

# Asset Management and Public Works

Stewardship  
of the City's  
land,  
buildings,  
parks  
and utilities  
through  
environmental  
leadership,  
responsive service  
to the community,  
and integrated  
service to the  
organization.



## Overview

Asset Management and Public Works (AMPW) manages the City's land assets, including undeveloped land, civic buildings, parks, and natural areas. The department also manages the City's utilities: sanitary and land drainage, and waste management.

AMPW is one of the largest departments in the City, with the proposed 2010 operating budgets for the department programs totalling \$467 million in revenues and \$518 million in expenditures. The approved 2010 capital budget, including proposed supplementary budget adjustments, is \$337 million. AMPW is a diverse department, with a staffing complement of over 1,900 full time equivalents undertaking functions in a wide variety of operations.

Citizens access AMPW's services when they enjoy a river valley park, visit a City facility, or drop off household hazardous materials at an Eco Station. In the background, AMPW is also managing the City's wastewater collection system; its storm sewer system; its recycling and composting operations; the acquisition of land for future City growth; and the preservation of biodiversity within City boundaries, among many other activities.

## Quick Facts

- Corporate Properties is responsible for maintenance of nearly 700 City facilities valued at over \$3.28 billion.
- Edmonton's drainage system is over 5,000 kilometres long.
- There are more than 4,500 hectares of turf in Edmonton's parks.
- Waste and recyclables are collected from approximately 320,000 Edmonton households.

## Programs and Services

### Presented in this document

#### Corporate Properties Branch

- Buildings and Facilities Maintenance
- Leasing and Property Management
- Municipal Real Estate
- Land Enterprise (Land Development)

#### Parks Branch

- Management and Operations
- Development and Preservation

### Presented on Sept 25<sup>th</sup>

#### Drainage Services Branch

- Asset and Environmental Management
- Development and Regulatory Support Services
- Operations and Maintenance
- Design and Construction

#### Waste Management Branch

- Collection Services
- Processing and Disposal

# Asset Management and Public Works

## Strategic Road Map

### Purpose

The Strategic Roadmap on the following page demonstrates the alignment of AMPW operations to the 10 year goals set out in City Council's Strategic Plan: The Way Ahead. AMPW aligns with the achievement of all but one of the 10 year goals. In part because of the department's diverse businesses, there is demonstrated contribution to everything from: air, water, and soil quality; to infrastructure sustainability; to attraction of business to Edmonton. In the individual Branch budget overviews, performance measures and targets serve to further describe the department's progress toward the achievement of these outcomes and goals. The Branch overviews also describe the impact of not pursuing certain programs or initiatives that align with The Way Ahead.



### Tie to Budget Discussion

AMPW is continuously working toward the achievement of Council's goals; however, the speed by which the department is able to get there is dependant on funding. The budget overviews for the department include funding requests for some key programs or initiatives that are seen as being high priority due to their impacts on the achievement of the 10 year goals.

The achievement of sustainable civic infrastructure, for example, is threatened by inadequate funding for building maintenance. If funding is not provided for the completion of building condition audits and the operating impact of new buildings and facilities, there will be an increase to the already considerable maintenance backlog. While this funding shortfall may not impact citizen enjoyment of City facilities in the short term, it will certainly impact the overall life cycle of buildings, and over time, significantly increases the

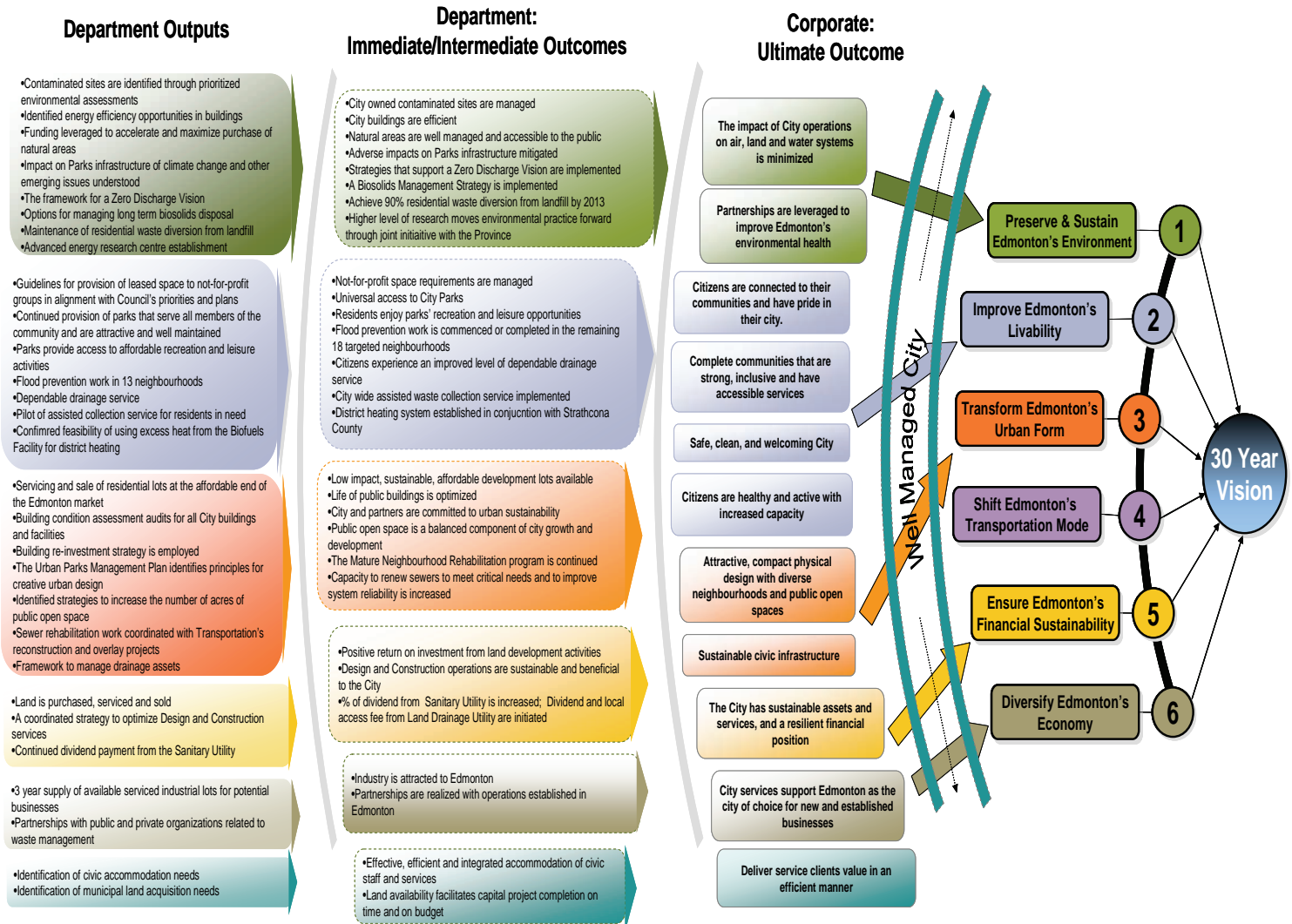
risk of building component failure and interruption to operations.

In addition, to significantly advance a number of the strategic initiatives from their current state will require an incremental increase to the existing budget. These include such things as the Zero Discharge Vision in Drainage Services, and the Assisted Waste Collection program in Waste Management.

It should be recognized, however, that measurable progress toward elements of Council's goals can be achieved within existing resources. For example, in terms of environmental sustainability, the City is already a national leader in Waste Management practices, with a target of 90% diversion of residential waste from landfill in 3 years time. The department is also pursuing an Urban Forest Management Plan, implementation of the Water Management Strategy, and a Sustainable Land Development Strategy in 2010, using existing resources. These particular examples bring the City closer to achieving the 10-year goal of preserving and sustaining Edmonton's environment.

# Asset Management and Public Works

## Strategic Road Map Cont'd



## Budget Presentation

The budget overviews that follow in this document include only two of the department's four branches. Both Drainage Services and Waste Management were presented to Council on September 25, 2009. The 2010 budget presentation is more comprehensive in its approach by including information on business plans, strategic initiatives, issues and challenges, and performance measures along with the financial

information. Detailed information on current service levels and the related resource requirements or expenditures is included in order to enhance the understanding of the base budget for each of the programs. Major changes or impacts to the 2010 budget, are then highlighted, as key decision points for Council.

# Asset Management and Public Works

## Utilities

The City manages three utilities: Sanitary, Land Drainage, and Waste Management. The 2010 operating budgets along with the 2009-2011 supplementary capital budget adjustments for these utilities, went forward to Council on September 25. This is the first year that the budget and corresponding utility rates discussion have been separated from the budget deliberations for the tax supported operations. This separation was approved by Council on July 7, 2009 following recommendations from an external review of the Drainage and Waste Management utilities. On September 25, supplementary information was requested of Administration, and a further report will be provided for Council debate and discussion on November 24th. If approved on that date, the utility budgets and rates will act as an input to the tax supported budget discussions in early December.

Each of the utilities are facing major impacts to their operating environments in 2010.

### Waste Management

For this utility, the closure of the Clover Bar Landfill has necessitated the opening of an Integrated Processing and



Clover Bar Landfill

Transfer Facility, and the requirement to haul waste to a distant landfill. This change has major impacts on the manner in which the service is now being delivered and on the overall operating expenditures. As the utility approaches its first full year of operation under this new model, the Waste Management Branch continues to optimize the new funding environment by providing services within a reasonable rate increase, and beginning to re-invest in the business.

Proposed 12% rate increase due primarily to operational changes resulting from landfill closure. Includes \$5.6 million in identified revenues initiatives, cost reductions, and other efficiencies.

## Drainage Services

In Drainage Services (the branch which manages both the Sanitary, Land Drainage utilities, and Design and Construction), the budget data is based on less than a year of experience following the transfer of the Gold Bar Wastewater Treatment Plant to EPCOR in early 2009.

Another impact on the 2010 budget is the phased financial separation of the Design and Construction function from the Sanitary Utility. This change is being phased in, in order to manage impact on the rate for this utility.

In addition, there continues to be considerable pressure on the branch's capital budget going into 2010, both from Mature Neighbourhood Renewal (alignment of scheduling with Transportation Department rehabilitation work) and an increasing number of emergency repairs.

Proposed 8% rate increase for both Sanitary and Land Drainage due to capital demands.

The 2010 budget presentation for the utilities included some new detail regarding the corporate program support provided by the utilities, and pro forma financial statements.

## Tax Supported Operations

Parks and Corporate Properties are the two tax supported programs in AMPW.

### Parks

Parks are consistently ranked as the most valued service the City of Edmonton provides, as confirmed again in the 2009 Citizen Satisfaction Survey completed by Bannister Research and Consulting Inc. In addition, this survey confirmed that more than 85% of Edmontonians access parks and green spaces.

Moving forward into 2010, the successful provision of Parks' services is impacted by a number of overarching issues and challenges. These include: servicing growth in Parks inventory; climate change and adaptation; land assembly; and management of natural



# Asset Management and Public Works

areas. The ability to effectively manage and mitigate these challenges must be considered in the context of the \$2.5 million reduction in the Parks budget proposed for 2010. While the impacts of these reductions may be manageable in the short term, Parks infrastructure and services will be negatively affected in the longer term if

Proposed increase of 1% after \$2.5 million in Service and Budget Review reductions.

the reductions are sustained.

## Corporate Properties

Corporate Properties is one of the most diverse businesses in the City, responsible for a wide variety of roles associated with the City's land and building assets. The spotlight for the 2010 budget is on two specific roles within Corporate Properties: building and facilities maintenance, and land development.

While the City's current comprehensive strategy to address maintenance deficiencies is leading edge, the magnitude of deferred maintenance is significant. If not addressed, the backlog (estimated at \$500 million in 2009) will start to impact the day to day operations of public facilities, and the overall life cycle of the city's building inventory. This will be compounded by the increase in new facilities in 2010.

Three service packages, directed by City Council/Committee, have been included in the Corporate Properties budget as decision points for Council in addressing maintenance. In terms of the other tax supported operations of the branch (Leasing and Property Management, and Municipal Real Estate), the

Proposed 6% increase due in large part to growth related maintenance needs. The service needs for deferred maintenance and site assessments have been included as unfunded service packages as directed by City Council/Committee.

budget impacts are inflationary. However, to move forward on the contaminated sites strategy, an unfunded service package is included for environmental site assessments of City owned property.

## Enterprise Operations

The results of the Service and Budget Review in 2009, consisted mainly of short term cuts to expenditure. In the long term, one of Council's strategic goals is to ensure Edmonton's financial stability, and in particular reduce reliance on property tax. The revenue generating opportunities associated with enterprise operations in the City, will contribute to the success of this goal. Both Land Enterprise in the Corporate Properties Branch, and Design and Construction in Drainage Services, are capable of generating profit and returning a dividend to the City.

### 1. Land Enterprise

#### Land

Enterprise has operated under a quasi-business model whereby there is an established Land Enterprise Dividend Policy through which an annual return is paid to the City of Edmonton. New to the Proposed 2010 Budget is the move towards full costing of the land development operations, including the transfer of staffing and facility costs. Other overhead costs will be reviewed and allocated in future budgets.

### 2. Drainage Design and Construction

Design and Construction, operated under Drainage Services, is undergoing a formal review that has implications for financial policy development. Financial policies will be brought forward for Council consideration in 2010.

Administration believes that it is prudent to ensure both Land Enterprise and Design and Construction are financially accounted for under a business model, independent of the operations that they are connected with. These operations are to be self-sustaining, which means that there is no subsidization from tax levy. This means that overheads must be included as part of the



# Asset Management and Public Works

operating costs; that the risks of operating in a business environment are understood; that there is sufficient reinvestment into the operations to ensure long-term sustainability; and that a reasonable return in the form of a dividend is provided back to the City of Edmonton. These are areas that will be reviewed, presented to Council for consideration, and decisions implemented in the upcoming year.

One of the first steps in the move toward more business like financial accounting is enhanced financial reporting to Council, with the goal of improving accountability and transparency to external parties, whether it be industry or grant funding agencies. Included in the budget document are Pro-forma Statements to provide an indication of the expected financial results over the next five years.

Both of AMPW's enterprise operations include risk as an element of business. Design and Construction in terms of increased risk for bidding on external projects with the insurance and warranty required, and Land Enterprise in terms of fluctuating market conditions, and participation in the industrial development market. This risk must be considered, in the context of future dividend expectations.



# Corporate Properties

## Mission

Stewardship  
of City land  
and  
building assets  
through  
innovation,  
leadership,  
and service.



## Our Road Map

### Overview

Corporate Properties is responsible for the City's real estate assets and has several roles in the stewardship of the City's lands and buildings.

- Manages and maintains civic accommodation, buildings, and facilities
- Acts as developer, landlord, tenant and broker.
- Generates revenues through land development and sale, and leasing and parking operations.
- Supports the community through leasing and property management with the non-profit sector.

The most significant changes to the Corporate Properties budget and plan for 2010 are increases in building maintenance costs (both scale of deferred maintenance, and new maintenance requirements from additional buildings and facilities coming on stream), and separating out the budgeting and costing of the land development activities from the municipal real estate operation activities, to provide a clearer view of the associated costs and revenues.

### Policy Considerations

National and Provincial legislation and regulation govern the Corporate Properties Branch practices. The work of the Corporate Properties Branch is subject to a number of existing City of Edmonton Policies and Strategies, in particular:

- Land Development Policy
- Land Enterprise Dividend Policy
- Industrial Land Strategy, and
- Environmental Strategic Plan

### Service Comparators

Corporate Properties primarily provides services within the corporation and service levels are determined through client department requirements and standards of operation.

Public and private comparisons are used for measures of efficiency and effectiveness. For example, within the Buildings and Facilities Maintenance and Leasing and Property Management major services, aspects such as operating cost per square foot are measured against BOMA (the Buildings Owners and Managers Association) benchmarks, Colliers Annual Report, and other organizations that publish regular benchmarking information.

# Corporate Properties

## Issues and Challenges for 2010

Maintaining existing service levels and revenue streams within current economic constraints frame the challenges for this Branch for 2010. Over and above the challenge of maintaining existing service levels, the Branch must also address the deferred building maintenance problem and implement service efficiency measures that were identified in the 2007 Branch Operational Audit.

Following is a list of the major issues and challenges faced by the Corporate Properties Branch going into 2010. Importantly, a number of the desired Outcomes are dependant upon these issues being addressed in a timely manner.

- **Deferred Maintenance** - completion of building condition audits as a necessary input for the development of a long term building re-investment strategy
- **Growth Vehicles** - fleet requirements for Buildings and Facilities Maintenance

- **SAP Mainlink Continuous Improvement** - increasing operational efficiency and effectiveness
- **Funding of Land Acquisition for Municipal Purposes** - ability to finance land purchases further in advance of project construction
- **Land Development Focus** - balancing revenue with sustainability and affordability
- **Civic Accommodation Planning** - achieving an integrated long term plan
- **Edmonton City Centre Airport** - opening of a development office for this multi-year project
- **Contaminated Site Strategy** - completing prioritization and screening of City owned property

## Major Services & Activities

### Building & Facilities Maintenance

- Maintenance Planning
- Building Condition & Lifecycle Assessments
- Maintenance & Repairs

### Leasing & Property Management

- Civic Accommodation Planning
- Energy Management
- Property Management
- Leasing Services
- Parking Operations
- Custodial Services

### Municipal Real Estate

- Land Acquisition
- Property Inventory Management
- Planning, Engineering and Appraisal Services

### Land Enterprise (Development)

- Land Development
- Property Sales



Strathcona Shooting Range Remediation



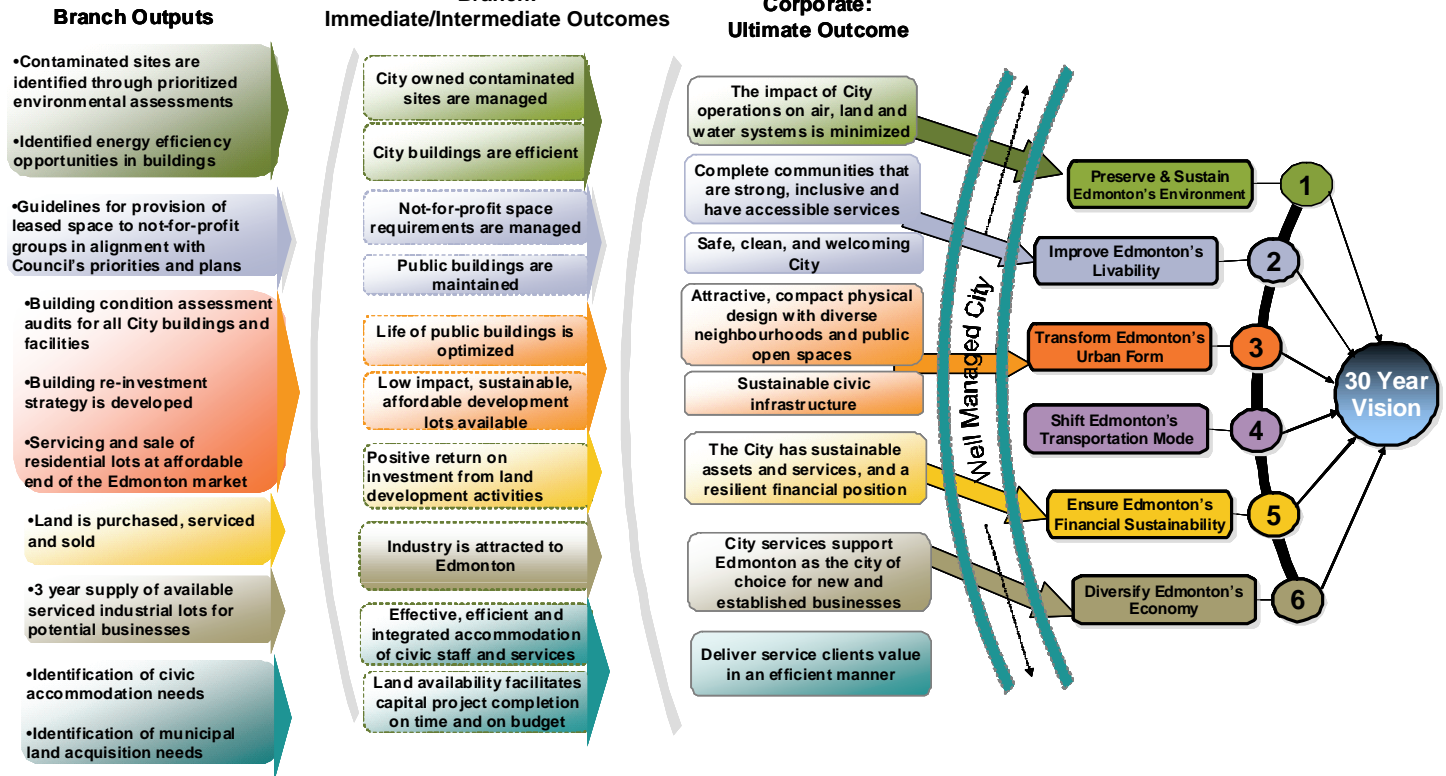
# Corporate Properties

## Strategic Road Map

City of Edmonton Strategic Road Map – Outcomes: **Corporate Properties Branch**

Branch:

**Corporate:  
Ultimate Outcome**



# Corporate Properties

## Immediate and Intermediate Outcomes and Measures

Output	Immediate/ Intermediate Outcome	Measure	2008 Result	2009 Projected Result	2010 Target
Contaminated sites are identified through prioritized assessments	City owned contaminated sites are managed	# of records in Environmental Data Base (ESID).  # of City holdings identified for further assessment	373 records on ESID.  Screening process initiated.	373 records on ESID.  825 holdings screened. 63 sites identified as potential brownfields.	575 records on ESID.  2,000 holdings screened.  Identified brownfields all actively managed or remediated. (contingent on Environmental Site Assessments service package)
Guidelines for provision of leased space to not-for-profit groups in alignment with Council's priorities and plans	Not-for-profit space requirements are managed	Approximate value of waived rent and exempt property taxes from leases  # of not-for-profits provided with space, and additional # of square feet to be made available	\$8.2 mil.  74 Groups	\$ 9.0 mil  Additional 20,000 ft <sup>2</sup>	\$10.0 mil.  Additional 75,000 ft <sup>2</sup>
Building condition audits for all City buildings and facilities	Public buildings are maintained	% of building condition audits complete	40% completed	58% completed	100% completed (contingent on Building Condition Audits service package)
Building re-investment strategy is developed	Life of public buildings is optimized	Planned maintenance hours as a % of total maintenance hours (also a measure of requirement for emergency work)	46%	45%	70% (contingent on SAP Mainlink Continuous Improvement service package)
		Corporate maintenance funding as a % of replacement value of buildings	0.66%	<1%	approaching 1% (contingent on Operating Impact of Capital service package)

# Corporate Properties

## Immediate and Intermediate Outcomes and Measures Cont'd

Output	Immediate/ Intermediate Outcome	Measure	2008 Result	2009 Projected Result	2010 Target
Identification of civic accommodation needs	Effective, efficient, and integrated accommodation of civic staff and services	Progress towards a comprehensive civic accommodation plan	Commenced update of Downtown Accommodation Plan	Completed conceptual plan for Downtown Accommodation	Advance Downtown Accommodation Plan beyond the conceptual stage
Custodial and building operation services	Efficient building operations	Overall operating cost per square foot	\$8.87 (approx. 85% of market)	\$9.31 (approx. 85% of market)	95% or less of market (Colliers market survey)
Identification of municipal land acquisition needs	Land availability facilitates capital project completion on time and on budget	#of parcels acquired on time enabling capital project completion.	65 purchases	55 purchases	65 purchases
		Client Service Satisfaction surveys	90 % rating	90% rating	>90% rating

# Corporate Properties

## Approved 2010 Operating Budget

The following is a roll-up of the Approved 2010 Operating Budget for the Corporate Properties Branch, including the three major or core services. Each of the major services will be described in the following pages, along with explanatory notes to provide greater understanding about the revenues, costs and recoveries associated with the services provided. Land Enterprise - Development is presented separately at the end of Corporate Properties Budget as it is a self-sustaining operation not funded through the tax levy.

