176,794	158,676
Commercial	<b>62,619</b>	40,071	21,920	19,363	42,569
Industrial	<b>6,974</b>	78,056	3,362	8,515	5,787
Institutional	<b>21,254</b>	14,870	39,554	633	2,405
	<b>287,092</b>	266,409	219,816	205,305	209,437
<b>BUILDING PERMITS ISSUED</b>					
Residential	<b>675</b>	690	718	759	725
Commercial	<b>98</b>	80	70	68	74
Industrial	<b>42</b>	35	41	60	59
Institutional	<b>26</b>	31	31	20	21
	<b>841</b>	836	860	907	879
<b>PARK AREA (IN HECTARES) (3)</b>	<b>533</b>	524	522	515	510
<b>TAX COLLECTION RATE (PERCENTAGE)</b>	<b>97.77</b>	97.56	97.56	97.44	97.22
<b>LONG TERM DEBT</b>					
Long term debt (IN THOUSANDS)	<b>37,475</b>	41,586	45,515	49,270	52,858
Retired Within 5 Years	<b>59.2</b>	52.0	46.0	42.0	37.0
Retired Thereafter	<b>40.8</b>	48.0	54.0	58.0	63.0
<b>RESIDENTIAL TAX INCREASE %</b>	<b>0.8</b>	0.6	1.8	0.2	2.8
<b>QUALITY OF LIFE SATISFACTION</b>	<b>99</b>	-	-	98	-
<b>CONSUMER PRICE INDEX CHANGE (PERCENTAGE) (1)</b>					
Alberta	<b>1.6</b>	1.1	1.1	2.6	1.4
Canada	<b>1.6</b>	1.4	1.1	2.0	0.9
<b>UNEMPLOYMENT RATE(PERCENTAGE)(1)</b>					
Alberta	<b>6.9</b>	8.5	6.0	4.7	4.6
Canada	<b>5.7</b>	6.9	6.9	6.9	7.1
<b>CITY OF ST. ALBERT EMPLOYEES (5)</b>	<b>642.84</b>	620.00	611.71	585.21	575.64
<b>NET DEBT PER CAPITA</b>	<b>571</b>	643	720	779	861

Notes

1. Consumer Price Index and Unemployment Rate data obtained from Statistics Canada
2. 2017 St. Albert Municipal Census Report is used for population
3. Provincial Parks and Urban Reserves are not included within Park Area Calculation
4. Number of Dwelling Units is based on Assessment Department data
5. Positions are stated in full time equivalents



## TAXATION AND ASSESSMENT

For the Years Ended December 31, 2013 - 2017

	2017	2016	2015	2014	2013
<b>TAX RATES</b>					
Municipal - Residential	7.844	7.476	7.631	7.684	7.723
Municipal - Non-Residential	10.769	10.470	10.530	10.893	11.357
<b>Public School</b>					
Residential	2.494	2.436	2.381	2.502	2.598
Non-Residential	3.541	3.463	3.247	3.392	3.504
<b>Separate School (CATHOLIC)</b>					
Residential	2.494	2.436	2.381	2.502	2.598
Non-Residential	3.541	3.463	3.247	3.392	3.504
<b>ASSESSMENT (percentage change)</b>					
Residential - Market Value	(3.29)	1.55	3.52	1.51	1.53
Residential - Growth	2.98	2.59	3.11	2.62	2.28
Non - Residential Market Value	(0.51)	2.07	6.70	5.48	7.79
Non - Residential Growth	4.03	4.28	5.15	4.90	2.97

