



City of Regina (Saskatchewan, Canada)

2015 Annual Report

Year-end December 31, 2015



City of Regina



REGINA
Infinite Horizons

© 2016, City of Regina. All Rights Reserved.

Prepared by City of Regina

- Finance Department
- Strategy Management Branch
- Communications Department

Audited by:

- Deloitte LLP



Ontario Municipal Benchmarking Initiative Influencing Factors

The factors are diverse, but generally fall into one of the following categories:

- Choices about the service level provided
- Environmental conditions (e.g. weather, soil type, etc.)
- Economic conditions (e.g. labour market, goods and material cost, etc.)

The following outlines the influencing factors for each of the services with results reported in this document.

Building Permits and Inspections Influencing Factors

- **Growth:** Population growth and the overall economic growth of a municipality.

Parking Influencing Factors

- **Operating Standards and Policies:** Cost recovery policies, service hours (24/7 availability, or restricted access) maintenance standards (for line painting, lighting replacement, garbage collection, etc.).
- **Processes and Systems:** Type and quality of technology used to manage operations and enforcement, i.e. handheld devices vs. written; ticket management systems; meters vs pay and display machines, level of automation at parking surface lots vs parking garage structures.
- **Utilization Levels:** Use of variable-rate pricing structures, the availability of public transit/public transit utilization rate and the proximity of parking alternatives (free public parking, private lots) will impact utilization levels.

Culture Influencing Factors

- **In-Kind Services:** Municipalities may not have reported the value of in-kind services and may/or may not be able to quantify these services.
- **Municipal Policy:** Whether a municipality has adopted a cultural policy or plan, i.e. public art, special events, etc. and how the municipality has defined its roles and responsibilities, may affect the way programs and services are delivered and the sized of funding invested in the community.

Sport and Recreation Influencing Factors

- **Demographics:** Needs of different ethnic groups and socio-economic factors.
- **Facilities:** Number of facilities, mix of facility types, age of facilities, access to Board of Education facilities (e.g. gymnasiums).
- **Partnerships:** Degree to which the Municipality utilizes partnerships with external entities (third-party, community groups and contracted service providers) can influence the level of participation reported for directly provided registered programs.
- **Programming:** Variety of recreation programs offered, class length, mix of instructional vs drop-in vs permitted, number and extent of age groups with targeted programs, number of program locations, frequency and times of program offerings impacts available capacity. Municipal program delivery is also influenced by the activities of other service providers in the market place.
- **Weather:** Weather conditions can impact participation levels.

Fire Influencing Factors

- **Fire Prevention and Education:** Enforcement of the Fire Code and the presence of working smoke alarms.
- **Geography:** Topography, urban/rural mix, road congestion, fire station locations and travel distances from those stations.
- **Nature and Extent of Fire Risk:** Type of building construction or occupancy (e.g. apartment dwellings vs. single-family homes versus institutions such as hospitals).
- **Response Agreements:** Depending on response agreements between Fire Services, Emergency Medical Services (EMS) and hospital protocols, responses to medical calls can be a significant activity.
- **Service Levels:** Set by municipal councils, based on local needs and circumstances (staffing, resources, response expectations, etc.).

Clerks Influencing Factors

- **Citizen Engagement:** State of interaction with citizens and the amount of citizen trust/distrust of the organization.
- **Contentious Issues:** Whether there are prevailing major issues in the municipality (e.g. major construction projects, road widening, bids for international events, etc.).
- **Practices & Policies:** Responsiveness of the organization to requests; number of routine disclosure policies.

Facilities Influencing Factors

- **Size of City Administration:** The size of city administration and the way in which the municipality manages its services (direct delivery; partnerships; contract services) will affect number, size and type of facilities owned and operated by the municipality.

Fleet Influencing Factors

- **Fleet Mix and Usage:** Each municipality's fleet, the number of vehicles in each class and their usage will affect costs, i.e. light vehicles will incur less cost than heavy, etc. Inclusion of transit vehicles could lead to high overall costs. The average age of each municipality's fleet, number of hours used, the use of various vehicles (pure City use vs highway use) and the environment in which it is used will affect the amount required to be spent in maintenance.
- **Organization Form:** Some fleet groups are centralized, i.e. responsible for all fleet costs; and others are decentralized, i.e. other departments pick up some of the fleet costs.
- **Policy and Processes:** Some municipalities charge back for all costs; while others do not charge back for such things as facilities, purchasing, IT, HR, etc.

Human Resources Influencing Factors

- **Staffing of Services:** In some service areas, a significant number of seasonal and part-time staff is required (e.g. Parks and Recreation). As a result, these service areas tend to have higher turn-over rates, which result in providing a higher level of service and directly impacts Human Resources.