### CORPORATE PROPERTIES - Program Summary Excluding Land Enterprise

	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b><sup>1</sup>Revenues</b>								
Parking Revenues	\$ 7,665	\$ 8,625	\$ 485	\$ -	\$ -	\$ 9,110	5.6	\$ 9,381
Rental Revenues	4,064	3,624	1,001	-	-	4,625	27.6	4,763
Other Revenue	144	160	5	-	-	165	3.1	170
Grants	3	-	-	-	-	-	-	-
Transfer from Reserves	-	-	-	-	-	-	-	-
Total Revenues & Transfers	<u>11,876</u>	<u>12,409</u>	<u>1,491</u>	<u>-</u>	<u>-</u>	<u>13,900</u>	12.0	<u>14,314</u>
<b><sup>2</sup>Expenditures</b>								
Building Maintenance	19,993	21,682	1,230	(200)	4,036	26,748	23.4	30,426
Leasing & Property Management	28,732	30,675	(603)	-	403	30,475	(0.7)	31,465
Municipal Real Estate	<u>2,287</u>	<u>3,136</u>	<u>(344)</u>	<u>(100)</u>	<u>1,460</u>	<u>4,152</u>	32.4	<u>4,735</u>
Total Expenditures & Transfers	<u>51,012</u>	<u>55,493</u>	<u>283</u>	<u>(300)</u>	<u>5,899</u>	<u>61,375</u>	10.6	<u>66,627</u>
<b>Net Operating Requirement</b>	<b>\$ 39,136</b>	<b>\$ 43,084</b>	<b>\$ (1,208)</b>	<b>\$ (300)</b>	<b>\$ 5,899</b>	<b>\$ 47,475</b>	<b>10.2</b>	<b>\$ 52,312</b>
<b>Full-time Equivalents</b>	<b>327.4</b>	<b>356.4</b>	<b>(9.7)</b>	<b>-</b>	<b>26.0</b>	<b>372.7</b>		<b>383.7</b>

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, and adjustments based on current performance.  
Revenue Impacts relate to rate and volume changes.

## Explanatory Notes

### <sup>1</sup> Revenues

The two primary revenue generating activities in Corporate Properties are Parking services and Property Management.

Parking revenues are revenues from the City's owned/leased off-street parking operations, including the Library Parkade, City Hall Parkade, Century Place Parkade, Edmonton City Centre West Parkade, Canada Place Parkade and five (5) surface lots.

Included in the Approved 2010 Budget is a 3.64% rate increase for monthly parking at Canada Place, Library, Century Place, and City Hall. This is

reflective of current market conditions.

Rental revenues reflect the lease payments from the public on approximately 350 market value leases for city owned facilities. The lease rates have been set by existing agreements and the Approved 2010 Budget reflects revenues based upon the agreements.

Of the \$1,001,000 increase in revenue, \$801,000 relates to the leasing of Emergency Medical Stations when that service became a Provincial responsibility in April 2009. The full year lease revenue is now reflected under this Branch.



# Corporate Properties

## <sup>2</sup> Expenditures

The major service programs are Building Maintenance, Leasing and Property Management, and Municipal Real Estate.

Building Maintenance—The majority of the budget increase requested this year is to address maintenance of new facilities.

- Leasing and Property Management—This operation can be sustained through 2010 within the Budget guidelines.
- Municipal Real Estate—The majority of the budget increase is the addition of the Strathcona Bus Barns Remediation.

# Corporate Properties

## Buildings and Facilities Maintenance

### Responsibility

Buildings and Facilities Maintenance is responsible for the maintenance of nearly 700 City facilities valued at over \$3.28 billion. Regular maintenance, maintenance planning and building condition and lifecycle assessments of City-owned properties are keys to success for this area.

Major building retrofits or upgrades, renovations, and construction projects which are identified by Corporate Properties through the building condition assessments or planned maintenance program are managed by Capital Design and Construction.

### Operational Variables

#### Fluctuating Service Demands and Costs

Maintenance needs and costs vary greatly depending upon building type or age. While short-term maintenance and repair costs for newer buildings are typically lower, the initial “set up” costs for new buildings frequently exceed the normal annual ongoing costs of routine maintenance. Newer facilities also tend to have technologies such as security systems and other electronic monitoring devices that require more frequent regular maintenance. Newer buildings are not necessarily less expensive to maintain although they tend to be more energy efficient.

In 2010, the two largest facilities being added to the Building and Facilities Maintenance inventory are the Southwest Community Recreation Facility and the Southwest Transit Garage.

### Current Services

Buildings and Facilities Maintenance also serve the operations of some Boards and Authorities, including the Edmonton Public Library and the Edmonton Police Service. Other municipal departments also utilize these services, such as transit centers and LRT stations. Where appropriate, the budget identifies the recovery of the charge that is levied to the operating areas

(reflecting the actual costs of the service, including direct supervision costs).

In 2008, Buildings and Facilities Maintenance contracted out 42% of its annual budget for work that was either of a specialist nature (fire alarm systems, elevators) or work that is beyond the labour resources of the Section. Typically Buildings and Facilities Maintenance in-house staff complete the preventive/predictive maintenance work while outside contractors perform the larger and emergent repair tasks.

The tables and graph on the opposite page provide a snapshot of the condition of the City's current buildings and facilities inventory. The pie chart shows the major building classes/categories and the average age, condition, and total area maintained within of each of those classes. The tables provide a further breakdown of the kind of buildings and facilities included within the major classes.

### Major Service Objectives

#### SAP Mainlink Continuous Improvement

This Major Service Objective is tied to the Issues and Challenges around deferred maintenance and Building Condition Audits on the following page. Through both the Branch and SAP Operational Audits in 2007, an efficiency opportunity in the Building Maintenance Section was identified. In order to leverage the City's sizable investment already in SAP, the MAINLINK Continuous Improvement Project identified that ongoing operational efficiencies and savings of over \$1 million annually would be realized with a one time expenditure of \$1.768 million. The funding is for maintenance planning, SAP reconfiguration and purchase of mobile communication devices.

### Issues and Challenges

#### Building Condition Audits

Asset Management and Public Works presented to the Transportation and Public Works Committee in August of

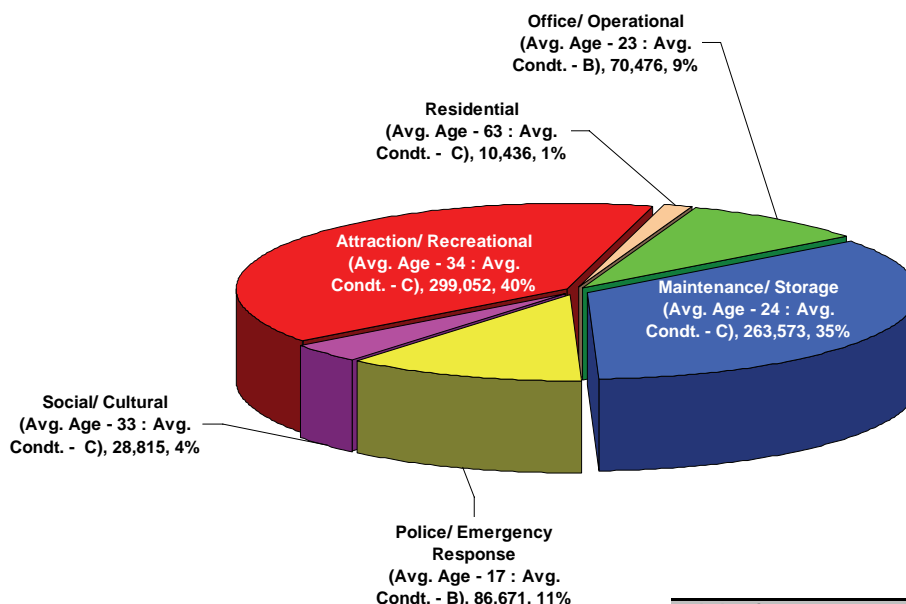
# Corporate Properties

## Buildings and Facilities Maintenance

Building Class	Area sq m	Average Age
<b>Attraction/ Recreational</b>	<b>299,052</b>	<b>29.5</b>
<b>(Avg. Age - 34 : Avg. Condt. - C)</b>		
Leisure Centre/ Swimming Pool	76,634	44.2
Arena	51,917	39.8
Stadium	68,639	29.8
Visitor Centre	4,320	25.8
Historic & Ft. Edmonton	25,024	34.5
Zoo	3,519	26.5
LRT Station & Buildings	37,137	13.6
Transit Station	2,158	15.8
Libraries	29,705	35.8

Current Service Condition

Building Class	Area sq m	Average Age
<b>Maintenance/ Storage</b>	<b>263,573</b>	<b>24.3</b>
<b>(Avg. Age - 24 : Avg. Condt. - C)</b>		
Parking	55,614	30.3
Pedway	2,424	27.0
Service and Operations	45,257	29.7
Shelter	1,558	19.7
Storage	18,942	35.5
Structure	6,013	19.5
Vehicle Repair/ Vehicle Storage	122,429	34.2
Wash/Fuel	951	13.7
Goldbar	3,640	3.7
Bridge	6,746	29.4



Building Class	Area sq m	Average Age
<b>Social/ Cultural</b>	<b>28,815</b>	<b>33.4</b>
<b>(Avg. Age - 33 : Avg. Condt. - C)</b>		
Assembly/ Gallery/ Museum/ Theatre	13,359	37.5
Clubhouse/ Senior Centre	11,249	26.6
Restroom	4,207	36.1

Building Class	Area sq m	Average Age
<b>Police/ Emergency Response</b>	<b>86,671</b>	<b>16.7</b>
<b>(Avg. Age - 17 : Avg. Condt. - B)</b>		
Ambulance	7,088	23.0
Fire Station	24,962	28.4
Police	52,310	9.4
Training	2,312	6.0

2009, a report detailing the significant backlog of deferred maintenance for City buildings estimated to be as much as \$500 million. In order to develop a financially viable approach to address the deferred maintenance issue, it is a critical first step to establish the building condition of the full inventory. Over the past 6 years, staff have completed 58% of all buildings and facilities audits. Because of the magnitude of the potential backlog and urgency to initiate a program, a \$1 million service package is identified under the Buildings and Facilities Maintenance section to fund the remainder of the building condition audits during 2010.

Failure to carry out the balance of these inspections in a timely manner will potentially lead to building component failures.

The Office of the City Auditor's report dated December 2007 concluded the most efficient tool to address the conservation of buildings and facilities is through the use of the following:

- preventive maintenance or scheduled inspections;
- adjustments and replacement of components;

# Corporate Properties

## Buildings and Facilities Maintenance

- predictive maintenance that use techniques to detect trends that allow repairs before equipment failure; and
- proactive maintenance or a highly structured practice that uses information from analyzing equipment to identify origins, not just symptoms, of equipment problems.

In carrying out the recommendations of the City Auditor, 40% of City-owned buildings had undergone a Building Condition Assessment. The results indicate that on average, these City-owned buildings are rated at a condition “C”, which is “fair, with 40%-59% service life remaining. The City spent 0.66% of replacement building value in routine maintenance (compared to industry recommendation of 2% - 4%) in 2008. This suggests that the City is only funding 25% of what the industry standard considers to be the minimum investment in building maintenance.

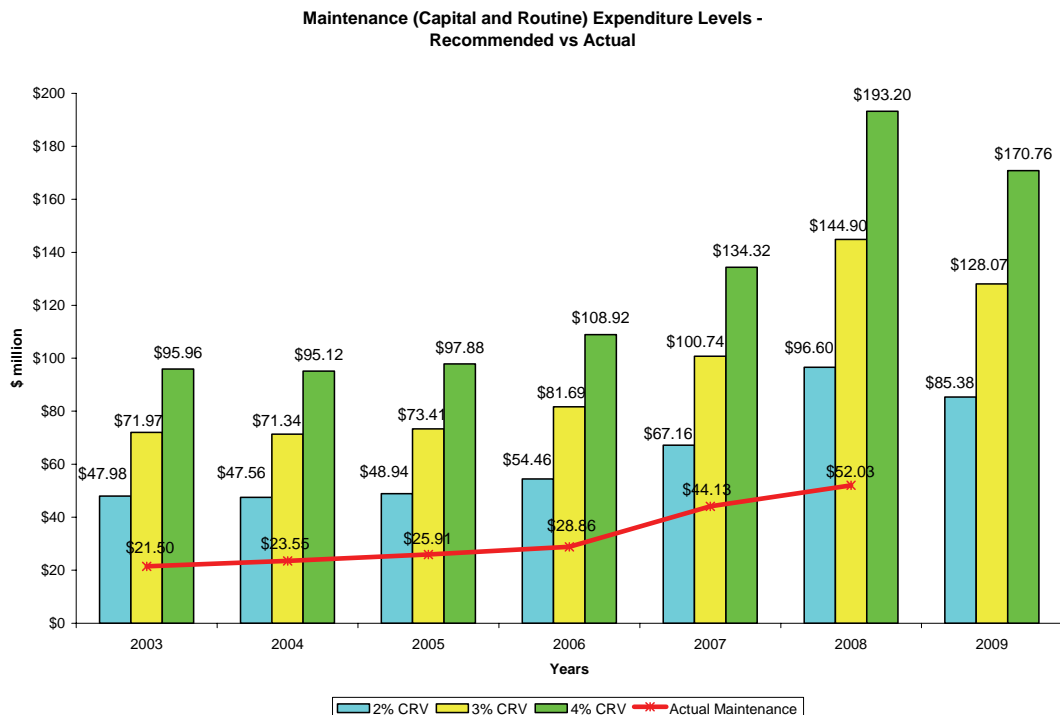
To improve the building condition rating, the City needs to increase spending in building maintenance beyond

the current 25% of the minimum recommended amount. Failure to increase spending may result in deterioration to the point where replacement becomes the more cost effective solution.

### Growth Vehicles

The Building Maintenance staff complement has grown from 179 FTE in 2008 to 218 FTE in 2010 as a result of new capital projects being put into active use. The majority of the staff are front-line maintenance workers who require vehicles to attend to their work.

Administration estimates that \$1.8 million is required to fund the initial capital purchase of growth vehicles. This will be brought forward for City Council consideration in a separate report.





# Corporate Properties

## Buildings and Facilities Maintenance

### Current Service Level

Current (2009) Service Level	Key Resource Requirement	Capacity of Service	Benefits of Service
<p>Service provided across 673 buildings and Facilities.</p> <p>Public buildings are fully operational during their opening hours.</p> <p>Emergency calls are responded to within 24 hours.</p> <div><p><i>\$30,820 Expenditure Budget</i></p><p><i>29% of Total Corporate Properties Expenditure Budget before Recoveries</i></p></div>	<p><b>Personnel</b> – 198 FTEs, of which the majority are licensed trades people and contract inspectors.</p> <p><b>Materials, Goods &amp; Supplies</b> – includes replacement parts and consumable materials used on the job.</p> <p><b>External Services</b> – includes labour, repair/replace, and/or purchase contracts for specialized services and equipment such as fire alarms, elevators.</p> <p><b>Fleet Services</b> - includes approx. 100 trade vans, and a few specialized vehicles.</p>	<p>Staff spending 54% of their hours on emergency and unplanned work (only 46% on planned maintenance).</p> <p>Most materials and equipment are required for each shift.</p> <p>Current contracts are sufficient to cover specialized work for all existing buildings and facilities. In 2008, contracts covered 42% of all maintenance work.</p> <p>Operational efficiency is maximized when there is one person per van as single person jobs, are by far, the most common. The current fleet is not sufficient to meet service objectives.</p> <p>Overall, the magnitude of deferred maintenance means that service objectives are not being met.</p>	<p>Meet mandated or legislated standards for safe occupancy of public buildings and facilities, and for offices and work spaces.</p> <p>An increased proportion of preventative maintenance means lower costs for emergency maintenance, and fewer interruptions to programming.</p> <p>Safety of users/citizens.</p>

# Corporate Properties

## Buildings and Facilities Maintenance

### Strategic Initiatives

Alignment with The Way Ahead	Initiative	Immediate/Intermediate Output	Ultimate Outcome
<b><i>Preserve and Sustain Edmonton's Environment</i></b>  Increase and broaden advancement towards zero waste.	Energy Management Framework – proactively and systematically start replacing building equipment with more eco-efficient units. Inclusion of energy reduction considerations in these programs will support and guide larger scale projects and policy decisions across the organization.	As part of the planned maintenance program, eco-efficient units are used in the replacement of building components, with consideration of cost, compatibility with adjacent systems, and ongoing maintenance requirements.	The impact of City operations on air, land, and water systems is minimized.
2010 Budget Impact	<b>Base</b> - No additional funding is required if the existing pace of replacement is acceptable.		
	<b>Incremental</b> - None		

Alignment with The Way Ahead	Initiative	Immediate/Intermediate Output	Ultimate Outcome
<b><i>Transform Edmonton's Urban Form</i></b>  Sustainable civic infrastructure	Building Condition Audits - complete audits for all City buildings and facilities, and develop a long term building re-investment strategy based on audit results.	Completion of the remaining City building and facilities audit is the first step required to develop a comprehensive building re-investment strategy.  An effective long term building re-investment strategy is available for Council consideration.	Sustainable civic infrastructure.
2010 Budget Impact	<b>Base</b> - provides for performance of Building Condition Audits as staff time is available.		
	<b>Incremental</b> - \$1,000,000 to complete the Building Condition Audit for the remaining facilities by 2010 has been reflected as an unfunded service package.		

# Corporate Properties

## Buildings and Facilities Maintenance

### Approved 2010 Operating Budget

#### Building Maintenance

Notes	2008 Actual	2009 Budget	Revenue & Cost Impacts	Service & Budget Review	<sup>1</sup> Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Revenue &amp; Transfers</b>								
Other Revenue	\$ 144	\$ 160	\$ 5	\$ -	\$ -	\$ 165	3.1	\$ 170
Transfer from Reserves	-	-	-	-	-	-	-	-
<b>Total Revenue &amp; Transfers</b>	<b>144</b>	<b>160</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>165</b>	<b>3.1</b>	<b>170</b>
<b>Expenditure &amp; Transfers</b>								
<sup>2</sup> Personnel	13,920	17,677	999	-	1,534	20,210	14.3	21,311
Materials, Goods & Supplies	3,439	3,238	65	-	1,831	5,134	58.6	7,897
<sup>2</sup> External Services	12,021	8,848	177	(200)	2,380	11,205	26.6	11,429
Fleet Services	1,166	892	368	-	-	1,260	41.3	1,285
Intra-municipal Services	30	-	-	-	-	-	-	-
Other Charges	258	165	5	-	-	170	2.7	173
Transfer to Reserves	-	-	-	-	-	-	-	-
Subtotal	30,834	30,820	1,614	(200)	5,745	37,979	143.5	42,095
<sup>3</sup> Intra-municipal Recoveries	(10,841)	(9,138)	(384)	-	(1,709)	(11,231)	22.9	(11,669)
<b>Total Expenditure &amp; Transfers</b>	<b>19,993</b>	<b>21,682</b>	<b>1,230</b>	<b>(200)</b>	<b>4,036</b>	<b>26,748</b>	<b>23.4</b>	<b>30,426</b>
<b>Net Operating Requirement</b>	<b>\$ 19,849</b>	<b>\$ 21,522</b>	<b>\$ 1,225</b>	<b>\$ (200)</b>	<b>\$ 4,036</b>	<b>\$ 26,583</b>	<b>23.5</b>	<b>\$ 30,256</b>
<b>Full-time Equivalents</b>	<b>179.0</b>	<b>198.0</b>	<b>1.3</b>	<b>-</b>	<b>18.5</b>	<b>217.8</b>		<b>225.3</b>

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, and adjustments based on current performance.  
Revenue Impacts relate to rate and volume changes.