## TAXATION AND REQUISITIONS

For the Years Ended December 31, 2013 - 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
<b>TAXATION</b>					
Real Property Taxes	\$ 126,935	\$ 122,243	\$ 117,596	\$ 111,529	\$ 107,877
Linear Property Taxes	1,075	1,076	1,090	1,110	1,059
Government Grants in Place of Property Taxes	1,777	1,339	1,288	1,082	1,032
	129,787	124,658	119,974	113,721	109,968
<b>REQUISITIONS</b>					
Alberta School Foundation Fund	23,953	23,072	21,078	20,404	27,082
Opted Out School Board	7,214	7,279	7,074	7,069	-
Sturgeon Foundation Requisition	1,121	1,104	1,051	1,007	947
Other	80	80	80	80	291
	32,368	31,535	29,283	28,560	28,320
<b>TAXES AVAILABLE AND COLLECTED FOR MUNICIPAL PURPOSES</b>	\$ 97,419	\$ 93,123	\$ 90,691	\$ 85,161	\$ 81,648



## TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES

For the Years Ended December 31, 2013 - 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
<b>TAXABLE ASSESSMENT</b>					
Residential	\$ 10,081,331	\$ 10,122,507	\$ 9,711,715	\$ 9,097,802	\$ 8,733,438
Commercial	1,041,790	1,021,749	968,305	868,053	776,984
Industrial	472,470	460,412	417,954	369,993	333,233
Linear and M & E	74,847	76,841	78,738	77,811	74,727
	<b>11,670,438</b>	<b>11,681,509</b>	<b>11,176,712</b>	<b>10,413,659</b>	<b>9,918,382</b>
<b>GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES</b>	<b>126,929</b>	<b>99,035</b>	<b>97,244</b>	<b>77,141</b>	<b>74,465</b>
<b>TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES</b>	<b>\$ 11,797,367</b>	<b>\$ 11,780,544</b>	<b>\$ 11,273,956</b>	<b>\$ 10,490,800</b>	<b>\$ 9,992,847</b>
<b>TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES (PERCENTAGE)</b>					
Residential	85.5	85.9	86.1	86.7	87.4
Commercial	8.8	8.7	8.6	8.3	7.8
Industrial	4.0	3.9	3.7	3.5	3.3
Linear and M & E	0.6	0.7	0.8	0.8	0.7
Grants in Place	1.1	0.8	0.9	0.7	0.7
<b>RESIDENTIAL / NON-RESIDENTIAL SPLIT* (PERCENTAGE)</b>					
Residential	85.5	85.9	86.2	86.8	87.4
Non-Residential	14.5	14.1	13.8	13.2	12.6

\* With grant in place allocated between residential and non-residential.

## TAX COLLECTION

For the Years Ended December 31, 2013 - 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
<b>CURRENT LEVY</b>	\$ 130,055	\$ 124,725	\$ 120,089	\$ 113,831	\$ 110,052
<b>TAXES RECEIVABLE</b>					
Current	2,036	2,086	1,750	1,869	2,110
In Arrears for More than One Year	861	953	1,180	1,042	947
	<b>\$ 2,897</b>	<b>\$ 3,039</b>	<b>\$ 2,930</b>	<b>\$ 2,911</b>	<b>\$ 3,057</b>
<b>TAXES OUTSTANDING, BEFORE ALLOWANCE</b>					
Total %	2.23 %	2.44 %	2.44 %	2.56 %	2.78 %

Note that 14 principle taxpayers made up 5 per cent of the 2017 tax levy; therefore, no undue reliance is placed upon any one taxpayer.



## TOTAL LONG-TERM DEBT AND LONG-TERM DEBT SERVICING LIMITS

For the Years Ended December 31, 2013 - 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
<b>Long-Term Debt</b>					
Tax Supported	\$ 37,475	\$ 41,586	\$ 45,515	\$ 49,270	\$ 52,858
	<b>37,475</b>	<b>41,586</b>	<b>45,515</b>	<b>49,270</b>	<b>52,858</b>
<b>TOTAL LONG-TERM DEBT</b>					
Maximum Allowable Annual Debt Servicing	\$ 45,689	\$ 44,533	\$ 46,735	\$ 40,333	\$ 40,261
Annual Servicing on Existing Debt	<b>6,000</b>	6,000	6,000	6,000	6,000
Amount of Limit Used (Percentage)	<b>13</b>	13	13	15	15