Information Technology Influencing Factors

- **Devices:** Number and types could be influenced by the types of services provided and/or the organizational culture.
- **Government Structure:** Different tiers of municipal government, i.e. single-tier or upper-tier, and the specific services each one offers will affect results.
- **IT Services:** Type of IT services provided may vary from one municipality to another, i.e. does IT include GIS, Telecommunications, etc.
- **Organizational Form:** Extent to which IT services are centralized or decentralized can influence reported results, i.e. services may also be contracted out, directly impacting full-time equivalent (FTE) levels.
- **Processes and Systems:** Database systems used could impact reporting capabilities.

Investment Management Influencing Factors

- **Economic Conditions:** Local economy, unionization, state of assets (life expectancy); prevailing interest rates and shape of the yield curve; availability of product.
- **Geography:** Population, density and land mass.
- **Government Structure:** Single tier or two-tier impacts the level of expenditures.
- **Organizational Form:** Reporting structure, levels within departments.
- **Policy and Practice:** General accounting practices (terms utilized for various receivables and payments); investment policy objectives, i.e. risk tolerances, preservation of capital vs growth; municipal life stage (growth vs maturity); legislative investment policy constraints; cash inflows/outflows to portfolio.

Parks Influencing Factors

- **Demographics and Community Use:** Community/ Resident demand for parks usage has increased in recent years particularly for large, social gatherings and various cultural activities, i.e. specialty fields, cultural gardens, community gardens, dogs off-leash areas, special events, etc.
- **Geography:** Varying topography affects the number of hectares (e.g. size of escarpment, number of lakes, transportation networks).

Roads Influencing Factors

- **Maintenance Standards:** Different standards, set by respective municipal councils, can have an impact on costs and affect municipal backlog of roads rated in poor condition and general levels of service.

Transit Influencing Factors

- **Demographics:** Average household income, auto ownership rates, age of population and communities with higher immigrant levels impact transit and market share.

Waste Management Influencing Factors

- **Diversion Efforts:** Nature and extent of a municipality's diversion efforts, i.e. enforcement of various programs, impacts the type and amount of material included in waste collection.
- **Education:** How municipalities promote, manage and enforce garbage collection, disposal, recycling and diversion programs and services.
- **Organizational Form:** Different service levels and standards; frequency of pick-ups, hours of operation, average number of people per household; residential vs commercial and industrial service.

Water Influencing Factors

- **Conservation Programs:** Extent of municipal water conservation programs can impact water consumption.
- **Treatment Plants:** Number, size and complexity of the municipality's water treatment plants.
- **Weather Conditions:** Negative impacts associated with more severe and frequent extreme weather events.

Wastewater Influencing Factors

- **Policy and Practices:** Frequency of wastewater collection system maintenance activities, collection system age, condition and type of pipe material.
- **Treatment Plants:** Number, size and complexity of the wastewater collection systems and treatment plants operated.

Service Partners

Economic Development Regina

255, 1919 Rose Street
Regina, Saskatchewan S4P 3P1
Fax: 306-352-1630
Phone: 306-522-0227
Contact: Mr. John Lee

Regina Downtown

140 – 2401 Saskatchewan Drive
Regina, Saskatchewan S4P 4H8
Fax: 306-359-9060
Phone: 306-359-7541
Contact: Ms. Judith Veresuk

Buffalo Pound Water Administration Board

c/o City of Regina
Queen Elizabeth II Court
PO Box 1790
Regina, Saskatchewan S4P 3C8
Fax: 306-694-6050
Phone: 306-694-1377
Contact: Mr. Ryan Johnson

Regina's Warehouse Business

Improvement District
202 – 1275 Broad Street
Regina, Saskatchewan S4R 1Y2
Fax: 306-585-1765
Phone: 306-585-3948
Contact: Ms. Lovella Jones

Regina Public Library

2311 – 12th Avenue
PO Box 2311
Regina, Saskatchewan S4P 3Z5
Fax: 306-352-5550
Phone: 306-777-6060
Contact: Ms. Gail Kruger

Regina Exhibition Association Limited

Operating Evraz Place
PO Box 167
1700 Elphinstone Street
Regina, Saskatchewan S4P 2Z6
Fax: 306-565-3443
Phone: 306-781-9200
Contact: Mr. Dean Churchill

Glossary

Accrued Benefit Obligation: The present value of the expected payouts for benefits which employees have earned at year end. This amount is calculated by the City's actuaries every three years, and updated based on actual data between valuations.

Accrued Benefit Liability: The amount recorded in the Statement of Financial Position representing the present value of the expected payouts for benefits which employees have earned at year end, after allowing for the required smoothing of actuarial gains and losses. PSAB requires amortization of each actuarial gain or loss over the Expected Average Remaining Service Life of the employee group, at the time of the actuarial valuation. This net liability may be lower than the gross liability when actuarial losses exceed gains, or larger than the gross liability when gains exceed losses.