### Budget Changes for 2010 \$(000)

#### Revenue & Cost Impacts on 2009 Services

##### Revenue Changes

\$ 5	Charge out rate increase for external work
\$ 5	Total Revenues

##### Cost Changes

\$ 875	Inflationary - personnel (\$999 less annualization of \$124 = \$875)
265	Inflationary - non-personnel (\$65+\$177+\$368+\$5, less \$350 for fleet services cost adjustment = \$265)
124	Annualization of 2009 New Positions
350	Fleet Services cost adjustment
(384)	Inflation - Intra-Municipal Recoveries
<b>\$1,230</b>	<b>Total Cost Changes</b>

# Corporate Properties

## Buildings and Facilities Maintenance

### Service & Budget Review

\$ (200)	Deferral of program to eliminate ozone depleting substances
\$ (200)	Net Operating Requirement

### Service Needs

\$ 4,036	Impact of capital on Buildings & Facility Maintenance - 2010 budget requirement
\$ 4,036	Net Operating Requirement

### Impact on Full-time Equivalents

1.3	Annualization of 2009 New Positions
18.5	Impact of capital on Buildings & Facility Maintenance
19.8	Total Full-time Equivalent Changes

### Explanatory Notes

<sup>1</sup> The Approved Service Needs of \$4,036,000 represents the building maintenance requirements for facilities that will be brought into service in 2010. The full year maintenance cost for these facilities is \$7,497,000, of which \$3,280,000 has been made available corporately for one-time expenditures.

Some of the major facilities being put into service include:

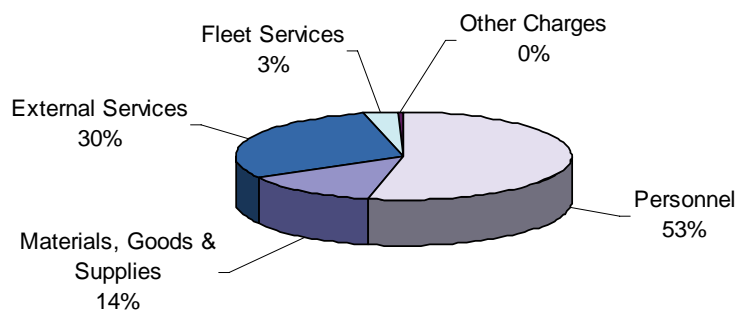
- Southwest Recreation Center
- North Central Recreation Facility
- North Central Field House
- MES Heavy Equipment Building

<sup>2</sup> Building Maintenance services are provided largely by in-house staff, supplemented by contractors for specialized work and for emergency work. Thus, Personnel and External Services form over 80% of total budgeted expenditures.

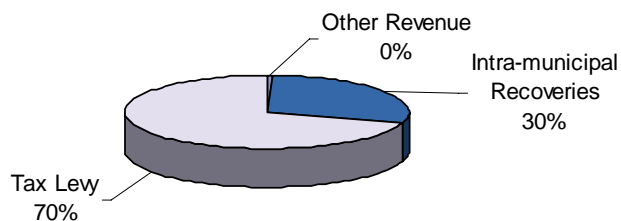
Current staff complement completes preventative planned maintenance, planned replacement, and some demand/emergency maintenance. As the amount of deferred maintenance increases, staff are spending more time on demand/emergency work which is not as cost efficient and can cause service interruption to the public. Depending upon the nature of the emergency, external contractors may be needed to resolve building issues within a reasonable time. External contracts are utilized for approximately 40% of all maintenance requirements, including external services for the planned program.

<sup>3</sup> Intra-municipal Recoveries reflect maintenance work provided to Drainage Services, Waste Management, Police, Library, Fort Edmonton Park, and Transit Centers. In addition, work requested by departments beyond the preventative and emergent maintenance are recovered by the department.

Where the Budget will be spent



Funding by Source





# Corporate Properties

## Leasing and Property Management

### Responsibility

To provide efficient parking, custodial, leasing, property management, accommodation planning and energy management services for civic owned and leased facilities, maximizing revenues where applicable and ensuring that the City's interests are protected as both a landlord and tenant.

### Operational Variables

#### Fluctuating Market Conditions

Operational costs and revenues for Leasing and Property Management are impacted by market conditions for rental rates, utilities, maintenance costs, and parking rates.

#### Civic Space Requirements

Civic Accommodation Planning is receiving an increasing number of requests by client departments for special purpose space. Corporate restructuring and limited swing space is causing service delays and interruptions.

#### Downtown Parking Market

Statistics published by Colliers International in June 2009 rank Edmonton (the city overall) as being the 4<sup>th</sup> highest for monthly parking rates in comparison with other Canadian cities. Monthly rates will be increasing in 2010 from \$275 to \$285 per month. The City target between the upper end of the market range to encourage use of public transportation.

#### Financial Impact of Not for Profit Leases

Currently there are 75 leases of city-owned property to non-profit organizations. These non-profits provide substantial benefits to the community in terms of their recreational, social and cultural programs. However, the estimated opportunity cost of these leases in waived rent and exempt property taxes is \$8.2 million per year. Additionally, there are over 70 additional non-profit organizations requesting space in city property.

### Current Services

#### Parking Operations

- management and administration of 10 City-owned and leased off-street parking operations (3,277 stalls).



City Hall Parkade

#### Custodial Services

- administration of in-house and contract custodial services to 6 million square feet of civic facilities.
- approximately 70% of the inventory is contracted out and 30% is cleaned by in-house staff.

#### Civic Property Management

- day to day property management of a portfolio consisting of 2.2 million square feet of owned & leased facilities accommodating City staff and the Edmonton Police Service
- leasing, contract administration, space acquisition, office moves & base building upgrades.

#### Public Use Property Management

- leasing of City owned residential, commercial and industrial properties to the public and the non-profit community and provision of property management service for the leased properties (1,390 leases)

#### Civic Accommodation Planning

- long term strategic facility planning, long & short term accommodation programming & planning.
- buildings inventory management
- identification and prioritization of major accommodation & renovation projects for inclusion in the Capital Priorities Plan (includes: analysis of accommodation options (build versus buy versus lease).

# Corporate Properties

## Leasing and Property Management

### Energy Management

- monitoring and analysis of City utilities consumption and cost to support operational requirements
- addressing environmental and regulatory issues

### Major Service Objectives

#### Major Renovations and Space Acquisition

The Branch is responsible for ensuring civic accommodation is consistent and conducive to the effective operation of the Corporation. This includes the identification and prioritization of major renovation (re-stacking of existing downtown space) and space acquisition projects (e.g. new downtown office tower). The objective is to improve space utilization and reduce cost per person in accommodating civic staff, both downtown and in suburban locations. The completion of this work will also serve to consolidate the locations and to improve service to citizens.

#### Improved Energy Management

The Energy Management Portfolio has recently been moved to the Corporate Properties Branch to provide for a direct connection into the operating area. The focus of the Unit has historically been on reporting and addressing service and information requests throughout the Corporation. With the change in reporting, the Unit is expanding its focus to include increased trends analysis, procurement opportunities, and initiative development. Consulting expertise has been retained in an effort to assist in the transition and provide an outside perspective on the City's Energy Management processes. It is becoming increasingly important throughout the Corporation to develop and expand the City's expertise in the energy management area and to ensure that energy consumption forecasts are used for effective energy management.

### Issues and Challenges

#### Long Term Civic Accommodation Planning

As introduced in the Branch Overview, a long term strategy for addressing accommodation needs is underway. Accommodation Plans have been prepared for: Downtown office space, City Hall – space re-allocation, and Westwood Asset Management & Public Works (Building Maintenance & Parks Operations) – space shortage – space reallocation. Suburban office and Special Purpose Accommodation Plans are required and will be undertaken in the proposed Corporate Facility Strategy (under Strategic Initiatives).



# Corporate Properties

## Leasing and Property Management

### Current Service Level

Current (2009) Service Level	Key Resource Requirements	Capacity of Service	Benefits of Service
<b>Parking Operations</b>  Provide hourly and monthly parking services to civic departments and the general public (includes 2,787 parking stalls in 5 city owned/leased parkade facilities and 490 parking stalls in 5 surface parking lots).  Provide free public parking on statutory holidays, discounted rates to non-profit organizations, reduced evenings and weekends rates.  Remain competitive in rate setting with other similar private parking operations.  <div> <i>\$6,392 Expenditure Budget</i>  <i>6% of Total Corporate Properties Expenditure Budget before Recoveries</i>  <i>\$4,485 Budget Net Income</i> </div>	Personnel  17.5 FTE's for Property Management and Parking Facilities	– Capacity exists to sustain current service levels and revenue streams.	– Contribute a projected \$4.5 million towards the City's general revenue base in 2009.  – Provide safe and secure parking for patrons in City-owned/leased parking facilities.  – Provide a high level of customer service to maintain a solid customer base.
<b>Custodial Services</b>  Provide administration of in-house and contract custodial services to civic facilities. Approximately 70% of the inventory is cleaned by contract services and 30% by in-house staff.  Approximately 6 million square feet representing 414 facilities and 1,700 transit shelters). Major facilities cleaned include City Hall, Century Place, Chancery Hall, EPS facilities, Libraries, Recreation facilities and Ft. Edmonton Park.  <div> <i>\$10,068 Expenditure Budget</i>  <i>10% of Total Corporate Properties Expenditure Budget before Recoveries</i> </div>	Personnel  74.7 FTE's (primarily custodial workers).  Contracted Services: \$5.7 million	– Capacity exists to sustain current service levels.	– Provide a healthy and clean environment to the corporation in public use and city staffed facilities.  – Maintain custodial contract rates comparable to private sector rates and within the range of published BOMA survey results.

# Corporate Properties

## Leasing and Property Management

Current (2009) Service Level	Key Resource Requirements	Capacity of Service	Benefits of Service
<b>Civic Use Property Management</b> Accommodation services to City-owned and leased premises including leasing, property management and tenant fit-up projects. <ul style="list-style-type: none"> <li>– day to day management of 2.2 million square feet of city-owned and leased space in 126 buildings</li> <li>– 805,000 square feet of downtown office space in 10 buildings, of which 371,000 square feet is leased in 5 office towers, and 1.4 million square feet in 116 suburban office and special purposes buildings, of which 476,000 square feet leased in 64 buildings for civic operations</li> </ul> <div> <i>\$26,508 Expenditure Budget</i>  <i>25% of Total Corporate Properties Expenditure Budget before Recoveries</i> </div>	Personnel: 7 FTE's  External Leases: \$22 million	<ul style="list-style-type: none"> <li>– Capacity exists to maintain current service levels. Corporate reorganizations and growth must reflect funding to provide for appropriate accommodation needs</li> </ul>	<ul style="list-style-type: none"> <li>– Continue to meet client department expectations by providing for employee workplace comfort and productivity.</li> </ul>
<b>Public Use Property Management</b> Leasing and management of City-owned properties to the public and non-profit organizations. Leases: <ul style="list-style-type: none"> <li>– 950 utility lots</li> <li>– 208 commercial</li> <li>– 91 non-profit</li> <li>– 140 residential</li> </ul> <div> <i>\$1,943 Expenditure Budget</i>  <i>2% of Total Corporate Properties Expenditure Budget before Recoveries</i>  <i>\$1,136 Budget Net Income</i> </div>	Personnel: 8 FTE's	<ul style="list-style-type: none"> <li>– Resources are sufficient to maintain current service levels.</li> <li>– Of the 1,390 leases administered by the work unit, considerable focus is placed upon the need to house non-profit groups seeking accommodation or which there are about 75 currently accommodated with approximately another 70 on the waiting list.</li> </ul>	<ul style="list-style-type: none"> <li>– Revenue is provided to the City from the interim use, farm and commercial leases to the private sector</li> <li>– Leasing utility lots reduces the City's cost of maintaining these properties.</li> <li>– The opportunity to lease City properties to the non-profit sector provides a community benefit.</li> </ul>

# Corporate Properties

## Leasing and Property Management

Current (2009) Service Level	Key Resource Requirements	Capacity of Service	Benefits of Service
<b>Civic Accommodation Planning</b> Services provided across the Corporation include: <ul style="list-style-type: none"> <li>– Strategic facility planning</li> <li>– Civic accommodation planning</li> <li>– Buildings inventory management (CAFM system)</li> </ul> <div> <i>\$701 Expenditure Budget</i>  <i>0.6% of Total Corporate Properties Expenditure Budget before Recoveries</i> </div>	Personnel 5 FTE's	<ul style="list-style-type: none"> <li>– Resources are not sufficient to provide adequate medium and long term planning.</li> <li>– Focus is generally reactive &amp; requires funding from other sources to enable strategic or concept planning to occur.</li> </ul>	<ul style="list-style-type: none"> <li>– Enhanced planning for the entire corporate civic accommodation inventory will lead to improved space utilization &amp; lower cost per person of civic operations.</li> </ul>
<b>Energy Management</b> Services provided across the Corporation include: <ul style="list-style-type: none"> <li>– Monitoring and analysis of utilities consumption and costs.</li> <li>– Support of Corporate energy conservation initiatives.</li> <li>– Monitoring and reporting on regulatory environment.</li> </ul> <div> <i>\$444 Expenditure Budget</i>  <i>0.4% of Total Corporate Properties Expenditure Budget before Recoveries</i> </div>	Personnel: 5 FTE's	<ul style="list-style-type: none"> <li>– Consulting services are being used to complement staff requirements to meet service objectives</li> <li>– Focus has historically been reactive, to requests for data / service applications / changes &amp; dealing with billing errors / corrections that occur. Services are not viewed as timely.</li> </ul>	Capability to provide timely, accurate measurement & projection data to operational areas.

# Corporate Properties

## Leasing and Property Management

### Strategic Initiatives

Alignment with The Way Ahead	Initiative	Immediate/Intermediate Output	Ultimate Outcome
<p><b>Transform Edmonton</b></p> <p><b>Diversify Edmonton's economy</b></p> <p>Strategically invest in select infrastructure as set out by the long range Financial Plan &amp; the Strategic Financial Strategy.</p> <p>Improve continuously, the capacity &amp; capability of the organization in the delivery of services to business &amp; citizens.</p>	<p>Civic Accommodation Corporate Facility Strategy</p> <p>Develop and implement a comprehensive strategy for how the City plans for and manages existing and future space needs for its administration, civic businesses and services to businesses and citizens.</p>	<p>Decision on Downtown Accommodation Plan based upon Cost/Benefit (NPV) of alternatives being considered.</p> <p>Transition space utilization to approximately 200 USF per person (currently 240)</p> <p>Develop City wide (suburban and special purpose) Accommodation Plans.</p>	<p>Reduce space utilization to industry standard (180) USF/person.</p> <p>Reduce space cost per person to level consistent with other municipalities/levels of government/industry standards.</p>
2010 Budget Impact	<b>Base</b> - None required.		
	<b>Incremental</b> - None proposed for 2010.		



# Corporate Properties

## Leasing and Property Management

### Approved 2010 Operating Budget

#### Leasing & Property Management

Notes	2008 Actual	2009 Budget	Revenue & Cost Impacts	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Revenue &amp; Transfers</b>								
<sup>1</sup> Parking Revenues	\$ 7,665	\$ 8,625	\$ 485	\$ -	\$ -	\$ 9,110	5.6	\$ 9,381
<sup>2</sup> Rental Revenues	4,064	3,624	1,001	-	-	4,625	27.6	4,763
Grants	3	-	-	-	-	-	-	-
Transfer from Reserves	-	-	-	-	-	-	-	-
<b>Total Revenue &amp; Transfers</b>	<b>11,732</b>	<b>12,249</b>	<b>1,486</b>	<b>-</b>	<b>-</b>	<b>13,735</b>	<b>12.1</b>	<b>14,144</b>
<b>Expenditure &amp; Transfers</b>								
Personnel	7,151	8,426	199	-	219	8,844	5.0	9,270
Materials, Goods & Supplies	562	568	11	-	23	602	6.1	614
<sup>3</sup> External Services	12,736	9,522	1,193	-	222	10,937	14.9	11,081
Fleet Services	35	36	-	-	-	36	-	37
Intra-municipal Services	2,416	1,080	432	-	-	1,512	40.0	1,542
Utilities	4,063	4,607	(152)	-	-	4,455	(3.3)	4,544
<sup>4</sup> External Lease Costs	15,731	21,934	1,152	-	13	23,099	5.3	23,561
<sup>5</sup> Transfer to Reserves	21	24	-	-	-	24	-	24
Subtotal	42,715	46,197	2,835	-	477	49,509	67.9	50,673
<sup>6</sup> Intra-municipal Recoveries	(13,983)	(15,522)	(3,438)	-	(74)	(19,034)	22.6	(19,208)
<b>Total Expenditure &amp; Transfers</b>	<b>28,732</b>	<b>30,675</b>	<b>(603)</b>	<b>-</b>	<b>403</b>	<b>30,475</b>	<b>(0.7)</b>	<b>31,465</b>
<b>Net Operating Requirement</b>	<b>\$ 17,000</b>	<b>\$ 18,426</b>	<b>\$ (2,089)</b>	<b>\$ -</b>	<b>\$ 403</b>	<b>\$ 16,740</b>	<b>(9.1)</b>	<b>\$ 17,321</b>
<b>Full-time Equivalents</b>	<b>117.2</b>	<b>129.2</b>	<b>(6.0)</b>	<b>-</b>	<b>7.5</b>	<b>130.7</b>		<b>134.2</b>

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, and adjustments based on current performance.  
Revenue Impacts relate to rate and volume changes.

### Budget Changes for 2010 \$(000)

#### Revenue & Cost Impacts on 2009 Services

##### Revenue Changes

\$1,260	Volume changes - Parking \$423 + Leased Space (EMS Stations) \$801 + Other \$36 = \$1,260
226	Rate changes - Property Management \$148 + Parking \$62 + Other \$16 = \$226
\$ 1,486	Total Revenues

# Corporate Properties

## Leasing and Property Management

### Cost Changes

\$ 199	Inflationary - personnel
1,497	Inflationary - non-personnel (\$11+\$1,134 less add back one-time reduction of \$800+\$1,152 = \$1,497)
800	One-time reduction (accommodation projects) in 2009 added back to 2010 budget
491	Inflationary costs of \$156 and \$335 for administration portion of Capital Construction rent = \$432
(152)	Net of inflationary impacts on utilities and reduction for EMS Station
(3,438)	Capital Construction (\$1,676) + Land Enterprise (\$258) rent + inflationary on other (\$1,504) = \$3,438
\$ (603)	Total Cost Changes

### Service Needs

\$ 181	Impact of capital on Custodial Services - 2010 budget requirement
\$ 75	Downtown Public Washrooms (1-Time)
\$ 147	Washroom Facilities in Old Strathcona
\$ 403	Net Operating Requirement

### Impact on Full-time Equivalents

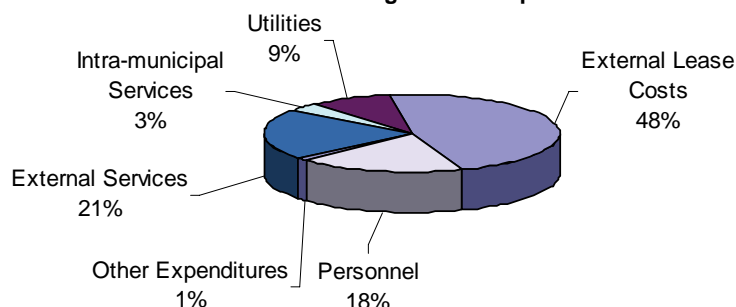
(6.0)	Gold Bar Wastewater Treatment Plant Custodial Positions Transferred to EPCOR
7.5	Impact of capital on Custodial Services
1.5	Total Full-time Equivalent Changes

## Explanatory Notes

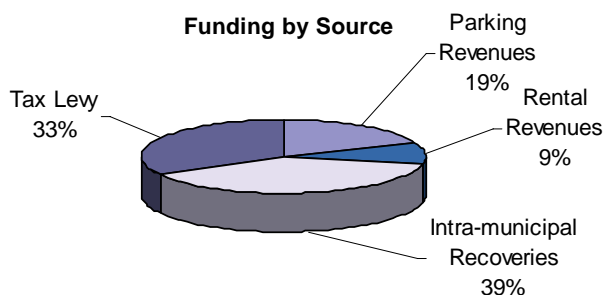
- The majority of the \$485,000 increase to Parking Revenues is related to a projected volume increase (\$423,000).
- Of the \$1,001,000 increase to Rental Revenues, \$801,000 relates to leases on the Emergency Medical Stations.
- Included in the Approved 2010 Budget for External Services is the reinstatement of a one-time \$800,000 reduction in 2009 to minor accommodation project renovations.
- The City currently leases 371,000 square feet of commercial space downtown and 406,000 square feet of office and special spaces in suburban Edmonton. The downtown external leases are approximately 46% of the total office space occupied by the City.
- In accordance with the License Agreement between the City of Edmonton and the Northern League in Edmonton Inc., any surplus generated from parking revenues in excess of annual rent for Telus Field is transferred to the Telus Field Capital Reserve for future structural rehabilitation of the facility.
- Intra-municipal Recoveries are received from municipal operations, utilities, enterprises, and Boards and Authorities for: Custodial Services; Parking Operations; and Space Rent.