## RESTRICTED SURPLUS RESERVE BALANCES

For the Years Ended December 31, 2013 - 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
<b>City of St. Albert</b>					
Operating	\$ 12,872	\$ 13,322	\$ 12,955	\$ 10,189	\$ 7,419
Capital	<b>69,299</b>	69,751	65,150	48,648	47,104
	<b>82,171</b>	<b>83,073</b>	<b>78,105</b>	<b>58,837</b>	<b>54,523</b>
<b>*Outside Agencies</b>					
Operating	<b>463</b>	414	380	314	374
Capital	<b>473</b>	498	393	377	450
	<b>936</b>	<b>912</b>	<b>773</b>	<b>691</b>	<b>824</b>
<b>Utilities</b>	<b>49,587</b>	<b>45,689</b>	<b>37,367</b>	<b>24,459</b>	<b>18,602</b>
<b>TOTAL RESTRICTED SURPLUS RESERVES</b>	<b>\$ 132,694</b>	<b>\$ 129,674</b>	<b>\$ 116,245</b>	<b>\$ 83,987</b>	<b>\$ 73,949</b>

\*Outside Agencies includes the St. Albert Public Library, the Arts & Heritage Foundation of St. Albert and other Community & Social Development Services.



## KEY COMPONENTS OF FINANCIAL POSITION

For the Years Ended December 31, 2013 - 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
<b>Total Financial Assets</b>	\$ 201,688	\$ 191,427	\$ 171,141	\$ 152,441	\$ 128,718
<b>Total Liabilities</b>	109,756	104,874	101,479	118,760	111,204
<b>Net Financial Assets</b>	91,932	86,553	69,662	33,681	17,514
<b>Total Non-Financial Assets</b>	961,662	923,844	877,432	855,620	830,275
<b>Total</b>	1,053,594	1,010,397	947,094	889,301	847,789
<b>Key Components of Financial Assets Include:</b>					
Cash and Cash Equivalents	28,286	12,805	37,403	27,680	43,015
Investments	156,794	160,245	118,057	111,248	72,615
<b>Key Components of Financial Liabilities Include:</b>					
Long-Term Debt	37,475	41,586	45,515	49,270	52,858
<b>Key Components of Non-Financial Assets Include:</b>					
Tangible Capital Assets	959,796	921,897	875,884	854,363	828,880
<b>Key Components of Accumulated Surplus Include:</b>					
Invested in Tangible Capital Assets	922,321	880,311	830,369	805,094	776,022
Restricted Surplus - Reserves	\$ 132,694	\$ 129,674	\$ 116,245	\$ 83,987	\$ 73,949
	2017	2016	2015	2014	2013
<b>ACQUISITIONS OF TANGIBLE CAPITAL ASSETS</b>					
Building Improvements	\$ 7,612	\$ 912	\$ 151	\$ 699	\$ 1,540
Library Collections	376	400	413	445	509
Land Improvement	7,133	787	1,095	1,297	1,184
Engineered Structures	23,130	40,410	26,347	24,034	20,700
Buildings	2,743	143	39	269	(1,987)
Machinery and Equipment	4,149	3,206	2,436	3,049	1,881
Land	12,611	12,718	-	11,882	29,253
Vehicles	3,961	2,612	3,051	2,160	1,200
Assets Under Construction	3,954	7,803	10,401	2,793	20,265
<b>TOTAL TANGIBLE CAPITAL ASSET ACQUISITIONS</b>	\$ 65,669	\$ 68,991	\$ 43,933	\$ 46,628	\$ 74,545