Accrual Accounting: The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay. This is also known as the full accrual basis of accounting. Prior to 2009, municipal governments did not capitalize tangible capital assets and recorded them as expenditures. This was the only exception to the accrual basis of accounting and therefore municipal accounting was previously referred to as the modified accrual basis of accounting.

Accumulated amortization: The sum of all amortization expensed on a given asset or asset class to-date.

Accumulated surplus: The difference between the City's financial and non-financial assets and its liabilities. The accumulated surplus represents the net financial and physical assets / resources available to provide future services. It is the sum of amounts invested in: tangible capital assets; the operating, capital, reserve and reserve funds; net of amounts to be recovered from future revenues.

Amortization expense: Annual charge to expense to represent allocation of an asset's cost over its useful life.

Amounts to be recovered: The sum of items that have not been included in previous budgets and that will be recovered from future rates or taxes. Amounts to be recovered consist of outstanding debt, unfunded future employment costs, unfunded landfill post-closure costs, as well as unfunded environmental, property and liability claims.

Benchmarking: The measurement of the quality of an organization's policies, programs, services, etc., and their comparison with similar measurements of its peers. The objectives of benchmarking are (1) to determine what and where improvements are called for, (2) to analyze how other organizations achieve their high performance levels, and (3) to use this information to improve performance.

Budget – capital: An outline of the government's capital revenue and expense plans for the upcoming year. It is the process of allocating resources for major capital projects, investment, and expenditures.

Budget – operating/utility: An outline of the government's operating/utility revenue and expense plan for the upcoming year. The Operating/Utility Budget is formally presented early each year, and is subject to public consultation and debate prior to approval. The Operating/Utility Budget sets out the amount of taxes to be collected for the year, fees to be charged and authorized expenses.

Business Improvement District (BID): A Business Improvement District is an association of commercial property owners and tenants within a defined district, who work in partnership with the City to create thriving, competitive, and safe business areas that attract shoppers, diners, tourists, and new businesses.

CPA Canada - Chartered Professional Accountants of Canada: The CPA Canada conducts research into current business issues and supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations and government.

Consolidated statements: Financial statements which include all of the entities controlled by the City.

Consolidation: Inclusion of all entities controlled by the City, except for those which qualify as government business enterprises, on a line-by-line basis in the City's financial statements.

Contingent Liabilities: Possible obligations that may result in the future sacrifice of economic benefits arising from existing conditions or situations involving uncertainty. The uncertainty will ultimately be resolved when one or more future events not wholly within the government's control occur or fail to occur. Resolution of the uncertainty will confirm the incurrence or non-incurrence of a liability.

Contractual Obligations: Obligations of a government to others that will become liabilities when the terms of a contract or agreement are met.

Debenture: A debt instrument where the issuer promises to pay interest and repay the principal by the maturity date. It is unsecured, meaning there is no lien on any specific asset.

Debt: A financial obligation to another entity from borrowing money.

Deferred revenue: Amounts received regarding obligatory reserve funds or funds with other internal or external restrictions, which have remained unspent at year end. These amounts are shown with liabilities and are recognized in revenue when the revenues are earned, which may include spending the monies for their intended purpose.

Deficit: The amount, if any, by which government expenses exceed revenues in any given year. Unlike the senior levels of government, municipalities cannot budget to run a deficit.

Fair Value: The price that would be agreed upon in an arm's length transaction and in an open market between knowledgeable, willing parties who are under no compulsion to act. It is not the effect of a forced or liquidation sale.

Financial Assets: Assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets include cash; an asset that is convertible to cash; a contractual right to receive cash or another financial asset from another party; a temporary or portfolio investment; and a financial claim on an outside organization or individual.

Fiscal Year: The City of Regina's fiscal year runs from January 1 to December 31.

GAAP-Generally Accepted Accounting Principles: As laid out in the relevant Handbook – the Public Sector Accounting Handbook for government organizations and the CPA Canada Handbook or IFRS for Government Business Enterprises.

GAAS-Generally accepted auditing standards: Standards established by CPA Canada for use by public accountants when conducting external audits of the financial statements.

Government Business Enterprise (GBE): An organization that has all of the following characteristics: (1) it is a separate legal entity with the power to contract in its own name and that can sue and be sued; (2) it has been delegated the financial and operational authority to carry on a business; (3) it sells goods and services to individuals and organizations outside of the government reporting entity as its principal activity; and (4) it can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside of the government reporting entity.

Greenfield development: New developments that occur on lands located at the city's periphery that has not previously been developed. New servicing such as roads, water and sewer are all requirements for greenfield development.