New to the Approved 2010 Budget is facility charges for Capital Construction (\$1,676,000) and Land Enterprise (\$258,000). These charges are at the same rate as that of Waste Management.

Where the Budget will be spent



Funding by Source



# Corporate Properties

## Municipal Real Estate

### Responsibility

The Branch assists all municipal operations in the management of real estate.

Major functions are to:

- Provide real estate consultation and advisory services in land use planning, engineering, and appraisals, assisting operating departments in the decision process for land requirements.
- Acquire privately held real estate interests, land, buildings, rights of ways, etc. through mutual agreement or, if needed, through expropriation.
- Conduct portfolio management to ensure real estate that is surplus to municipal needs is made available for sale.

### Operational Variables

#### Long Term Planning

The Branch connects with internal clients on a regular basis to attain updates to 3,5, 10, and 20 year plans for real estate needs.

#### Optimal Timing of Acquisition

In many cases, it is advantageous from a financial perspective if land can be purchased when it's still un-serviced and un-developed. The City can then take a lead role in the overall development of the land and provide for municipal purposes. In 2009 this strategy was utilized in purchasing property in Heritage Valley. In 2010, this strategy will be continued to acquire land in desired areas when it is advantageous to do so.

### Current Services

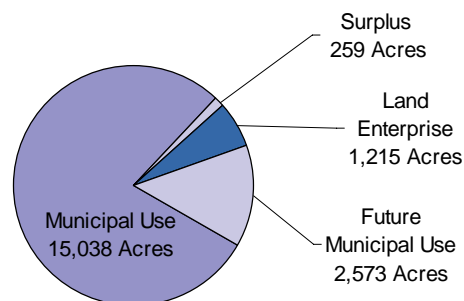
City-owned land holdings, or land inventory totals 8,950 parcels/19,085 acres in four categories:

- Land that is actively in use by municipal operations (e.g. parks, LRT, transit, fire stations, libraries, civic

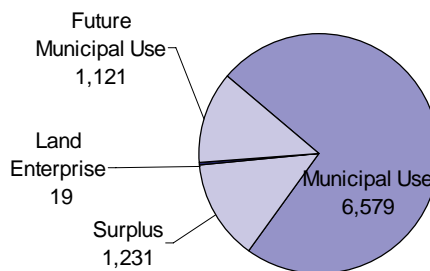
buildings, landfill, etc.) (6,579 Parcels/15,038 Acres)

- Land that is held for future municipal use purposes such as transit (1,121 Parcels/2,573 Acres)
- Land that is held for Land Enterprise (Development) (19 Parcels/1,215 Acres). This will be discussed in the next section of this document.
- Land surplus to municipal needs (1,231 Parcels/259 Acres).

**Land Holdings by Area**



**Number of Land Holdings**



Property acquisition includes acquiring various property interests on behalf of all civic departments; providing expropriation services when required; and providing land related consulting services as needed to other departments in the preparation of their programs.

Real estate appraisals and value estimates are

# Corporate Properties

## Municipal Real Estate

undertaken to assist in business planning, property acquisition, and property sales. This service is provided by both in-house professionals and where required, through consultants.

Land use planning and land development engineering services are provided to any municipal operations requiring assistance in the development of new facilities. Securing the land is a critical first step in the process of capital project development.

The area is also responsible for the preparation of documents such as utility rights of way for registration on land titles to protect utilities prior to the sale of surplus municipal sites such as closed roads, utility lots, and on land newly developed by the private sector.

from a number of major strategic land purchases during 2008 and 2009 and lower sales activity due to the current economic conditions. This has led to the need for Land Enterprise to access the City's working capital. At the current time, this issue and challenge has not been included as a service package. Administration will review the overall cash flow implications and recommendations regarding carrying costs associated with land purchased in advance of need may be brought forward for Council's consideration at a later time.

### Contaminated Site Assessments

The Contaminated Sites Management Strategy was received as information by the TPW Committee on September 8, 2009. The initial stage of the Strategy identified \$500,000 to be used to fund 1 FTE and focus on enhancing the City's environmental data base (ESID) as well as provide for additional consulting and testing on any identified brownfield sites. At present, the City has almost 9,000 holdings, most which do not require documentation of environmental records. The funds have been requested to add environmental information to the database only for those sites that have been deemed at highest risk of contamination of soil and ground water.



## Issues and Challenges

### Funding of Land Acquisition for Municipal Purposes

Historically, Land Enterprise has provided the needed working capital for opportunity purchases of land for municipal projects in advance of capital project funding approval. One of the challenges, however, is the current cash position within the Enterprise which has resulted

# Corporate Properties

## Municipal Real Estate

### Current Service Level

Current (2009) Service Level	Key Resource Requirement	Capacity of Service	Benefits of Service
<p>Purchase of Land with a total value of \$25 million to support City operations with a 90% client satisfaction rating.</p> <p>Approximately 600 property valuations (570 in-house; 30 by consultants).</p> <p>15 land use planning and development engineering assignments for municipal facilities. Planning services largely carried out in-house with engineering design and construction contracted out.</p> <p>600 property transactions (inventory management, road closure bylaws, utility right of way, etc.).</p> <p>Environmental Site Assessments are completed for all land transactions carried out by the City.</p> <div><p><i>\$28,328 Expenditure Budget</i></p><p><i>27% of Total Corporate Properties Expenditure Budget before Recoveries</i></p></div>	<p>Personnel -</p> <p>24.2 FTEs comprised of property acquisition agents, appraisers, planners, engineers, real estate professionals, technicians, and clerical staff.</p> <p>Funding for land capital projects estimated at \$25 million on average.</p>	<p>Approximately 65 completed acquisitions/expropriations per year.</p> <p>Additional capacity available from consultants.</p> <p>Additional capacity available from consultants for peaks in project requirements.</p> <p>Current staffing adequate to meet annual workload. Peaks in demand through the year can result in delays, which are manageable.</p> <p>The technical expertise of the Transportation Department is applied to review environmental testing results and studies to ensure all land purchased by the City is in an acceptable condition, and that any concerns raised by purchasers of City land are addressed.</p>	<p>Capital projects completed on time and on budget.</p> <p>Use of in-house appraisers results in savings between \$1 and \$1.5 million in appraisal costs.</p> <p>In-house planning and preliminary engineering services result in time savings. Base level of service is provided in-house and additional services provided by consultants under direction of in-house staff.</p> <p>Accurate records of the inventory, use and availability of City owned real estate. Protection of rights to have utilities in place on private land.</p>

# Corporate Properties

## Strategic Initiatives

Alignment with The Way Ahead	Initiative	Immediate/Intermediate Output	Ultimate Outcome
<b><i>Improve Edmonton Livability</i></b>  Civic land requirements are coordinated to enable Council approved projects to proceed in a timely manner.	Update the Long-Term Land Acquisition Plan that sets criteria for purchases; outlines priorities for land acquisition; and identifies a mechanism to engage City Departments in the development of plan priorities, clarify respective roles and resolve implementation challenges.	Coordinated approach to prioritizing municipal land requirement.  Fewer delays in capital projects implementation related to land acquisition.  The required land for capital projects are assembled and ready for construction within agreed upon deadlines.	The City is well managed.
2010 Budget Impact	Base - Complete within existing resources.		
	Incremental - None		



# Corporate Properties

## Municipal Real Estate

### Approved 2010 Operating Budget

#### Municipal Real Estate

Notes	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Expenditure &amp; Transfers</b>								
<sup>1</sup> Personnel	\$ 1,935	\$ 2,852	\$ (198)	\$ -	\$ -	\$ 2,654	(6.9)	\$ 2,707
Materials, Goods & Supplies	160	130	3	-	-	133	2.1	135
<sup>1</sup> External Services	7,951	227	4	-	1,460	1,691	646.3	1,725
<sup>2</sup> Intra-municipal Services - Land	41,180	25,000	-	-	-	25,000	-	25,500
Intra-municipal Services	169	52	1	-	-	53	1.9	54
Other Charges	88	67	2	-	-	69	3.0	70
Transfer to Reserves	-	-	-	-	-	-	-	-
Subtotal	51,483	28,328	(188)	-	1,460	29,600	4.5	30,192
<sup>2</sup> Intra-municipal Recoveries - Land	(48,748)	(25,000)	-	-	-	(25,000)	-	(25,000)
<sup>1</sup> Intra-municipal Recoveries	(448)	(192)	(156)	(100)	-	(448)	133.3	(457)
<b>Total Expenditure &amp; Transfers</b>	<b>2,287</b>	<b>3,136</b>	<b>(344)</b>	<b>(100)</b>	<b>1,460</b>	<b>4,152</b>	<b>32.4</b>	<b>4,735</b>
<b>Net Operating Requirement</b>	<b>\$ 2,287</b>	<b>\$ 3,136</b>	<b>\$ (344)</b>	<b>\$ (100)</b>	<b>\$ 1,460</b>	<b>\$ 4,152</b>	<b>32.4</b>	<b>\$ 4,735</b>
<b>Full-time Equivalents</b>	<b>31.2</b>	<b>29.2</b>	<b>(5.0)</b>	<b>-</b>	<b>-</b>	<b>24.2</b>		<b>24.2</b>

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, and adjustments based on current performance.  
Revenue Impacts relate to rate and volume changes.

### Budget Changes for 2010 (\$000)

#### Revenue & Cost Impacts on 2009 Services

##### Cost Changes

\$ (198)	Inflationary - personnel (\$109 less \$307 for 5.0 fte's reduced due to NLRT realignment = \$198)
10	Inflationary - non-personnel (\$3+\$4+\$1+\$2 = \$10)
(156)	Billing of Property Sales and Land Services activities to Land Enterprise
<b>\$ (344)</b>	<b>Total Cost Changes</b>

#### Service & Budget Review

\$ (100)	Increased recovery from capital
<b>\$ (100)</b>	<b>Net Operating Requirement</b>

#### Service Needs

\$ 1,460	Budget adjustment for Strathcona Bus Barns Remediation
<b>\$ 1,460</b>	<b>Net Operating Requirement</b>

#### Impact on Full-time Equivalents

(5.0)	Council's realignment of the NLRT line requires less property acquisition
<b>(5.0)</b>	<b>Total Full-time Equivalent Changes</b>

# Corporate Properties

## Municipal Real Estate

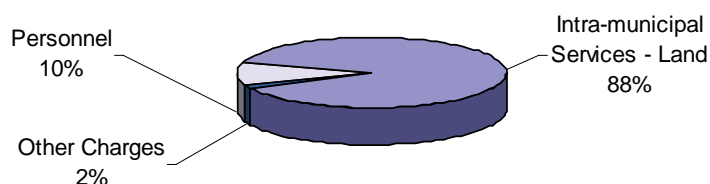
### Explanatory Notes

- <sup>1</sup> To more accurately reflect the cost of operations for Land Enterprise, staffing and related costs associated with sales and marketing and 50% of the inventory management and land servicing cost have been reflected in Land Enterprise operations. The 2008 Actual and 2009 Budget has been restated, to the extent possible, to provide comparable information. Please refer to Significant Changes to Approved 2010 Budget within Land Enterprise section for more details.
- <sup>2</sup> The Intra-municipal Services - Land captures the cost of land acquired on behalf of another municipal operation during the year. This amount, along with any other expenses associated with the purchase (e.g. site assessment), is recovered from the

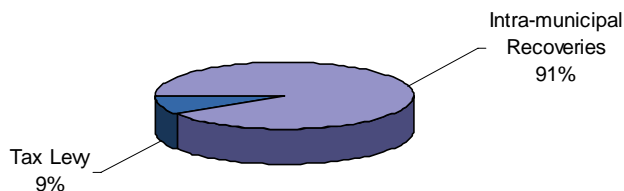
purchasing department under Intra-municipal Recoveries - Land. There is no mark-up for these transactions.

The actual value of land acquired for other municipal operations vary from year to year, depending upon the number of approved capital projects requiring land, the size of the land parcel required, and the availability of willing seller. Over the past few years, the actual amount of purchase has been in the order of \$25 million.

**Where the Budget will be spent**



**Funding by Source**



# Corporate Properties

## Approved 2009-2011 Capital Budget

### Buildings

	2009 Budget	2010 Budget	2011 Budget	3-Year Budget Total
Total Program Capital Budget	\$ 4,100	\$ 700	\$ -	\$ 4,800

## Progress on Significant Capital Projects

Corporate Properties is in the midst of final negotiations with the Edmonton Catholic School Board for the acquisition of the Fire Training Facility. Negotiations are expected to conclude in 2010.

## Operating Impact of Capital Projects

### Operating Impact of Capital Projects

Service Description	2010 Budget	2011 Forecast	2-Year Total
Building maintenance for new facilities	\$ 4,036	\$ 2,089	\$ 6,125
Custodial and utility costs for new facilities	181	96	277
Annualization	3,280	-	3,280
<b>Total Operating Impact of Capital</b>	<b>\$ 7,497</b>	<b>\$ 2,185</b>	<b>\$ 9,682</b>

# Corporate Properties

Funded

## Service Needs Funded Within 3% - Impact of Capital - Building & Facility Maintenance

Incremental (\$000)	2010				2011				2012			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
New Budget	4,217		4,217	26.0	2,185		2,185	10.0	2,500		2,500	10.0
Annualization	3,280		3,280	11.0			-				-	
<b>Total</b>	<b>7,497</b>	<b>-</b>	<b>7,497</b>	<b>37.0</b>	<b>2,185</b>	<b>-</b>	<b>2,185</b>	<b>10.0</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>	<b>10.0</b>

### Description

This package provides funding for the life cycle maintenance of new facilities and equipment scheduled to be in service in 2010-2012. In the early years of operation new buildings and equipment are under warranty but there is still a requirement for maintenance planning, routine maintenance and mandated inspections. In addition, new facilities often are equipped with new technology and additional training is necessary.

This package provides funds for municipal tax-supported programs as well as fully recoverable services provided to Police Services, Library and Transit. Operating costs in the form of custodial service requirements and utility costs are both estimated based on the area of the facility and provision of similar levels of service. The growth in custodial services will be met through a combination of contracted and City forces.

### Justification

This service package will provide for the routine maintenance, mandated inspections and operational activities required on an ongoing basis. Custodial service and utilities must be provided to new facilities, in order to ensure efficient operations and maintain the integrity of new infrastructure.

Building and facility maintenance for new facilities has been estimated based upon prior years service levels and standards (average 1.7%). The branch is also identifying deferred maintenance through building condition audits. Enhanced condition reporting will enable identification of long range rehabilitation requirements and associated funding needs to maximize the service life of City building assets. This will also ensure that facility reinvestment using the "2% to 4%" of current replacement value" industry standard rule is addressed.

### Links to Strategic Goals & Departmental Outcomes

- Refocus spending on renewing existing infrastructure relative to investment in new infrastructure.

# Corporate Properties

Funded

Service Package Brought Forward as Directed by City Council/Committee

## Public Washrooms Pilot for the Downtown Area

incremental (\$000)	2010				2011				2012			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
New Budget Annualization	75		75 -		(75)		(75) -				- -	
<b>Total</b>	<b>75</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>(75)</b>	<b>-</b>	<b>(75)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Description

This service package will fund a public washrooms pilot project in the McCauley neighbourhood, and the Jasper Avenue area west of 109th Street. The pilot project would include comprehensive public consultation including a needs analysis and an assessment of community readiness. The pilot would utilize temporary facilities such as portable toilets and portable urinals, similar to what has been previously piloted on Whyte Avenue. A needs assessment in McCauley is closer to completion, and as such, temporary facilities in this neighbourhood could be implemented early in 2010. The introduction of facilities west of 109th Street may occur later in the year, due to the requirement for a full needs analysis and broader stakeholder consultation.

### Justification

The need for a washroom solution has been identified by a number of stakeholders in the downtown area. A pilot project has been successful in another area of the city, in terms of defining the need and the readiness of the community for more permanent solutions. It is believed a pilot project in the downtown area could produce similar results.

### Links to Strategic Goals & Departmental Outcomes

Improve Edmonton's Livability – Enhance social connectedness for all citizens

# Corporate Properties

Funded

## Service Package Brought Forward as Directed by City Council/Committee

### Washroom Facilities in Old Strathcona

incremental (\$000)	2010				2011				2012			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
New Budget Annualization	147		147				-				-	
	-		-				-				-	
<b>Total</b>	<b>147</b>	<b>-</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Description

This service package includes the ongoing custodial and maintenance costs associated with one permanent washroom facility and one permanent urinal in Old Strathcona. The costs identified are the operating impacts of the recommended facility construction identified in the Capital Profile with the same title (Washroom Facilities in Old Strathcona).

The operating funds required are:

- \$59,500 for regular custodial services provided for the permanent washroom and permanent urinal (through an external contract).
- \$35,000 for regular planned maintenance of the permanent washroom and permanent urinal.

The costs above are not expected to be incurred until at least 6 months into the year due to time requirements for public consultation and then construction.

The remaining portion of this service package is for the year round operation of portable washrooms and portable urinal units. The portable facilities have been utilized since 2007 on a pilot basis, for 5 months of the year. This package would allow for year round operation

The operating funds required are:

- \$53,000 for delivery, emptying, and removal of 2 portable urinal units 5 portable washrooms for 12 months (through an external contract). These costs are expected to be incurred immediately in 2010.

### Justification

The need for a permanent washroom solution has been identified by a number of stakeholders in the Old Strathcona area. This area of the City has a large volume of pedestrian traffic throughout the year, including shoppers, tourists, late night patrons, the homeless, festival goers, business owners and staff, and others. This new service would require the commitment to provide citizens with safe and clean public washrooms which will require supporting custodial and building maintenance funding.

### Links to Strategic Goals & Departmental Outcomes

Improve Edmonton's Livability – Enhance social connectedness for all citizens



# Corporate Properties

## Land Enterprise (Land Development)

### Mission

Actively promote initiatives in evolving areas of sustainability, revitalization, and urban form through the land development program.

### Responsibility

City Council established the Land Enterprise in the 70's as a self-sustaining (non tax-funded) land development and sales operation to maintain an active presence in the industry (by supplying lots for housing and industrial development) and to handle the disposition of the City's surplus or unneeded real estate. It provides an annual dividend to the corporation.

The activities of Land Enterprise are guided by Policy C511 Land Development Policy (2005), Policy C516B Land Enterprise Dividend Policy (2008) and the Industrial Land Strategy (2002).

Land Enterprise operates on a continuous cycle with respect to its land development activities. Land for development is acquired, it is serviced and the serviced land is sold for further development by the private sector. Retained profits fund servicing of existing lands and/or acquisition of land for further development, when justified. When a new development project is considered, a business plan is developed which addresses, among other things, planning for appropriate land uses, servicing, financing requirements for the development, marketing and sales of developed lots to the private market and the expected financial returns.

The Land Development Policy limits the City's activity in the residential land development sector to no more than 10% of the total number of lots produced in the Edmonton area.

Council's Industrial Land Strategy provides for a 3 year inventory of serviced industrial land within City Boundaries.

### Operational Variables

#### Significant Changes to the Approved 2010 Budget

A number of financial changes were made to the approved 2010 Budget in an effort to bring more clarity to how the City's land development activities impact the overall financial and operational requirements of the City. The 2008 actual results and the 2009 Approved Budget have both been restated to the extent possible, to provide comparable information.

- The annual cost of all property sales and marketing staff are now reflected under Land Enterprise.
- The annual cost of 50% of staff providing inventory management and land development are now allocated to Land Enterprise.
- The cost of all property acquisition staff remains within the Municipal



# Corporate Properties

## Land Enterprise (Land Development)

Real Estate function of Corporate Properties because the majority of the work unit is to acquire land for municipal use.

This change to the treatment of staffing costs replaces the internal commission that was previously charged based upon a percentage of acquisition value of land for development. The financial impact of this change is that there is a base level of staffing costs reflected within Land Enterprise annually, regardless of the varying level of land development and sales activities. In years where sales activity is high, the amount of net income will likely increase while in years where sales activity is low, the amount of net income will decrease. This more closely approximates the financial results of a private land development business.

Also included in the approved 2010 Budget are facility rental charges for the space occupied by the allocated staff. This charge is at the same rate as the charges to Waste Management and Capital Construction.

Over the course of 2010, Administration plans to identify other Shared Services costs and Central Management Charges that should be allocated to Land Enterprise. This allocation will occur for the 2011 budget process.

Another change that is anticipated to take place over 2010 is the recording of interest revenue and carrying charges. Historically, Land Enterprise has not recorded any interest revenue on positive cash balances nor any interest costs on negative cash balances. Accordingly, carrying costs of land acquired prior to need is reflected only to the extent of interest revenue foregone on any positive cash balances.

It is important to point out that while the changes to the financial treatment of land activities will more closely approximate that of the private sector, the net rate of return from Land Enterprise will be proportionately lower than the industry because of the following factors:

- Land Enterprise will be paying for the carrying cost associated with land acquired ahead of municipal need because it is transferred to the operating department at book value when the site is required. This practice may be reviewed in the future.