## REVENUE BY SOURCE, EXPENSE BY FUNCTION , AND ANNUAL SURPLUS

For the Years Ended December 31, 2013 - 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
<b>REVENUE AND OTHER</b>					
Property Taxes	\$ 97,419	\$ 93,123	\$ 90,691	\$ 85,161	\$ 81,648
Sales and User Fees	58,055	60,524	59,640	52,691	49,465
Government Transfers - Operating	4,740	4,524	4,100	4,056	4,487
Fines and Penalties	5,428	6,394	6,578	4,310	3,704
Licenses and Permits	3,731	3,896	3,226	2,880	2,846
Contracted Services Revenue	2,676	2,679	2,593	2,933	2,436
Investment Income	2,822	2,559	2,350	2,153	1,648
Franchise Fees	2,650	2,209	2,015	1,943	1,788
Other Revenue	1,373	1,811	1,550	2,048	984
<b>TOTAL REVENUE BY SOURCE</b>	<b>178,894</b>	<b>177,719</b>	<b>168,043</b>	<b>158,175</b>	<b>149,006</b>
<b>EXPENSE BY FUNCTION</b>					
Protective Services	36,171	35,008	31,874	29,585	29,293
Utility Services	34,445	29,364	28,557	28,584	26,299
Recreation and Parks	26,091	25,182	24,610	23,687	23,630
Transportation and Roadway Services	28,139	24,778	24,404	24,841	23,597
General Government Services	17,790	17,541	16,167	13,921	12,222
Transit Services	14,725	13,796	13,942	13,350	12,775
Cultural Services	14,126	13,478	13,381	11,261	10,830
Planning and Development Services	5,371	4,704	4,318	4,311	3,747
Family and Social Services	3,134	3,070	2,620	2,577	2,700
<b>TOTAL EXPENSE BY FUNCTION</b>	<b>179,992</b>	<b>166,921</b>	<b>159,873</b>	<b>152,117</b>	<b>145,093</b>
<b>ANNUAL (DEFICIENCY) SURPLUS BEFORE CAPITAL REVENUE</b>	<b>(1,098)</b>	<b>10,798</b>	<b>8,170</b>	<b>6,058</b>	<b>3,913</b>
<b>CAPITAL REVENUE</b>					
Contributed Assets	13,273	28,959	13,025	12,017	38,580
Developer Contributions and Levies	3,860	930	17,413	3,092	11,318
Government Transfers - Capital	27,162	22,616	17,584	20,345	32,878
<b>TOTAL CAPITAL REVENUE</b>	<b>44,295</b>	<b>52,505</b>	<b>48,022</b>	<b>35,454</b>	<b>82,776</b>
<b>ANNUAL SURPLUS</b>	<b>43,197</b>	<b>63,303</b>	<b>56,192</b>	<b>41,512</b>	<b>86,689</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>1,010,397</b>	<b>947,094</b>	<b>889,301</b>	<b>847,789</b>	<b>761,100</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 1,053,594</b>	<b>\$ 1,010,397</b>	<b>\$ 945,493</b>	<b>\$ 889,301</b>	<b>\$ 847,789</b>



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## EXPENSES BY OBJECT

For the Years Ended December 31, 2013 - 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
Salaries, Wages and Benefits	\$ 80,436	\$ 77,547	\$ 73,264	\$ 69,240	\$ 65,623
Contracted and General Services	31,633	30,157	28,480	26,389	23,835
Amortization	24,334	22,757	21,644	20,745	19,872
Purchases from Other Governments	21,216	18,739	18,194	17,103	16,600
Materials, Good and Utilities	14,512	13,245	13,384	13,963	13,910
Transfers to Individuals & Organizations	2,156	1,665	1,612	1,860	1,938
Interest on Long Term Debt	1,858	2,042	2,217	2,385	2,557
Other Expenses (Recovery)	746	635	920	533	552
(Gain)/Loss on Disposal of Tangible Capital Assets	3,101	134	158	(101)	206
<b>TOTAL EXPENSES</b>	<b>\$ 179,992</b>	<b>\$ 166,921</b>	<b>\$ 159,873</b>	<b>\$ 152,117</b>	<b>\$ 145,093</b>





**2017 Annual Report**

City of St. Albert

5 St. Anne Street, St. Albert, AB T8N 3Z9

780-459-1500

stalbert.ca