GST-Goods Sales Tax: Levied on goods and services by the federal government.

Indemnity: An agreement whereby one party agrees to compensate another party for any loss suffered by that party. The City can either seek or provide indemnification.

Infrastructure: The facilities, systems and equipment required to provide public services and support private sector economic activity including network infrastructure (e.g., roads, bridges, water and wastewater systems, large information technology systems), buildings (e.g., hospitals, schools, courts), and machinery and equipment (e.g., medical equipment, research equipment).

International Financial Reporting Standards (IFRS): Government Business Enterprises must follow IFRS for fiscal years beginning on or after January 1, 2011. Other government organizations may also choose to follow IFRS. IFRS reporting is also mandatory for publicly accountable (non-government) enterprises beginning in 2011. IFRSs are now available in part I of the CPA Canada Handbook.

Key Performance Indicators (KPI): A set of quantifiable measures that an organization uses to gauge or compare performance in terms of meeting their strategic and operational goals.

Liabilities: Are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. These liabilities have three essential characteristics: (1) they embody a duty or responsibility to others, leaving a government little or no discretion to avoid settlement of the obligation; (2) the duty or responsibility to others entails settlement by future transfer or use of assets, provision of goods or services, or other form of economic settlement at a specified or determinable date, on occurrence of a specified event, or on demand; and (3) the transactions or events obligating the government have already occurred.

LTD: Long Term Disability

Multi-employer Pension Plan: A defined benefit pension plan to which two or more governments or government organizations contribute, usually pursuant to legislation or one or more collective bargaining agreements. The main distinguishing characteristic of a multi-employer plan is that the contributions by one participating entity are not segregated in a separate account or restricted to provide benefits only to employees of the entity and, thus may be used to provide benefits to employees of all participating entities.

Net Book Value of Tangible Capital Assets: Historical cost of tangible capital assets less both the accumulated amortization and the amount of any write-downs.

Net Debt: The difference between the City's total liabilities and financial assets. It represents the City's future revenue requirements to pay for past transactions and events.

Non-Financial Assets: Assets that normally do not generate cash capable of being used to repay existing debts. For the Province, it comprises tangible capital assets and net assets of broader public sector organizations.

Prepaid Expenses: Prepaid expenses are non-financial assets which result when payments are made in advance of the receipt of goods or services. Prepaid expenses may arise from payments for insurance premiums, leases, professional dues, memberships and subscriptions.

Present Value: The current worth of one or more future cash payments, determined by discounting the payments using a given rate of interest.

PSAB-Public Sector Accounting Board: The PSAB of the CPA Canada sets standards and provides guidance for financial and other performance information reported by the public sector.

Realized Gains and Losses: Gains/losses resulting from selling assets at a price higher/lower than the original purchase price.

Recognition: The process of including an item in the financial statements of an entity.

Reserves and reserve funds: Fiscal and accounting entity segregated by Municipal Council for the purpose of carrying on specific activities or attaining certain objectives in accordance with internally or externally established restrictions or limitations.

RRI-Regina Revitalization Initiative: The largest revitalization project in City of Regina's history begins with the construction of a new stadium at Evraz Place.

Servicing Agreement Fee: Amounts collected from developers through Servicing Agreements entered into by the City and the Developer in respect of the development Area, which must be spent in a prescribed manner.

Standard & Poor's - S & P: The world's leading index provider and the foremost source of independent credit ratings. Standard & Poor's has been providing financial market intelligence to decision-makers for more than 150 years.

Straight-Line Basis of Amortization: A method whereby the annual amortization expense is computed by dividing (1) the historical cost of the asset less the residual value by (2) the number of years the asset is expected to be used.

Surplus: The amount by which revenues exceed expenses in any given year.

Tangible Capital Assets: Physical assets including land, buildings, transportation and transit infrastructure, water & wastewater infrastructure, vehicles and equipment. These assets are recorded in the City's consolidate financial statements for the first time in 2009.

The Cities Act 2002: The Statutes of Saskatchewan that outlines the broad permissive powers of the City of Regina to pass bylaws that range from public safety, to the City's

economic, social and environmental wellbeing.

Total Debt: City's total borrowings outstanding.

Transfer Payments: Grants or transfers of monies to individuals, organizations or other levels of government for which the government making the transfer does not receive any goods or services directly in return, as would occur in a purchase or sale transaction; expect to be repaid, as would be expected in a loan; or expect a financial return, as would be expected in an investment.

Unrealized Gain or Loss: An increase or decrease in the fair value of an asset accruing to the holder. Once the asset is disposed of or written off, the gain or loss is realized.

WCB: Workers' Compensation Board, Saskatchewan.





City of Regina

REGINA
Infinite Horizons

Regina.ca