- Land Enterprise is developing affordable residential lots (i.e. priced at least lower than the average price of all lots sold in the city).
- Land Enterprise undertakes to service and develop industrial lots when the private sector is unwilling to do so. Specifically, Land Enterprise strives to maintain a 3-year supply of available serviced industrial lots to potential businesses.

### Sensitivity of Financial Information

It is also important to point out that as Land Enterprise operates in the private sector market, certain financial details must be kept in private in order not to prejudice negotiations and sales efforts. Further financial information, if desired, can be made available to Council in private.

### Meeting Municipal Land Needs

Land Enterprise acquires undeveloped land for future development and sale to the public. When land available for resale is diverted to meet City operational requirements, Land Enterprise forgoes profit opportunity as the transfer of the property is made at book value. This is a significant factor that should be recognized when considering Land Enterprise's net income independent of the impact on other operations.

### Community Revitalization

Land Enterprise operations are impacted by the introduction of the Community Revitalization efforts. The Quarters and Station Pointe projects are examples whereby major re-development efforts are paid for by the City up front. The administrative costs associated with bringing the Station Pointe Redevelopment Project forward are largely borne by Municipal Real Estate and Land Enterprise, along with other participating departments who bring their expertise to the project. This function also affects Land Enterprise Net Income. When a Community Revitalization Levy is approved by the Province and by City Council, it can be used as a financing tool with the intent of repaying the City's investment within a 20 year period.

# Corporate Properties

## Land Enterprise (Land Development)

### Current Services

#### Overall Development

The average timeframe required to bring a parcel of raw residential land from acquisition to serviced lots is at minimum, three years. Industrial land is often considerably longer.

#### Residential Development

Over the past few years, the City's residential development has taken place on land that had been in the City's land inventory for many years.



When the existing subdivisions are developed and sold, raw land inventories will be required to be replenished in order to continue in the residential land development field.

With the slowdown in market conditions, servicing of residential development was largely deferred in 2009. The approved 2010 Budget only includes a small number of residential lots being brought to market, and is focused on existing subdivisions of Oxford and Hollick-Kenyon. Over 2010, the planning of Rural Northwest will begin. Marketable lots in this new subdivision will not be available until 2011 at the earliest.

#### Environmental Standards

Land Enterprise is looking to lead by example in terms of making headway in environmental standards used in Edmonton. Pursuing LEED certification, for example, has been introduced as a condition of sale in a new industrial subdivision. The Sustainable Land Development Strategic Initiative will go into more detail about the overall strategy that drives this operational objective.

### Issues and Challenges

#### Land Development Focus

Land Enterprise must balance its land development focus amongst competing goals. The pursuit of a "green" community or affordable housing can increase the cost of development or reduce sales revenue significantly. Therefore, the full dedication to these goals can lead to a lower net income, and a resultant lower dividend paid to the City to lower the cost of tax levy operations.

#### Edmonton City Centre Airport

In July of 2009, City Council approved the phased closure of the City Centre Airport. The Corporate Properties Branch, through the Land Enterprise is responsible for the development of the plan and implementation of this long term project. A separate development office will be established to manage this project modeled after the Mill Woods Project Office and similar to the Canada Lands Company (Griesbach Development Project). \$1.38 million is included in this budget as a non-tax-levy service package to staff-up and operationalize the ECCA development office, under the Land Enterprise. This package would be funded from the retained earnings of Land Enterprise, and as such is not tax levy supported.

This Project Office will be responsible for the day-to-day project management and administration of the project, coordination and direction of consultants and city staff, and stakeholder relations. The Office will prepare a Request for Proposals (RFP) for a design competition for an environmentally advanced, transit-oriented development with a target release date of the spring of 2010. The Project Office will also develop a comprehensive public consultation plan in conjunction with the successful proponent.

# Corporate Properties

## Land Enterprise (Land Development)

### Immediate and Intermediate Outcomes and Measures

Output	Immediate/ Intermediate Outcome	Measure	2008 Result	2009 Projected Result	2010 Target
Land is purchased, serviced, and sold	Positive return on investment from land development activities	Net income of Land Enterprise	\$25.9 million (actual)	\$12 million (projected)	\$16.7 million (budget)
Servicing and sale of residential lots at affordable end of the Edmonton market	Low impact, sustainable, affordable development lots available	# pilot programs introduced  # of lots available for sale	Modular/Component Home Project  13 lots	LaPerle Attainable Housing  19 lots	Rural Northwest ASP  107 lots

### Current Service Level

Current (2009) Service Level	Key Resource Requirement	Capacity of Service	Benefits of Service
<p>Contribute to maintenance of 3 year supply of serviced industrial land.</p> <p>Average industrial land absorption in Edmonton is 150 acres/year. Private sector inventory exceeds 3 year supply - current City's inventory is 15.1 acres.</p> <p>Provide affordable residential lots - average of 100 - 200 lots per year.</p>	<p><b>Land</b></p> <ul style="list-style-type: none"> <li>Land costs</li> <li>Capital budget funds to service land using consulting engineers and construction contractors</li> </ul> <p><b>Personnel</b></p> <ul style="list-style-type: none"> <li>25.3 FTEs consisting of planning, engineering, sales, appraisal, technical, and clerical staff</li> </ul>	<ul style="list-style-type: none"> <li>Sufficient land in inventory to meet projected development and sales need</li> <li>Consulting engineers, construction contractors, and realtors providing service at a reasonable cost</li> <li>Staffing levels adequate for current activity levels</li> </ul>	<ul style="list-style-type: none"> <li>Growth of business and residential tax base.</li> <li>Complementary involvement in the development industry providing supplies of affordable serviced lots for housing and industry</li> <li>Positive net income to be used for further Land Enterprise activities or for other City uses.</li> <li>Opportunities for sustainable and innovative development practices</li> <li>Maintains inventory for individual and small scale builders</li> </ul>

# Corporate Properties

## Land Enterprise (Land Development)

### Strategic Initiatives

Alignment with The Way Ahead	Initiative	Immediate /Intermediate Output	Ultimate Outcome
<b><i>Diversify Edmonton's Economy</i></b>  In addition to providing an annual dividend from the Land Enterprise to act as another source of revenue to support the City's operations, the provision of serviced residential and industrial lots also ensure that there are affordable residential lots and industries have a place to locate and/or to expand their business.	Sustainable Land Development Strategy - the achievement of low impact, sustainable yet affordable development lots in Edmonton by establishing processes, controls, and/or incentives that lead to measurable environmental sustainability at all stages of land development.	Environmentally friendly and energy efficient housing (decreased footprint).  Increased density—more people in the same space (also includes attainable housing principles).  Examples include the Hollick-Kenyon Modular/Component Housing Pilot Program implemented in 2009, the mandatory secondary suites initiative in LaPerle, and Rural Northwest to be implemented in 2011 which demonstrates a mixed use Area Structure Plan with many sustainable development principles.	Partnerships are leveraged to improve Edmonton's environmental health.  The impact of City operations on air, land, and water systems is minimized.
<b>2010 Budget Impact</b>	<b>Base</b> - None		
	<b>Incremental</b> —None		

# Corporate Properties

## Land Enterprise (Land Development)

### Approved 2010 Operating Budget

#### Land Enterprise

Notes	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b><sup>1</sup>Revenue &amp; Transfers</b>								
Land Sales Residential	\$ 26,135	\$ 6,000	\$ (3,690)	\$ -	\$ -	\$ 2,310	(61.5)	\$ 13,208
Land Sales Industrial	-	36,000	(8,950)	-	-	27,050	(24.9)	39,180
Land Sales Surplus Inventory	8,378	10,000	-	-	-	10,000	-	10,000
Other Revenues	385	150	-	-	-	150	-	150
<b>Total Revenues</b>	<b>34,898</b>	<b>52,150</b>	<b>(12,640)</b>	<b>-</b>	<b>-</b>	<b>39,510</b>	<b>(24.2)</b>	<b>62,538</b>
<b><sup>2</sup>Expenditure &amp; Transfers</b>								
Personnel	1,829	2,135	127	-	-	2,262	-	2,307
Materials, Goods & Supplies	50	-	-	-	-	-	-	-
<sup>3</sup> External Services	1,150	345	(9)	-	-	336	(2.6)	476
<sup>4</sup> Intra-municipal Services	531	815	360	-	1,380	2,555	213.5	2,844
<sup>5</sup> Cost of Land Sold	5,435	23,500	(3,821)	-	-	19,679	(16.3)	31,194
<sup>6</sup> Financial	342	467	994	-	-	1,461	212.8	1,637
Transfer to Reserves	-	-	-	-	-	-	-	-
Subtotal	9,337	27,262	(2,349)	-	1,380	26,293	407.5	38,458
Intra-municipal Recoveries	-	-	(1,461)	-	-	(1,461)	-	(1,637)
<b>Total Expenditure &amp; Transfers</b>	<b>9,337</b>	<b>27,262</b>	<b>(3,810)</b>	<b>-</b>	<b>1,380</b>	<b>24,832</b>	<b>(8.9)</b>	<b>36,821</b>
<b>Net Operating Requirement</b>	<b>\$(25,561)</b>	<b>\$(24,888)</b>	<b>\$ 8,830</b>	<b>\$ -</b>	<b>\$ 1,380</b>	<b>\$(14,678)</b>	<b>(41.0)</b>	<b>\$(25,717)</b>
<b>Full-time Equivalents</b>	<b>25.3</b>	<b>25.3</b>	<b>-</b>	<b>-</b>	<b>6.0</b>	<b>31.3</b>		<b>31.3</b>

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, and adjustments based on current performance. Revenue Impacts relate to rate and volume changes.

	2008 Actual	2009 Actual	2010 Budget	2011 Forecast
<b><sup>7</sup> Dividend (Based on Prior Year Results)</b>				
Actual Dividend Paid per Policy	6,914	6,390		
Budgeted for Payment			922	4,177
Council Directed Dividend	-	8,329	-	-
<b>Total Dividend</b>	<b>6,914</b>	<b>14,719</b>	<b>922</b>	<b>4,177</b>

\*\* The dividend payment included in the 2010 budget is based on the actual 2009 net income.



# Corporate Properties

## Land Enterprise (Land Development)

### Explanatory Notes

#### <sup>1</sup> Revenues

Land sales are influenced by the availability of serviced lots, identified surplus inventory, and by market conditions.

Revenue for the 2009 year as projected at October 15, 2009 is significantly under the 2009 budgeted amount. Due to the decline in the markets for both residential and industrial land, Land Enterprise is projecting revenues of \$12 million for 2009. The 2010 budget takes current market conditions into consideration and while sales are expected to improve, the projections are still less than the 2009 budget.



#### Expenditures

<sup>2</sup> Land Enterprise now reflects 100% of the sales and marketing staff, and 50% of the inventory management and site servicing staff. The 2008 Actual and the 2009 Budget figures have been restated to provide comparative information.

This financial treatment will result in a greater fluctuation of the annual net income because such costs are typically constant in the City's environment while sales vary with market conditions. This change has been made to provide a more accurate accounting of the costs attributable to the land development component of Land Enterprise.

<sup>3</sup> External Services costs fluctuate depending on the external services required to conclude sales, including but not limited to surveys, environmental consultants, legal, and external commissions.

<sup>4</sup> Included in the Approved 2010 Budget is \$258,000 in facility costs. This allocation of cost is based upon physical space occupied by the Land Enterprise staff, at the same rate as that charged to Waste Management and Capital Construction. As indicated earlier, this allows for a more accurate costing of Land Enterprise operations.

<sup>5</sup> Cost of Land Sold varies greatly dependent upon the original cost of the land inventory (which can vary greatly depending on when it was purchased), along with costs required to bring the site to serviced status.

<sup>6</sup> A new significant transaction reflected in the Approved 2010 Budget is the financing costs associated with the Station Pointe Redevelopment Project. In 2009, City Council approved the use of a Community Revitalization Levy (CRL) for this project; formal Provincial Approval will be sought in 2010. Debenture debt of \$11.3 million was issued in June 2009. The annual debt servicing cost, an offsetting recovery from the project and from as sales and CRL revenue is included in 2010.

<sup>7</sup> Land Enterprise provides a dividend to the City of Edmonton based upon 25% of its Net Income from the prior year's operations. In 2008, Council approved a change in the Land Enterprise Dividend Policy whereby the definition of Net Income includes the sale of surplus land previously held by municipal operations.

Included in the 2009 dividend payment is a \$8 million dividend directly as a result of the sale of the Dell site.

The dividend payment included in the 2010 budget is based on the actual 2009 net income.

# Corporate Properties

## Land Enterprise (Land Development)

### Land Enterprise Pro-Forma Income Statements For the years 2010 - 2014 (In thousands of dollars)

	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
<b>Revenue</b>					
Land Sales - External	\$ 39,360	\$ 62,388	\$ 63,917	\$ 78,561	\$ 48,292
Interest Income	150	150	150	150	150
Cost of Land Sold	(19,680)	(31,194)	(32,299)	(39,837)	(25,188)
Gross Margin	19,830	31,344	31,768	38,874	23,255
Gross Margin Percentage <sup>1</sup>	50%	50%	50%	49%	48%
<b>Net Sales</b>	19,830	31,344	31,768	38,874	23,255
<b>Selling Expense</b>					
Inter-departmental charges	4,167	4,488	4,572	4,658	4,746
Contaminated Properties Reclamation	650	663	676	690	704
Commissions	235	374	384	471	290
Other selling expenses	100	102	104	106	108
Land for future municipal purposes write downs	-	-	-	-	-
Transfer to General Government	-	-	-	-	-
<b>Total Selling Expense</b>	5,152	5,627	5,736	5,926	5,848
<b>Net income</b>	14,678	25,717	26,032	32,948	17,407
Retained earnings, beginning of year	114,297	128,053	150,100	169,703	196,143
Dividends payable to General Government <sup>2</sup>	(922)	(3,669)	(6,429)	(6,508)	(8,237)
<b>Retained earnings, end of year</b>	<b>\$ 128,053</b>	<b>\$ 150,100</b>	<b>\$ 169,703</b>	<b>\$ 196,143</b>	<b>\$ 205,312</b>
<b>Internal Land Sales</b>					
Sales	\$ 30,592	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Cost of Land Sold - Internal	30,592	25,000	25,000	25,000	25,000
Gross Margin <sup>3</sup>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Pointe</b>					
Land Sales	\$ 1,052	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
CRL revenues	-	133	257	461	461
Financing Charges	1,461	1,637	1,671	1,663	1,611
Transferred to CRL Project	(2,513)	(2,770)	(2,928)	(3,124)	(3,072)
<b>Total Station Pointe Project<sup>4</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Explanatory Notes

<sup>1</sup> The Gross Margin Percentage for external land sales is expected to gradually decline starting in 2012 over a number of years as Land Enterprise's existing undeveloped land inventory is exhausted. The anticipated Gross Margin Percentage is expected to

be in the range of 40%-45% from 2015 onward.

<sup>2</sup> Dividend at 25% of the Net Income is payable to the City of Edmonton in the following year. The figures presented here is based upon budgeted Net Income

# Corporate Properties

## Land Enterprise (Land Development)

from prior year (e.g. \$4,177 under the 2011 Budget is based on the Approved 2010 Budgeted Net Income). As discussed earlier, the dividend that will be paid to the City of Edmonton in 2010 is projected at \$3.0 million, reflecting current market conditions.

<sup>3</sup> The Gross Margin Percentage for internal land sales is expected to be 0% because land required for municipal purposes is transferred at cost. The exceptions are where the land is required by one of the City's Utilities, or by related third parties. These transactions will be treated as sales at market value.

<sup>4</sup> Included in Station Pointe is the Community Revitalization Levy project that is managed by Land Enterprise. The financing charges associated with debt issued to date has been reflected in the statements. Also included is the projected CRL revenue from the incremental portions of the municipal and education taxes property tax, with 2010 property tax as a baseline. Properties within a CRL area will not be paying any additional property tax had the property been located outside of the CRL area.

The amount of CRL revenue is anticipated to increase as the redevelopment is completed, generating new tax revenues which are redirected to repay the City's specific project investment, up to 2030. Following 2030, the increased tax base benefits the City general revenue at large.

For business reasons, only the concluded sales on one of the five parcels have been reflected in Land Sales. The annual net amount associated with the CRL is transferred and tracked within the project accounting. It is anticipated that the City's investment is likely to be fully recovered between year 2025 and 2030.

# Corporate Properties

## Land Enterprise (Land Development)

**Land Enterprise**  
**Pro-Forma Balance Sheets**  
**For the years 2010 - 2014**  
(In thousands of dollars)

	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
<b>Assets</b>					
<b>Financial Assets:</b>					
Cash <sup>1</sup>	\$ -	\$ -	\$ -	\$ 10,124	\$ 4,831
Accounts receivable	1,007	1,595	1,634	2,009	1,235
Loan receivable - Soccer Centre	1,655	1,690	1,727	1,611	1,488
Land for resale <sup>2</sup>	115,343	122,177	141,533	130,447	126,824
Community Revitalization <sup>3</sup>	34,973	35,477	35,892	36,094	36,243
Due from (to) the City of Edmonton <sup>1</sup>	(23,122)	(10,254)	(20,504)	-	-
	129,856	150,686	160,283	180,285	170,621
<b>Physical Assets:</b>					
Land for future municipal purposes <sup>4</sup>	39,238	49,238	59,238	69,238	79,238
Capital assets	-	-	-	-	-
	39,238	49,238	59,238	69,238	79,238
<b>Total Assets</b>	<b>\$ 169,094</b>	<b>\$ 199,924</b>	<b>\$ 219,521</b>	<b>\$ 249,523</b>	<b>\$ 249,859</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	9,713	15,396	15,773	19,387	11,917
Deposits	1,113	1,765	1,808	2,222	1,366
Deferred revenue	151	146	141	136	131
Long-term debt - Station Pointe <sup>5</sup>	25,518	27,471	26,539	25,557	24,524
<b>Total Liabilities</b>	<b>36,495</b>	<b>44,777</b>	<b>44,261</b>	<b>47,302</b>	<b>37,938</b>
<b>Equity</b>					
Contributed surplus	-	-	-	-	-
Retained earnings <sup>6</sup>	128,053	150,100	169,703	196,143	205,312
<b>Total equity</b>	<b>128,053</b>	<b>150,100</b>	<b>169,703</b>	<b>196,143</b>	<b>205,312</b>
<b>Total Liabilities and equity</b>	<b>\$ 164,548</b>	<b>\$ 194,878</b>	<b>\$ 213,964</b>	<b>\$ 243,445</b>	<b>\$ 243,250</b>

## Explanatory Notes

<sup>1</sup> Cash reflects positive cash balances for Land Enterprise while Due to the City of Edmonton reflects a cash shortfall position for the operations.

While Land Enterprise is projected to remain in a negative cash position for 2010 to 2012, a more detailed analysis of the composition of its cash position from 2005 to 2014 confirms the cyclical nature of this operation, as well as the impact of purchasing land on behalf of municipal operations ahead of need (please see section titled Historic Cash Flow and Projections on following page).

<sup>2</sup> Land for Resale is the original acquisition costs of undeveloped land, plus any servicing costs that are incurred. Through the Capital Budget, Council approves funding for servicing of residential and industrial lands. These costs are captured here until the land is sold. When sold, the total costs incurred to bring land to market are included in the Cost of Land Sold on the Income Statement.

Examples of significant land parcels in inventory are Oxford, Schonosee, and Rural Northwest for residential lands and Pylypow, Ellerslie, and Rampart for industrial lands.

# Corporate Properties

## Land Enterprise (Land Development)

<sup>3</sup> Community Revitalization refers to the costs incurred to date, including financing charges, associated with the Station Pointe Redevelopment. As land sales occur and CRL revenue is received, the balance will be reduced.

<sup>4</sup> Land for Future Municipal Purposes is land purchased ahead of municipal need. Included in the balance is the \$10 million annual capital budget for opportunity land purchases, which typically has been utilized for municipal purposes.

<sup>5</sup> Long Term Debt related to the Station Pointe

Redevelopment Project is based upon borrowing the full amount provided under Borrowing Bylaw #14883. Dependent upon the final proceeds from land sales, the amount of actual borrowing could be less.

<sup>6</sup> Retained Earnings represent the accumulated profits from the operations of Land Enterprise. The majority of the Retained Earnings is held in land inventory.

### Historic Cash Flow and Projections

	Development	Municipal	Net
2005	\$20,362	\$(14,303)	\$ 6,066
2006	20,847	(5,152)	15,695
2007	15,563	2,979	18,542
2008	11,592	(57,592)	(46,000)
Budget 2009	(8,409)	(39,793)	(48,202)
Forecast 2010	(17,119)	(4,623)	(21,742)
Forecast 2011	9,026	(16,595)	(7,569)
Forecast 2012	12,824	(29,372)	(16,548)
Forecast 2013	57,017	(41,642)	15,375
Forecast 2014	66,206	(54,801)	11,405

Land Enterprise funds the acquisition, development, and operations of the City's land business. Typical of the industry, cash balances swing in a cyclical manner depending on whether or not the operation is in the development or the marketing phase.

Land Enterprise differs from the industry in that its cash balance is also used to fund the acquisition of land held for future municipal purposes. Such property is "sold" to civic departments at book cost when Council approves the project and provides capital funding. The accompanying table breaks down the cash position of the Land Development business from its Municipal Revolving role.

While Land Enterprise's overall cash position has been in a negative balance since 2008 and is projected to continue

until 2012, the development arm of the operations has generally maintained a positive cash balance. The acquisition of Heritage Valley has been handled as a development transaction even though there will be a large portion that will be transferred to Parks for the district campus at a future date. This purchase of roughly \$14 million forms the majority of the cash shortfall projected for 2010.

The improvement in cash position for the Municipal Revolving operations in 2010 is mainly due to the borrowing expected for the Station Pointe project.

# Corporate Properties

## Land Enterprise (Land Development)

### Approved 2009-2011 Capital Budget

Land				
	2009 Budget	2010 Budget	2011 Budget	3-Year Budget Total
Total Program Capital Budget	\$ 40,105	\$ 91,929	\$ 48,595	\$ 180,629

### Progress on Significant Capital Projects

Strategic Land Acquisitions are on target to 2009. This includes the purchase of land in Heritage Valley where closing costs will occur over 2009 and 2010. The land acquisitions for other Community Revitalization projects are projected at \$6 million. There is reduced demand for residential, commercial/industrial land development in 2009, with about one-third of the budgeted funds expended.

### Debenture Status

Corporate Properties have one Borrowing Bylaw approved by City Council. Bylaw #14883 was approved for a total of \$34,250,000. To date, \$11 million has been issued.

# Corporate Properties

## Land Enterprise (Land Development)

### Service Package

Brought Forward as Directed by City Council/Committee -

Funded

### Edmonton City Centre Airport Development Office

Incremental (\$000)	2010				2011				2012			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
New Budget Annualization	1,380 -		1,380 -	6.0 -	270		270 -	-	1,700		1,700 -	-
<b>Total</b>	<b>1,380</b>	<b>-</b>	<b>1,380</b>	<b>6.0</b>	<b>270</b>	<b>-</b>	<b>270</b>	<b>-</b>	<b>1,700</b>	<b>-</b>	<b>1,700</b>	<b>-</b>

### Description

This package would be funded from the Land Enterprise, retained earnings and as such is not tax levy supported. Funds are required for the start up and operation of the Project Office for the Edmonton City Centre Airport redevelopment project. This includes costs for staff (Project Manager, Project Engineer, Project Planner, Property Manager, and support) It is expected that 50% of the staff complement will be in place by the summer of 2010 with the balance needed by year end.

Funding has also been identified for consultants to provide expertise in innovation in project design, planning, community engagement, communication, engineering, and environmental assessment.

The partial surrender of the City Centre Airport head lease by Edmonton Airports to the City, the assumption by the City of non-aviation subleases, and the development of a business strategy for securing and managing associated land interests will require be brought forward for Council's consideration in early in 2010.

### Justification

Capacity of existing staff resources is not sufficient to provide the project management and day to day administration of a project of this magnitude without compromising current Department responsibilities and services. Dedicated staff resources and professional consulting services are necessary in order to fulfill Council's vision of an ecologically advanced, transit oriented medium-to-high density mixed use development.

### Links to Strategic Goals & Departmental Outcomes

- Transform Edmonton's Urban Form - By developing a high density mixed use community in the urban core.
- Ensure Edmonton's Financial Stability - Through future land sales activities and a broader property tax base.



# Parks

## Mission

Healthy,  
by nature,  
Parks breathe  
life  
into a vibrant  
Edmonton.

We develop,  
manage  
and preserve  
parks.

## Our Road Map

### Overview

Just as streets, sidewalks, public buildings and recreation facilities are a part of the City's infrastructure, Edmonton's "green" infrastructure represents a major capital asset that improves the environment and quality of life. Like other City assets, the 13,318 ha Parks and Open Spaces (821 parks, 342 playgrounds, 1,780 sports fields, 161 km of trails, and 309,700 trees along boulevards, roadways and in parks) require planning, development, and maintenance.

The City's parks and natural areas offer many benefits to our community: providing places to play; to exercise; to relax and unwind; to learn about and enjoy nature; to build community; and in addition, boosting land values and creating other economic benefits.

However, Edmonton's parks network – from schoolyards and pocket parks to greenways and natural areas – also offers a range of "ecological services": conditions and processes through which natural areas help to sustain life. Trees and wetlands intercept rainfall, reducing the need for expensive storm water infrastructure. Wetlands filter pollutants out of water, enabling less dependencies on water treatment. Trees and other natural vegetation remove carbon dioxide from the air, reducing the harmful impacts of emissions on the environment and climate. (One tree can absorb as much carbon in a year as a car produces while driving 42,000 km.) Natural areas also help to contribute to sustainability and moderate the harmful impacts of weather extremes by cooling cities on hot summer days and mitigating colder temperatures during winter months. Most importantly, parks and natural areas help to maintain biodiversity.

Sustaining a healthy parks system means that the scale and scope of the Parks Branch is considerable and includes planning and construction capabilities, considerable seasonal staff, specialized vehicles and equipment, as well as a focus on partnerships, community relations and neighbourhood connections. Parks offers two major core services:

- Parks Management and Operations, and
- Parks Development and Preservation.

The objective of the Parks Management and Operations core service is to provide safe, aesthetically pleasing and functional public use parks and recreation amenities to meet the diverse needs of a variety of user groups; to support new and existing recreation programs; and to reduce the number of liability risks throughout the system.

Parks Development and Preservation is responsible for park master planning, protection of natural areas and biodiversity, land acquisition for parks, recreation facilities and schools, capital projects and construction management, grant preparation, and long range strategic policy planning for the Branch.



# Parks

## Issues and Challenges

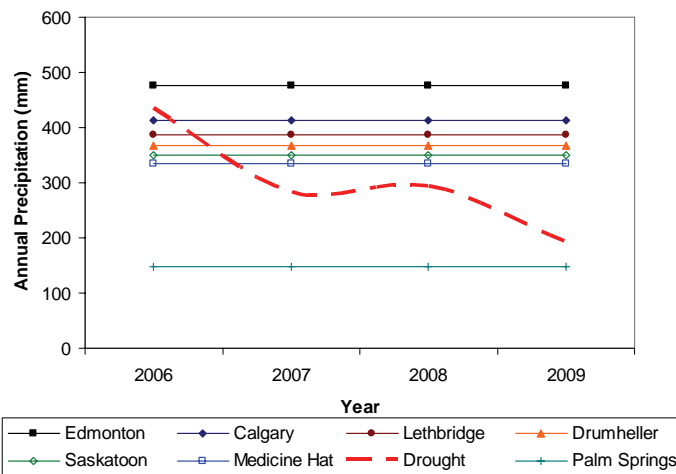
The key issues and challenges facing the Parks Branch in 2010 are listed below and are outlined in further detail in the Operational Variables sections of the two major services.

**Budget & Service Review** - In response to the current economic slow down, the City underwent a Service & Budget Review in the spring of 2009. This review resulted in a number of changes to the 2009 Budget as well as service reductions going into 2010. The Parks Branch reduced its base budget by 6% prior to accounting for inventory growth and inflationary impacts. With the addition of growth and inflation, the Proposed 2010 Budget increased by \$601,000 (1.4%). The service level reductions made to meet the 3% are separated into three areas:

1. Horticulture and Turf (Buy Back Package One)
2. Mosquito Control, Parks Servicing, and Traffic Systems (Buy Back Package Two)
3. Forestry, Major Maintenance, Planning and Administration (Buy Back Package Three)

**Climate Change Adaptation and Edmonton's Parks** - Drought conditions in Edmonton (see chart) and weather extremes, like severe wind, have had a significant impact on the City's green infrastructure. These impacts and the ways that the Branch is mitigating the affects of climate change are examined in more detail in the Parks Management and Operations section.

Recent Edmonton Drought Levels Versus Precipitation Normals for Edmonton and Other Select Municipalities



Edmonton's precipitation has fallen below Southern Alberta's normal levels since 2007

**Land Assembly** - Assembling parkland has been challenging as it relates to timing issues associated with accepting cash-in-lieu for municipal reserve and meeting the growing program requirements for the available land base.

**Management of Edmonton's Natural Areas** - A new, city-wide natural area management plan is being developed to ensure natural areas are managed as a comprehensive ecological network.

**Growth Vehicles** - Administration estimates that \$1.2 million is needed for new fleet requirements to carry out its operations. This will be brought forward for City Council consideration in a separate report.

## Major Services & Activities

### Management and Operations

- Turf Maintenance
- Horticulture
- Playgrounds
- Sports Fields
- Parks Servicing
- Urban Forest Management
- Pest Management
- Traffic Systems

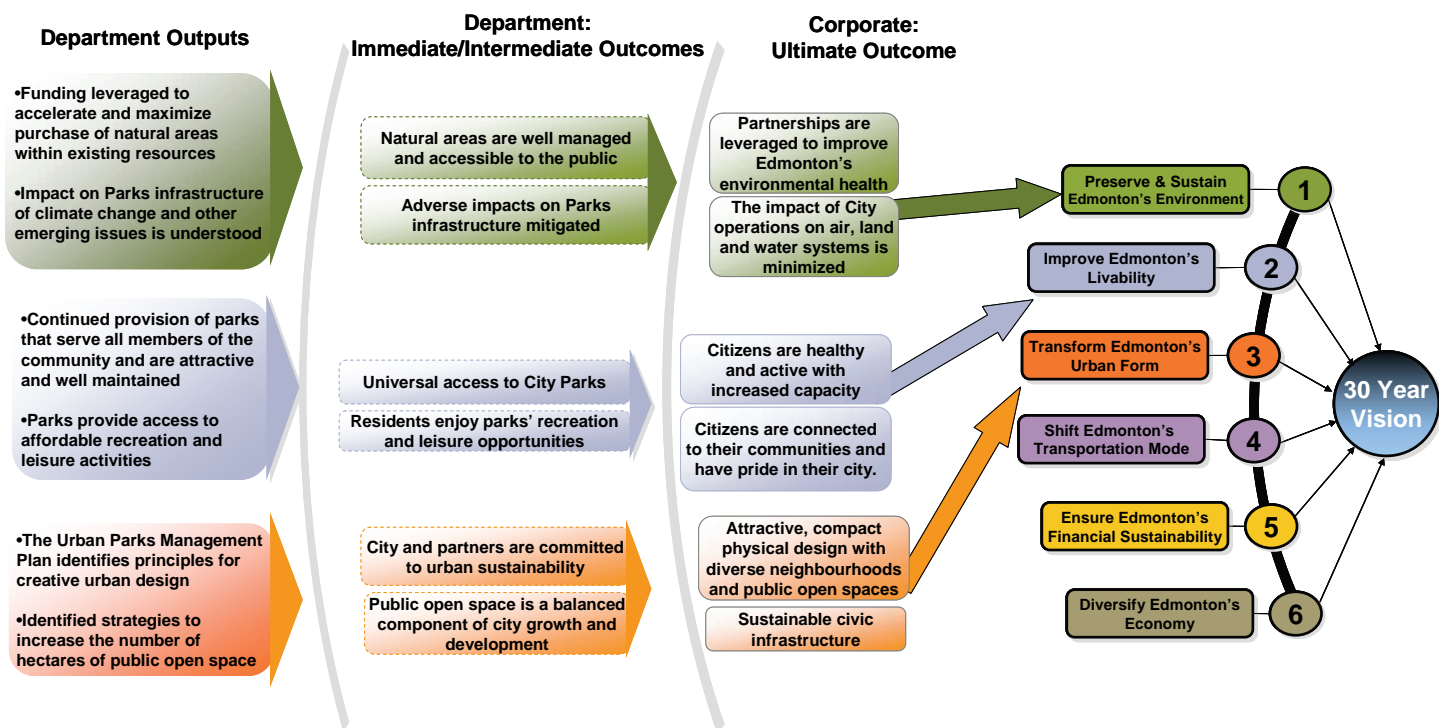
### Development and Preservation

- Parkland Planning and Assembly
- Design, Development & Construction
- Preservation and Securing of Natural Areas

# Parks

## Strategic Road Map

### City of Edmonton Strategic Road Map – Outcomes: Parks Branch



### Immediate and Intermediate Outcomes and Measures

Output	Immediate and Intermediate Outcome	Measure	2008 Results	Projected 2009 Results	2010 Targets
Funding leveraged to accelerate and maximize purchase of natural areas within existing resources	Natural areas are well managed and accessible to the public	Increase in priority natural areas secured  3,523 ha of natural areas secured to date and 2,390 ha unsecured priority natural areas identified (1,630 ha in river valley and 760 ha on tablelands)	City-wide: 31 ha natural areas secured (including 27 ha in river valley and 4 ha on tablelands)  1.3% of total unsecured priority natural areas identified are secured this year	City-wide: 29 ha natural areas secured (including 26 ha in river valley and 3 ha on tablelands)  1.2% of total unsecured priority natural areas identified are secured this year	City-wide: 111 ha natural areas secured (including 62 ha in river valley and 49 ha on tablelands)  4.7% of total unsecured priority natural areas identified are secured this year

# Parks

## Immediate and Intermediate Outcomes and Measures

Output	Immediate and Intermediate Outcome	Measure	2008 Results	Projected 2009 Results	2010 Targets
Impact on Parks infrastructure of climate change and other emerging issues is understood	Adverse impacts on Parks infrastructure mitigated	Tree mortality	4,300 Removed	YTD 2,400 Removed (Trees that have been less drought tolerant have been removed in previous years).	Cannot be estimated at this time. Conducting detailed inventory and condition assessment of urban forest and natural areas. Given drought conditions and budget cuts number of trees removed not expected to improve.
		Volume of non-potable water used	2,533 megalitres	2,700 megalitres	3,000 megalitres
Continued provision of parks that serve all members of the community and are attractive and well maintained	Universal access to City Parks	% of citizens using parks and green spaces (Citizen Satisfaction Survey)	80%	83%	83%
Parks provide access to affordable recreation and leisure activities	Residents enjoy parks' recreation and leisure opportunities	% of citizens very or somewhat satisfied with parks and green spaces (Citizen Satisfaction Survey)	86%	88%	88%
The Urban Parks Management Plan identifies principles for creative urban design	City and partners are committed to urban sustainability design	% of new or park redevelopments that align with new approaches to urban form (i.e. sustainable, diverse, compact, walkable)	Not measured	Identified need to track new approaches	50%
Identified strategies to increase the number of hectares of public open space	Public open space is a balanced component of city growth and development	Number of park sites and ha of land identified through NSP approval process as per MGA guideline	19 future park sites approved: - 3 Neighbourhood school park sites. 1 Urban Village, 15 pocket parks, 7 greenways	139 future park sites approved: - 7 City wide parks, 3 District sites, 12 Neighbourhood school park sites, 16 Urban Village parks, 56 Pocket Parks, 13 Natural Areas. 32 Greenways, 279.71 ha environmental reserves.	9.0—9.5% based on footprints for schools.

# Parks

## Approved 2010 Operating Budget

The following is a roll-up of the Approved 2010 Operating Budget for the Parks Branch, including both major, or core services. Each of the core services will be described in the following pages, along with explanatory notes to provide greater understanding about the revenues, costs and recoveries associated with the services provided.

### PARKS - Program Summary

	2008 Actual	2009 Budget	Revenue & Cost Impacts	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Revenues</b>								
<sup>1</sup> User fees	\$ 1,061	\$ 986	\$ (177)	\$ 115	\$ -	\$ 924	(6.3)	\$ 942
Grants	42	-	-	-	-	-	-	-
<sup>2</sup> Tree Loss Damage Recoveries	288	-	150	-	-	150	100.0	150
<sup>3</sup> Transfer from Reserves	-	98	(98)	-	-	0	(100.0)	-
Total Revenues & Transfers	1,391	1,084	(125)	115	-	1,074	(0.9)	1,092
<b>Expenditures</b>								
Parks Management and Operations	37,073	38,414	1,769	(2,365)	1,045	38,863	1.2	40,098
Parks Development & Preservation	7,923	6,432	429	(435)	148	6,574	2.2	6,706
Total Expenditures & Transfers	44,996	44,846	2,198	(2,800)	1,193	45,437	1.3	46,804
<b>Net Operating Requirement</b>	<b>\$ 43,605</b>	<b>\$ 43,762</b>	<b>\$ 2,323</b>	<b>\$ (2,915)</b>	<b>\$ 1,193</b>	<b>\$ 44,363</b>	<b>1.4</b>	<b>\$ 45,713</b>
<b>Full-time Equivalents</b>	517.6	541.3	0.8	(15.4)	15.4	542.1		557.5

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, adjustments based on current performance. Revenue Impacts relate to rate and volume changes.

## Explanatory Notes

- <sup>1</sup> Inspection Fees have been reduced by \$100,000 to reflect actual results.

Parking lot revenue, estimated at \$77,000, has been reclassified to Intra-Municipal Recoveries to provide consistent treatment of intra-municipal transactions. This reclassification is better illustrated under the Major Activities of Parks Management & Operations.

The projected increase of \$115,000 relates to increase in revenues from rental rate and volume increases from picnic sites, sports fields and charge outs.

- <sup>2</sup> Tree Loss Damage Recoveries represent levies to third parties when trees are lost due to vehicle accidents, removal for construction, etc. In the past, this fee has not been included in the budget and

neither was the expenditure on the replanting of trees. This is being estimated in the Approved 2010 Budget.

- <sup>3</sup> Any timing differences between the recoveries collected from Tree Loss Damage and the actual replanting of trees are captured in the Tree Management Reserve. The intention is to replant any tree lost as soon as possible.

Detailed explanations of the approved changes to the operating requirements of the two major activities is provided in the Major Services Section of this document.

In general, aside from inflationary impacts to the operations, the changes reflect reductions to specific activities while the Service Needs account for the Operating Impacts of new parks development.

# Parks

## Parks Management and Operations

### Responsibility

Parks Management and Operations provides functional, safe, aesthetically pleasing and usable parks and facilities year-round by performing regular maintenance of turf, flowers and shrubs (horticulture), sports fields, playgrounds on all civic parks, boulevards, school sites, natural areas, roadway landscapes, and utility corridors. Winter maintenance operational activities include snow removal, grooming ski trails, outdoor ice maintenance and inspecting tobogganing hills.

In addition, this core service preserves the urban forest, an important component of the City's infrastructure; including managing and ensuring the long term sustainability of Edmonton's trees in parks, on boulevards and in natural areas, as well as operating the City's Tree Nursery.

Park Rangers patrol the river valley park system providing environmental stewardship, education, asset protection and enforcement services, as well as coordinating volunteers for events such as the River Valley Clean-up.

Within this core service, there is significant, specific expertise; including pest management and lab services, horticulture, and forestry.

### Operational Variables

Moving forward into 2010, the Parks branch will continue to manage its operations with a focus on maintaining Edmonton's world-class parks and open spaces, while continuing to develop and implement strategies to mitigate a compounding set of adverse impacts.

### Servicing Growth

Urban growth in Edmonton over the last decade has resulted in rapidly increasing parkland inventory at increasing distances from the centre of the City, where a majority of Parks maintenance facilities are concentrated. Growth in the number of parks also impacts the need for capital resources (major equipment, expanded yard services, etc.) with subsequent incremental impacts, such as increased fuel

costs for turf equipment, which lead to a higher overall cost per hectare for maintenance. The impact of capital on the operating budget is derived from two sources: Parks' own capital projects, and parks inventory turned over by developers, other departments, and partnership projects.

The use of innovative materials and designs in new parks enables Parks to move toward the Urban Parks Management Plan (UPMP) vision of more unique, cultural and diverse urban park spaces that meet the new needs and demographics of the City. Innovation in Parks design can result in benefits and costs when it comes to maintenance. For example, testing more durable, reliable products or better growing environments for turf and other plant material can reduce maintenance requirements in some cases.

Alternatively, changes in program needs, as requested by the community and developers through the Urban Parks Management Plan, will make parkland more complex to maintain with more types of neighbourhood parks and open spaces, greater diversity of amenities and more dispersed sites across the city. Innovative materials and designs can also add to the care, attention and labour necessary to complete landscape maintenance tasks. Integration of natural and manicured landscapes and hard landscape features such as walls, viewpoints, art, more signage and other amenities make maintenance more challenging and labour intensive. Smaller, less efficient equipment is required in these cases with less "standard" replacement parts.

Despite this growth in park and open spaces and complexity of maintenance, the Parks Management and Operations major service faces significant budget reductions in 2010. The impacts are outlined in the Explanatory Notes in the Management and Operations, 2010 Operating Budget section.

In order to provide some perspective on this issue, the table below provides the most current data available that compares Edmonton to US Cities using data from a recent "city park facts" survey put out by a US national, nonprofit, land conservation organization called the Trust for Public Land. The survey outlines park facts for the largest 77 U.S. cities.



# Parks

## Parks Management and Operations

Edmonton Ranks Higher	Edmonton Ranks Lower
<ul style="list-style-type: none"> <li>Higher than 71 of the 77 cities in total parkland.</li> <li>Higher than 71 of the 77 cities in Parkland as Percentage of City Area.</li> <li>Higher than 74 of the 77 cities in Park Playgrounds / 10,000 Residents.</li> </ul>	<ul style="list-style-type: none"> <li>Lower than 61 of the 77 cities in regular, non-seasonal employees / 10,000 residents (regular, non-seasonal employees includes full-time and part-time staff as FTEs, but excluding seasonal staff.)</li> </ul>

Source: **2009** City Park Facts is an annual survey by a national, nonprofit, land conservation organization called the Trust for Public Land using data from a comprehensive database of park facts for the largest 77 U.S. cities

Further perspective from a 2007 Mississauga Municipal Survey shows that Edmonton spends almost 17% less on gross parks maintenance cost per maintained hectare than Calgary. Although Parks does not routinely benchmark with other municipalities relating to specific functional tasks, the branch participates in benchmark surveys with other municipalities at a high level.

Mississauga - Gross Parks Cost per Maintained Hectare in 2007

Participating Cities	Cost / Maintained
Mississauga	\$6,508
Burlington	6,509
Markham	7,383
<b>Edmonton</b>	<b>7,662</b>
Calgary	9,190
Brampton	9,369

A 2007 benchmarking survey conducted by the City of Calgary shows that Edmonton spends 25.3% less than Calgary on parks maintenance cost per maintained hectare not including parks planning, design and construction costs.

### Climate Change Adaptation and Edmonton's Parks

Participating Cities	Cost / Maintained
<b>Edmonton</b>	<b>\$5,569</b>
Calgary	7,452
Winnipeg	8,108
Saskatoon	9,800

Ecosystem adaptation to the impacts of climate change is being experienced at a global level. The need to develop ways to help mitigate the affects of these changes is imperative. Climate adaptation is not a new concept to Edmontonians, however, the amount and rate of change poses new challenges in developing and managing our green infrastructure typically resulting in fewer dollars available for standard maintenance and restoration work.

In the short term, drought conditions have had a significant impact on turf, sports fields and forest health and have resulted in increased watering requirements in order to adapt. Wetlands have also been impacted by the drought – many have had very low water levels in recent years, or have dried up completely. Severe windstorms over the summer and early September of 2009 have increased tree mortality.

In the longer term, extended drought conditions have had considerable impacts on Edmonton's urban forest. The Parks Management and Operations core service provides planting, pruning and tree removal services to keep the forest in good health; however, extended periods of below normal precipitation levels have reduced the forest's resistance to pest and disease resulting in increased tree mortality. Precipitation levels are reaching historically low levels and periods of drought conditions are lasting longer (please see chart in the following page).

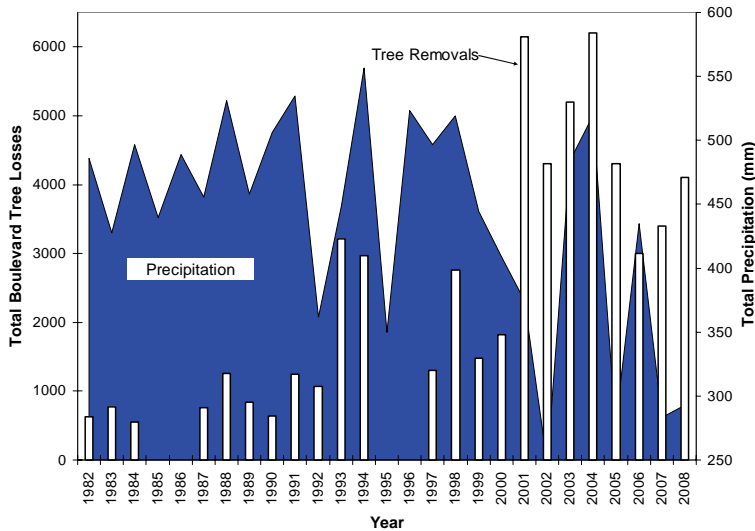
In 2008, the Forestry staff removed 4,300 trees which equates to losing all of the ornamental trees in Hawrelak Park three times over. The estimated value of the lost trees is \$21.5 million, based on a value of \$5,000 per tree.



# Parks

## Parks Management and Operations

Increased Tree Losses Due to Reduced Precipitation



The lost ecological service benefits of trees and green infrastructure include:

- offsetting climate change by capturing atmospheric carbon dioxide;
- acting as a natural pollution filter, and reducing that amount of storm water that is washed into drainage areas; and
- reducing urban temperatures significantly by shading buildings, concrete and other paved surfaces returning humidity to the air through evaporative cooling.

In addition, trees:

- increase property values by 5-15% higher when compared to equal properties without trees; and
- improve Edmontonian's perceptions of their quality of life.

In order to be able to respond to climate change effectively, Park's is conducting a detailed inventory and condition assessment of our urban forest and natural areas and is using this information to drive the development of an Urban Forest Management Plan.

Concurrently, Parks is already taking critical measures to begin to adapt to climate change – innovative watering programs and research into alternative, drought-tolerant tree species that adapt well to Edmonton's changing conditions are just two examples. Building on these efforts with new adaptations – more extensive and frequent monitoring of tree health, adaptive management of natural areas, and diversification of the urban forest, for example – will help to reduce the vulnerability of Edmonton's parks system to climate change.

**Growth Vehicles** - Administration estimates that \$1.2 million is needed for new fleet requirements to carry out its operations.

### Current Services

The citizens of Edmonton are the largest customer of the Parks Management and Operations major service. The maintenance of Edmonton's parks is a highly visible service. Parks Management and Operations activities, such as turf or sports field maintenance or residential boulevard tree maintenance, impact Edmontonian's appreciation of parks almost immediately. Other activities come to the attention of citizens only when something goes wrong, such as tree damage following a storm or dealing with invasive weeds or insects.

Parks Management and Operations also has significant relationships with other departments and branches within the city. The spring boulevard and median sweeping program is a service provided to assist Transportation in the removal of salt and sand accumulations left behind from winter roadway maintenance. Parks also landscapes and maintains Public Utility Lots (PUL) for Drainage Services and various walkway facilities for Transportation.

Parks Management and Operations also provides services to a number of community leagues and groups, including sports organizations, event organizers, and community enhancement programs such as Communities in Bloom and Business Revitalization Zones (horticulture).

The Parks Management and Operations major service includes the following activities:

# Parks

## Parks Management and Operations

Major Tasks	Activities
Turf Maintenance	Power mowing
	Trimming
	Turf Repair
	Fertilizing and herbiciding
	Spring sweeping
	Watering
Horticulture	Flower beds
	Shrub beds
	Container planters
	Watering
Playgrounds	Inspections
	Servicing
	Maintenance
Sports Fields	Sports fields marking
	Tennis court maintenance
	Ball diamond maintenance
	Running track maintenance
	Watering

Major Tasks	Activities
Parks Servicing	Servicing
	Park Rangers
	Garbage collection
	Outdoor skating/Toboggan Hills
Urban Forest Mgmt	Tree pruning
	Tree planting and removal
	Watering
	Fertilizing
Pest Management	Nursery
	Tree pest control
	Pest control
	Mosquito Control
Traffic Systems	Monitoring
	Hard surface maintenance
	Ski trail maintenance
	Snow removal
	Gravel surface maintenance

### Major Service Objectives

Business process reviews identify areas where Parks can improve efficiency and effectiveness.

**Post Implementation Review of the Maintenance Management (MainLink)** - Recommendations from a recently completed review resulted in the establishment of a committee with the responsibility to achieve continuous improvements and business benefits and resolve issues for Maintenance Management across the organization. This Maintenance Management (MainLink) Continuous Improvement Committee will oversee the progress of improvements as directed by SMT. Part of the work done under this review is a business process review and revision for the Parks Branch.

**Yard and Fleet Optimization** - recent rapid growth of the city, coupled with limited and reduced operational

funding has resulted in a need to evaluate and optimize the location of service yards. This, in turn, will affect vehicle and equipment requirements and improve operational effectiveness.

**Sports Fields and Vegetation management** - initiatives within these two areas will address the increasing negative affects of drought on playing fields and vegetation within the city. Improvements in Integrated Pest Management practices combined with changing soils standards, new watering and irrigation systems programs and improved maintenance practices will contribute to mitigating the effects of drought and improving operational effectiveness.

# Parks

## Parks Management and Operations

### Current Service Level

These service levels support the Immediate and Intermediate Outcome to continue to ensure parks serve all members of the community and are attractive and well maintained.

Current (2009) Service Level	Key Resource Requirement	Capacity of Service	Benefits of Service
<b>Turf Maintenance</b> 4,418 Ha of turf maintained (2-18 times per year)  <div> <i>\$9,557K Net Budget*</i>  <i>22% of Total Parks Budget</i> </div>	Personnel – 127.8 FTE's including Labourers, Equipment Operators, Leaders (licensed and unlicensed).  Materials, Goods, Supplies and Fleet Services – Mowers (580D 72"), Tractor/Motts, and Trucks (1 ton, ¾ ton, ½ ton, and crew cab)  Contracted Services 2% of turf maintenance services	6 ha / crew day	Maintaining turf keeps it healthy and reduces weeds, as well as making it more aesthetically pleasing.  City actions demonstrate a strong commitment to well maintained and clean parks.  Citizens are satisfied or very satisfied with Edmonton's parks and green spaces and citizens of Edmonton enjoy parks and open spaces and demonstrate a sense of civic pride.
<b>Horticulture</b> 9,160 m <sup>2</sup> of flower beds maintained (11 times/year) 1,229,596 m <sup>2</sup> of shrub beds maintained 1,934 m <sup>2</sup> of container planters (11 times/year)  <div> <i>\$4,376K Net Budget*</i>  <i>10% of Total Parks Budget</i> </div>	Personnel – 66.1 FTE's including Labourers, Equipment Operators, Leaders.  Materials, Goods, Supplies and Fleet Services – Trucks (1 ton, ¾ ton, ½ ton, and crew cab), Compact Pickups, and Water Trucks.	112 m <sup>2</sup> of flower beds/ crew day 520 m <sup>2</sup> of shrub beds/ crew day 176 m <sup>2</sup> of container planters/ crew day	Aesthetically pleasing enhanced landscapes provide visual and physical amenities for people and improve quality of life and land values.
<b>Playgrounds</b> 342 Playgrounds Inspected (Every 11 days in summer and monthly in winter)  <div> <i>\$1,750K Net Budget*</i>  <i>4% of Total Parks Budget</i> </div>	Personnel – 21.7 FTE's including Labourers, Leaders and Maintenance Repairmen.  Materials, Goods, Supplies and Fleet Services – Trucks (1 ton, ¾ ton, ½ ton, and crew cab), Compact Pickups, and Skid Steer Loaders.	6.4 Playgrounds Inspected / crew day	Regular inspections and maintenance of playgrounds keeps them safe, reduces claims and demonstrates a strong commitment to well maintained and clean parks.  Citizens enjoy access to playgrounds in their own neighbourhood.  City and partner actions demonstrate a strong commitment to user safety through the creation and management of safe park

\* Includes allocation for Administration, Branch Manager and Parks Resource Management costs

# Parks

## Parks Management and Operations

Current (2009) Service Level	Key Resource Requirement	Capacity of Service	Benefits of Service
<b>Sports Fields</b> 1,780 Sports Fields maintained  <div> <i>\$1,750K Net Budget*</i>  <i>4% of Total Parks Budget</i> </div>	Personnel – 18.4 FTE's including Labourers, Leaders, Equipment Operators and Maintenance Repairmen.  Materials, Goods, Supplies and Fleet Services –Trucks (1 ton, ¾ ton, ½ ton, and crew cab), Compact Pickups, Tractor Loaders and Trucksters.	850 sports fields marked  123,757 hours sports field bookings	Regular maintenance of sport fields keeps them safe and reduces claims.  Citizens are satisfied or very satisfied with Edmonton's parks and green spaces and citizens of Edmonton enjoy parks and open spaces and demonstrate a sense of civic pride  Recreation benefits include: offering opportunities for exercise and fitness; improving physical/emotional health; improving quality of life
<b>Parks Servicing</b> 10 Park Rangers - 18 hrs/day/365 days (Plus 3 Seasonal Rangers)  806 Garbage Collection Sites  <div> <i>\$7,877K Net Budget*</i>  <i>18% of Total Parks Budget</i> </div>	Personnel – 89.7 FTE's including Labourers, Leaders, Equipment Operators, Park Rangers and Maintenance Repairmen  Materials, Goods, Supplies and Fleet Services –Trucks (1 ton, ¾ ton, ½ ton, and crew cab), Compact Pickups, Tractor Loaders, Trucksters, Garbage Packers, Water Trucks, and All Terrain Vehicles.	Illegal camps removed:  – 2008 - 672  – 2009 YTD - 1,356(added a 2nd crew in 2009 and capacity is stretched)  Dogs at large on parkland removed:  – 2008 - 369  – 2009 - 301  24 garbage collection sites / crew day	Parks servicing keep parks clean, safe, and looking good.  Citizens are satisfied or very satisfied with Edmonton's parks and green spaces and citizens of Edmonton enjoy parks and open spaces and demonstrate a sense of civic pride



\* Includes allocation for Administration, Branch Manager and Parks Resource Management costs

# Parks

## Parks Management and Operations

Current (2009) Service Level	Key Resource Requirement	Capacity of Service	Benefits of Service
<b>Urban Forest Management</b> 45,370 Trees Pruned 1,376 Trees Planted  <div> <i>\$8,752K Net Budget*</i>  <i>20% of Total Parks Budget</i> </div>	Personnel – 74.7 FTE's including Labourers, Leaders, Supervisors, Equipment Operators, Arborists, Landscape Technicians, and Nurserymen.  Materials, Goods, Supplies and Fleet Services –Trucks (1 ton, ¾ ton, ½ ton, and crew cab), Compact Pickups, Tractor Loaders, Chippers, Flat-deck Trucks with Lifts, and Water Trucks.  Contracted Services 38%	12 trees pruned / crew day  1,400 trees planted by City (replacement & capital projects) and by Developers in 2008.	Improves overall health and appearance of trees and reduces mortality/decline of the urban forest.  Reduces incidences of dead and diseased branches – less broken limbs in high wind events, and reduced risk of damage claims.
<b>Pest Management</b> 18,350 ha of aerial mosquito spraying  Tree pest control 61 trees/day (2-man crew)  <div> <i>\$1,313K Net Budget*</i>  <i>3% of Total Parks Budget</i> </div>	Personnel – 15.8 FTE's including Labourers, Leaders, Supervisors, Pest Control Operators, and Biological Sciences Technicians.  Materials, Goods, Supplies and Fleet Services –Trucks (1 ton, ¾ ton, ½ ton, and crew cab), and Compact Pickups.  Contracted Services 39%	14.5 / ha per day per helicopter.  Ground mosquito spraying 3.52 ha/day (2 man crew)  Ditch mosquito spraying 5.12 ha/day (1 man crew)	Delivers tree fertilizers and pesticides to combat pest threats.  Monitors and controls mosquito population.  Manages water quality for outdoor sports events.  Monitors pest populations and surveys for new pest and disease threats.
<b>Traffic Systems</b> 824,099 m <sup>2</sup> of Snow Removal using Equipment  <div> <i>\$2,188K Budget*</i>  <i>5% of Total Parks Budget</i> </div>	Personnel – 21.0 FTE's including Labourers, Leaders, and Equipment Operators.  Materials, Goods, Supplies and Fleet Services –Trucks (1 ton, ¾ ton, ½ ton, and crew cab), Compact Pickups, Tractor Loaders and Trucksters.	11,520 m <sup>2</sup> of Snow removal / crew day	Maintains the hard surface areas by keeping them clean year round and by adding sand/rock chips for ice control in the winter.

\* Includes allocation for Administration, Branch Manager and Parks Resource Management costs

# Parks

## Parks Management and Operations

### Strategic Initiatives

Alignment with The Way Ahead	Initiative	Immediate/Intermediate Output	Ultimate Outcome
<b><i>Preserve and Sustain Edmonton's Environment</i></b>  Reduce Water Consumption	<b>Water Management Strategy</b>  The Branch will implement initiatives of the Water Management Strategy for water conservation, water re-use, and substitution of non-potable for potable water sources, within Parks operations.  Specific focuses for 2010 will be: <ul style="list-style-type: none"> <li>— Establishment of baseline measures to improve tracking of water use and conservation efforts</li> <li>— Identification of suitable applications for replacing potable water with recycled water (including an analysis of health impacts and infrastructure requirements)</li> <li>— Development of a new soil standards for park development using compost, to improve water retention</li> <li>— Development of a detailed plan to use storm water to reduce potable water consumption</li> </ul>	Increased ability for the Parks Branch to manage its water use effectively to offset increased irrigation requirements for green infrastructure due to dryer summers and drought conditions  Reduction in storm water flows to the North Saskatchewan River will improve urban landscape sustainability	Partnerships are leveraged to improve Edmonton's environmental health, and  The impact of City operations on air, land and water systems is minimized.
<b>2010 Budget Impact</b>	<b>Base</b> - None required for 2010, however as work progresses, infrastructure requirements and a funding strategy for ongoing development, will be identified.		
	<b>Incremental</b> -		





# Parks

## Parks Management and Operations

Alignment with The Way Ahead	Initiative	Immediate/Intermediate Output	Ultimate Outcome
<b><i>Preserve and Sustain Edmonton's Environment</i></b>  Improve Air, Water, and Soil Quality	<b>Urban Forest Management Plan</b> Develop a Comprehensive Urban Forest Management Plan (UFMP) that will assess the current status of the city's urban forest and establish key health indicators to help gauge the health of the urban forest on an ongoing basis.  Specific focuses for 2010 will be: <ul style="list-style-type: none"> <li>— Urban Forest Effects Model (UFORE) to calculate the structure of the urban forest, its value and environmental effects, and</li> <li>— Street Tree Resource Analysis Tool for Urban Forest Managers (STRATUM) for a cost benefit analysis of the urban forest.</li> </ul>	Understanding of best land use and management practices, drought tolerant plant material, sustainable irrigation methods and other alternative plant health care strategies.  A framework for identifying opportunities to ensure the viability and success of Edmonton's urban forest.  Effective management and sustainable growth of the City's urban forest.	Partnerships are leveraged to improve Edmonton's environmental health, and  The impact of City operations on air, land and water systems is minimized.
2010 Budget Impact	<b>Base</b> - None required for 2010, however as work progresses, infrastructure requirements may require a funding strategy for ongoing development, will be identified.		
	<b>Incremental</b> -		





# Parks

## Parks Management and Operations

### Approved 2010 Operating Budget

#### Parks Management and Operations

Notes	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review <sup>4</sup>	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Revenue &amp; Transfers</b>								
<sup>1</sup> User Fees	\$ 924	\$ 752	\$ (77)	\$ 115	\$ -	\$ 790	5.1	\$ 805
Grants	42	-	-	-	-	-	-	-
<sup>2</sup> Tree Loss Damage Recoveries	288	-	150	-	-	150	-	150
<sup>3</sup> Transfer from Reserves	-	98	(98)	-	-	-	(100.0)	-
<b>Total Revenue &amp; Transfers</b>	<u>1,254</u>	<u>850</u>	<u>(25)</u>	<u>115</u>	<u>-</u>	<u>940</u>	10.6	<u>955</u>
<b>Expenditure &amp; Transfers</b>								
Personnel	22,127	24,283	1,213	(688)	591	25,399	4.6	25,907
Materials, Goods & Supplies	4,181	3,968	579	(771)	354	4,130	4.1	4,213
External Services	3,656	2,588	92	(906)	100	1,874	(27.6)	1,911
Fleet Services	5,786	6,066	375	-	-	6,441	6.2	6,570
Intra-municipal Services	429	456	9	-	-	465	2.0	474
Utilities and Other Charges	1,835	1,997	45	-	-	2,042	2.3	2,083
Transfer to Reserves	599	-	-	-	-	-	-	-
Subtotal	38,613	39,358	2,313	(2,365)	1,045	40,351	(8.5)	41,158
Intra-municipal Recoveries	(1,540)	(944)	(544)	-	-	(1,488)	57.6	(1,060)
<b>Total Expenditure &amp; Transfers</b>	<u>37,073</u>	<u>38,414</u>	<u>1,769</u>	<u>(2,365)</u>	<u>1,045</u>	<u>38,863</u>	1.2	<u>40,098</u>
<b>Net Operating Requirement</b>	<b>\$35,819</b>	<b>\$ 37,564</b>	<b>\$ 1,794</b>	<b>\$ (2,480)</b>	<b>\$ 1,045</b>	<b>\$ 37,923</b>	<b>1.0</b>	<b>\$ 39,143</b>
<b>Full-time Equivalents</b>	420.4	435.2	0.4	(15.4)	11.4	431.6		447.0

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, adjustments based on current performance.  
Revenue Impacts relate to rate and volume changes.

### Budget Changes for 2010 (\$000)

#### Revenue & Cost Impacts on 2009 Services

##### Revenue Changes

\$(77)	River valley parking lot revenue moved to Intra-municipal Recoveries
150	To record estimated recovery for tree lost due to vehicle accidents, construction, etc.
(98)	Intention of the Tree Replacement Reserve is to capture timing differences
\$(25)	Total Revenues

# Parks

## Parks Management and Operations

### Cost Changes

\$1,190	Inflationary - personnel (\$1,213 less \$23 for annualization = \$1,190)
696	Inflationary - non-personnel (\$579+\$92+\$375+\$9+\$45 less tree replacement & fleet adjustment = \$696)
150	Included to reflect tree replacement costs (offset by revenue amount)
254	Fleet Services cost adjustment
23	Other Changes - annualization
(544)	Intra Municipal Recoveries - Inflation(\$17), river valley parking (\$77), internal recoveries from tree lost (\$450) = (\$544)
\$1,769	Total Cost Changes

### Service & Budget Review

\$ 115	Increased picnic revenue, sports fields and charge outs
(2,365)	Reductions in mosquito control, tree pruning, planning, shrub bed maintenance, turf maintenance, park maintenance and sanitation and hard surface maintenance
\$(2,480)	Net Operating Requirement

### Service Needs

\$ 1,045	Capital Impact of Parks inventory growth
\$ 1,045	Net Operating Requirement

### Impact on Full-time Equivalents

0.4	Annualization of 2009 New Positions
(15.4)	Service and Budget Review
11.4	Service Needs - Impact of inventory growth
(3.6)	Total Full-time Equivalent Changes

### Explanatory Notes

This budget reflects a \$2.5 million decrease as a result of the Service and Budget Review, offset by a \$1.045 million increase to provide service to new inventory. All other cost increases were limited to inflation. The total net operating requirement is an increase of only 1%.

<sup>1</sup> User Fees are derived primarily from rental of picnic sites, sports fields, and parking. The Approved 2010 Budget reflect a reclassification of the parking revenue of \$77,000 from User Fees to Intra-municipal Recoveries (part of the \$544,000) as the collection of this revenue is provided by Corporate Properties.

<sup>2</sup> Annually, trees are lost as a result of damages from vehicle accidents, development, or changes to road alignment. In accordance of the City's Tree Policy, a fee is levied for the eventual replacement of the lost tree. In prior years, this revenue has been netted against the cost of tree replacement. This is now reflected separately in both Revenue and Expenditure.

<sup>3</sup> The Transfer from Reserve is intended to capture timing differences between the recoveries from tree lost and the actual replanting of trees. No budget is required and any need to draw from the reserve will be reflected as a variance from budget.

# Parks

<sup>4</sup> The impacts of the 2009 Service and Budget Review are described in terms of the actual service reduction, and the short and/or long term risks associated with the reduction under the Parks Management and Operations major service as follows:

## Horticulture & Turf (reduction of \$790,000 and 7.6 FTEs)

- A \$540,000 reduction in turf maintenance activities combined with a requirement to continue to service inventory growth will result in greater delays between cycles of mowing and trimming on parks, sports fields, and roadway inventory throughout the months of May to September. The impact of this reduction may create aesthetic issues and reduce citizen satisfaction with parks and open spaces in the fall.
- A \$250,000 reduction to Parks horticulture maintenance is associated with soil and mulched shrub beds found in parks which line major roadways (mulching and bed edging). The impact of this reduction will reduce service to shrub beds and limit the creation of new mulch beds where existing trees are planted to improve turf mowing productivity and enhance the soil's ability to retain moisture. In the longer term this reduction will result in the deterioration of landscaped park areas.

## Mosquito Control, Parks Servicing, Traffic Systems (reduction of \$900,000 and 7.8 FTEs)

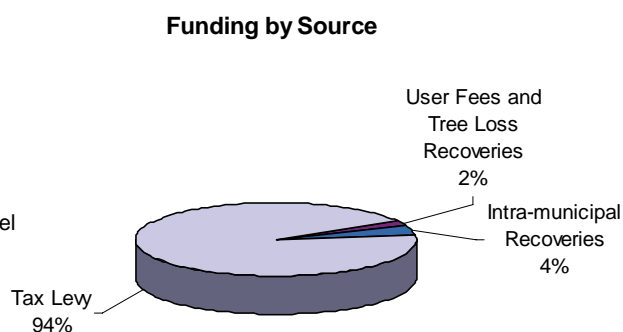
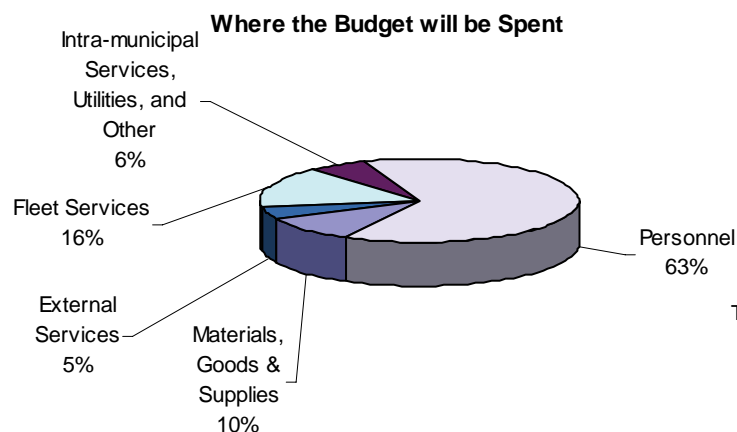
- A \$150,000 reduction in Mosquito Control reduces the current work plan of 18,250 ha by 3,650 ha.

- A \$500,000 reduction in Parks Servicing will reduce caretaking, maintenance and sanitation at major parks during the peak season from May to October. Additionally, reduced maintenance of park furniture (picnic tables, park benches, picnic stoves, garbage containers, and signage) will result.

- A \$250,000 reduction in Parks Traffic Systems means that maintenance of parking lots, roads, walkways, wooden stairs and tennis courts within the parks system will not occur as frequently. Minor damage and repair cycles to hard surfaces will be delayed and reduced.

## Forestry, Major Maintenance, Planning & Admin (reduction of \$675,000)

- A \$500,000 reduction in Forestry will focus on the pruning program to trees on roadways, boulevards and parks. Servicing time between pruning cycles will be extended by 2 years. The impact of this reduction over time may be increased tree mortality and increased incidence of trees with dead and diseased branches, reduced tree health and a greater risk of damage claims.
- A \$125,000 reduction in Major Maintenance will reduce the opportunity to react to emergent major repairs and overhaul to parks infrastructure.
- A \$50,000 reduction in Administration will result in decreased supervision, recognition, and annual appreciation event.



# Parks

## Park Development and Preservation

### Responsibility

Parks Development and Preservation includes parkland planning and assembly, public open space design development and construction, and the preservation of natural areas.

This core service ensures that land is set aside for parks and open spaces in the city. Once acquired, lands are developed to meet the needs of the citizens.

Parks' Office of Natural Areas works with partners to protect, restore and manage a functioning ecological network within the city. Natural areas support Edmonton's biodiversity, provide critical wildlife habitat, and offer a wide range of educational and recreational benefits to Edmontonians.

### Operational Variables

2010 Budget impacts are outlined in the Explanatory Notes in the Parks System Development and Preservation Approved 2010 Operating Budget section.

#### Land Assembly

Land assembly is the critical first step in the parks development process. Existing legislation, policies and practices make Parks land assembly challenging. Timing issues with respect to taking cash in lieu as opposed to land for certain parcels and meeting the growing program requirements for the available land base contribute to that challenge. The dollars per hectare required to acquire land can fluctuate considerably.

Timing of land assembly and the review of land development applications is largely dependent on development industry timing. Over the last few years, the volume of applications has increased significantly despite a recent decrease due to the economic downturn. Another significant impact in 2010 will be the activities related to surplus school site designations under new Provincial legislation.

The parkland classification system guides the

development of new areas of the City and its community development partners to ensure that the park system accommodates a variety of recreational needs while integrating parks into a functioning urban environment that consists of residential, commercial, industrial and institutional land users. This is driven primarily through the development industry. Each type of park provides a distinct range of program opportunities (i.e., activities). The collection of parks within a geographic area comprises the park "system".

Once parkland is acquired, the initial development is dependent upon the availability of capital funds. In many other municipalities, parks are constructed by developers. In Edmonton, however, funding availability is not assured early in the lifecycle of a neighbourhood as parks funding requests must compete with other corporate needs.

Once parkland has been developed to a base level, cost shared programs provide higher levels of development (i.e. playgrounds, water spray parks, park furniture, etc). The further development of neighbourhood parks funds is dependent on community readiness and funding availability. Parks works with these groups to develop need assessments, undertake funding raising, park design and park construction.

The Natural Areas function of this core service identifies and secures natural systems ("Natural Area Parks") as part of the parks network. The process ensures that a Natural Area Management Plan (NAMP) is developed for each site in order to maintain or enhance biodiversity and restore natural systems.

#### Maintaining Biodiversity in Edmonton

As the City's inventory of protected natural areas grows (3,523 ha as of 2009) a plan for managing these areas that is specific to the achievement of biodiversity objectives must be developed. Greater ecological understanding has brought more sophistication in the way cities view and manage natural areas and the biodiversity they support.

The ecological network comprises natural and semi-natural areas (e.g. manicured parks), as well as other

# Parks

## Park Development and Preservation

naturalized and restored spaces in the city (e.g. naturalized road verges, greenways, etc.). This network provides wildlife



habitat, places for children and adults to learn and play, supports health and well-being, and offers important ecological services. Within the context of climate change adaptation, the ecological network also plays a vital “buffering” role, that helps to stabilize the climate. Trees absorb carbon dioxide from the air and release oxygen, helping to counter the greenhouse effect. Natural areas help to reduce other air pollutants as well – trees can diminish street-level particulates up to 60%. They also lower local air temperatures through transpiration and shading, which reduces building energy use and cooling costs.

Parks is taking measures to improve how natural areas are managed in order to create a more sustainable ecological network and in turn supporting native biodiversity. The Natural Connections Strategic Conservation Plan and Edmonton’s participation in the Local Action for Biodiversity Project are key steps in this direction. A new, city-wide natural area management plan is being developed that contains site-specific management strategies for each natural area that is added to the City’s inventory. Through the new Master Naturalist Program, additional energy and skills are being sought to support the management of natural areas through community stewardship.

However, additional efforts are required to ensure the health of Edmonton’s ecological network over the long term, particularly as Edmonton continues to adapt to a changing climate, a growing population, and increased users of the parks network. Increased monitoring, public education about the value of natural areas, efforts to restore degraded areas, and the creation of new ecological linkages are also emerging as areas where

new resources will be required to effectively manage Edmonton’s natural areas.

### External Relationships

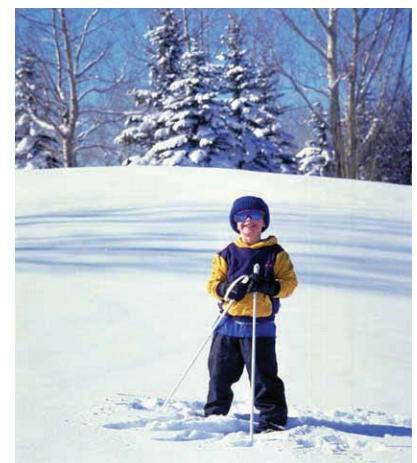
Parks Development and Preservation has significant relationships with developers and provides services to a number of external community groups, as well as other departments and branches within the city. Parks also offers a range of public outreach and engagement programs related to parkland and biodiversity protection, including Arbour Day, Good Growing Neighbours, Partners in Parks, the Master Naturalist Program, and Communities in Bloom.

### Major Service Objectives

#### Land Assembly Core Service Review

This initiative will review our reserve management practices to maximize the land or cash resources acquired through the land development process. Parkland networks are identified, and acquired using land and cash in lieu resources acquired through the development process.

The review will clarify our land assembly practices and focus on improving cash recoveries that enable the Parks Branch to acquire new land for parks and look for opportunities to get developers more involved in the development of new parks.





# Parks

## Park Development and Preservation

### Current Service Level

Current (2009) Service Level	Key Resource Requirement	Capacity of Service	Benefits of Service
<b>Planning and Assembly</b> Reviewed 24 NSP, Industrial Plans, Special Study Areas and extension Area Amendments 139 future park sites and 279.71 ha. of environmental reserves <div> <i>\$3,501K Net Budget*</i>  <i>8% of Total Parks Budget</i> </div>	Personnel – 26.2 FTE's including Planners, Planning Technicians, Landscape Technicians.	Current service level can be sustained, however the turnover of surplus school sites will have an impact on capacity.	City demonstrates a strong commitment to active living through the acquisition of a network of connected parks and open spaces. City actions demonstrate a strong commitment to the integration of City, school and community facilities into the park system to meet community need.
<b>Design Development and Construction</b> 275 construction projects, valued at \$64,692,000 (revised projections) <div> <i>\$2,259K Net Budget*</i>  <i>5% of Total Parks Budget</i> </div>	Personnel – 75.6 FTE's including Landscape Architects, Drafting Technicians, Surveyors, Labourers, Equipment Operators, Leaders. Materials, Goods, Supplies and Fleet Services – Trucks (1 ton, ¾ ton, ½ ton, extended cab, crew cab, dump), Skid Loader and Trailers.	The 2009 hiring freeze has impacted the capacity of Parks Design and Construction as it relates to the significant capital program.	City and partner actions demonstrate a strong commitment to building social capital and urban wellness in the community through the development of urban parks. City actions demonstrate a strong commitment to a higher quality of life and urban sustainability through place making, creative urban design and the provision of diverse landscape opportunities and experiences.
<b>Preservation and Securing of Natural Areas</b> 3 Natural Area Management Plans \$4.4 million in land acquisition (by Corporate Properties) 1206 hours spent with advisory groups <div> <i>\$438K Net Budget*</i>  <i>1% of Total Parks Budget</i> </div>	Personnel – 4 FTE's including Ecological Planners. Contracted Services 41% for external support for specialists to help to implement the Natural Connections Strategic Plan and the Biodiversity Action Plan.	Current service levels can be sustained but response to strategic initiatives will be impaired as a result of budget adjustments.	City and partner actions demonstrate a strong commitment to preservation of natural capital through ecological decision making.

# Parks

## Park Development and Preservation

### Strategic Initiatives

Alignment with The Way Ahead	Initiative	Immediate/Intermediate Output	Ultimate Outcome
<b><i>Preserve and Sustain Edmonton's Environment</i></b>  Increase Access and Proximity to Ecological (Natural and Groomed) Systems	<b>Biodiversity Action Plan</b>  A Biodiversity Action Plan will be created through the integration of existing plans and strategies to further the ability of the City to secure and protect natural systems.  Specific focuses for 2010 will be: <ul style="list-style-type: none"><li>— Implementation of the Acquisition Strategy and identification of lands for priority purchase.</li><li>— Process and priorities for applying wetland compensation funding to restoration activities to offset the loss of wetland habitat within the City.</li><li>— Evolution of ecological information requirements addressed in development applications to facilitate the long-term protection of key systems</li></ul>	Successful acquisition (protection) of priority natural areas, by the City.  Improved community engagement and participation through effective engagement of the public around the importance of natural systems and their stewardship.	Partnerships are leveraged to improve Edmonton's environmental health.  The impact of City operations on air, land and water systems is minimized.
<b>2010 Budget Impact</b>	<b>Base</b> - None required for 2010, however as work progresses, infrastructure requirements may require a funding strategy for ongoing development, will be identified.		
	<b>Incremental</b> -		





# Parks

## Park Development and Preservation

### Approved 2010 Operating Budget

#### Parks Development and Preservation

Notes	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review <sup>2</sup>	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Revenue &amp; Transfers</b>								
<sup>1</sup> Inspection Revenues	\$ 137	\$ 234	\$ (100)	\$ -	\$ -	\$ 134	(42.7)	\$ 136
Transfer from Reserves	-	-	-	-	-	-	-	-
<b>Total Revenue &amp; Transfers</b>	<u>137</u>	<u>234</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>134</u>	<u>(42.7)</u>	<u>136</u>
<b>Expenditure &amp; Transfers</b>								
Personnel	7,924	8,743	638	-	395	9,776	11.8	9,972
Materials, Goods & Supplies	1,262	206	4	-	-	210	1.9	214
External Services	1,541	413	8	(135)	-	286	(30.7)	292
Fleet Services	520	86	2	-	-	88	2.3	90
Intra-municipal Services	289	19	1	-	-	20	5.2	21
Other Charges	2,641	155	2	-	-	157	1.3	160
<sup>3</sup> Transfer to Reserves	<u>1,011</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,020</u>
Subtotal	15,188	10,622	655	(135)	395	11,537	(8.2)	11,769
Intra-municipal Recoveries	<u>(7,265)</u>	<u>(4,190)</u>	<u>(226)</u>	<u>(300)</u>	<u>(247)</u>	<u>(4,963)</u>	<u>18.4</u>	<u>(5,063)</u>
<b>Total Expenditure &amp; Transfers</b>	<u>7,923</u>	<u>6,432</u>	<u>429</u>	<u>(435)</u>	<u>148</u>	<u>6,574</u>	<u>2.2</u>	<u>6,706</u>
<b>Net Operating Requirement</b>	<b>\$ 7,786</b>	<b>\$ 6,198</b>	<b>\$ 529</b>	<b>\$ (435)</b>	<b>\$ 148</b>	<b>\$ 6,440</b>	<b>3.9</b>	<b>\$ 6,570</b>
<b>Full-time Equivalents</b>	97.2	106.1	0.4	-	4.0	110.5		110.5

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, adjustments based on current performance.  
Revenue Impacts relate to rate and volume changes.

### Budget Changes for 2010 (\$000)

#### Revenue & Cost Impacts on 2009 Services

##### Revenue Changes

\$(100)	Volume reduction for inspection fees
\$(100)	Total Revenue Changes

# Parks

## Park Development and Preservation

### Cost Changes

\$ 555	Inflationary - personnel (\$638 less \$40 for one-time and \$43 for annualization = \$555)
17	Inflationary - non-personnel (\$4+\$8+\$2+\$1+\$2 = \$17)
40	Add back of 2009 one-time reduction
43	Annualization of 2009 services
(226)	Capital Project Recoveries
\$ 429	Total Cost Changes

### Service & Budget Review

\$ (135)	Consulting costs for Natural Areas
(300)	Moving operating costs linked to capital projects to capital budget
\$ (435)	Net Operating Requirement

### Service Needs

\$ 395	Capital Impact - Planning & Design
(247)	Capital Project Recoveries
\$ 148	Net Operating Requirement

### Impact on Full-time Equivalents

0.4	Annualization of 2009 New Positions
4.0	Service Need - Capital Impact - Planning & Design
4.4	Total Full-time Equivalent Changes

### Explanatory Notes

The Approved 2010 Budget reflect minimal changes beyond the reduction of \$135,000 as part of the Service and Budget Review. The proposed increases are inflationary impacts and inventory growth.

<sup>1</sup> Inspection Revenues have been adjusted to reflect actual historical experience.

<sup>2</sup> The impacts of the 2009 Service and Budget Review resulted in a reduction of \$135,000 which is a significant proportion (30%) of Parks Planning and Office of Natural Areas consulting capacity. The

impact will reduce Park's ability to respond to strategic initiatives outlined in various long-term planning documents; such as the Urban Parks Management Plan, Natural Connections and Local Action for Biodiversity. The reduction will also limit special purpose research studies that support policy development or project development. Without future planning, many of Council's strategic goals relating to protecting natural areas, providing access to green space and a natural urban landscape cannot be fully achieved.

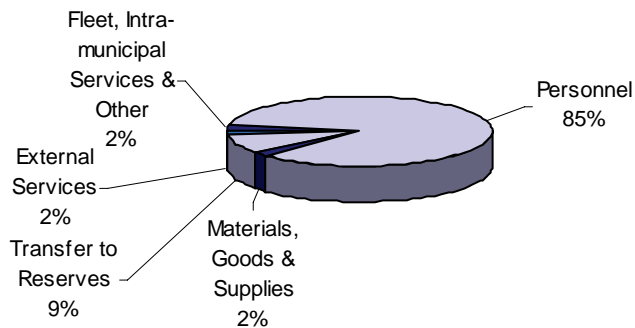
# Parks

## Park Development and Preservation

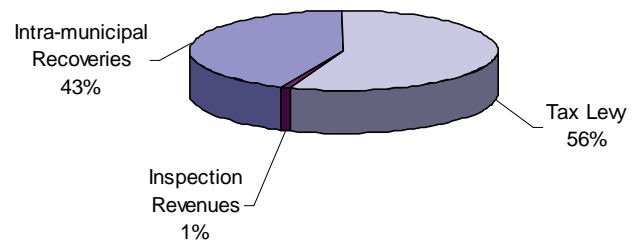
<sup>3</sup> The \$1,000,000 Transfer to Reserve represents the annual contribution from tax levy for natural areas. In 2009, Council approved a funding strategy whereby tax supported debt of up to \$19,375,000 may be issued in 2009 and 2010, with the annual debt servicing cost funded from this reserve. This enabled the City to have funding access to acquired natural areas before development occurs.



**Where the Budget will be Spent**



**Non-Tax Funding by Source**



# Parks

## Park Development and Preservation

### Approved 2009-2011 Capital Budget

#### Parks

	2009 Budget	2010 Budget	2011 Budget	3-Year Budget Total
<b>Total Program Capital Budget</b>	<b>64,693</b>	<b>77,468</b>	<b>48,595</b>	<b>191,245</b>

### Progress on Significant Capital Projects

Delays in Municipal Sustainability Initiative funding approvals by the Province have delayed capital projects in New Park Construction, NPDP/Outdoor Aquatic Amenities and Parks Renewal resulting in a revised spending forecast of \$64,692,000 for 2009. Completion of Natural Areas and Parkland acquisition in 2009 is uncertain due to the nature of land sales terms and conditions.

### Debenture Status

The following chart summarizes those projects which are partially or fully funded by tax-supported debt, and for which Council has approved the associated Borrowing Bylaw.

Project Name	Number	Bylaw #	Total Approval Amount	Prior Years/ Issued	Balance to be Issued in 2009	Planned New Issue 2010
Neighbourhood/District Park Development	04-28-5211	13651	\$ 4,725	\$ 4,665	\$ 60	\$ -
Neighbourhood/District Park Development	06-28-5231	13946	4,408	4,100	308	-
Neighbourhood/District Park Development	06-28-5214	14226	3,100	1,170	1,822	108
Neighbourhood/District Park Development	07-28-5210	14481	2,038	2,038	-	-
Leger Site: Roadway, Servicing & Develop	07-28-5765	14932	6,200	2,000	3,102	1,098
Natural Areas Acquisition & Conservation	09-28-0007	15164	19,375	-	-	19,375
<b>Total</b>			<b>\$39,846</b>	<b>\$13,973</b>	<b>\$5,292</b>	<b>\$20,581</b>

### Operating Impact of Capital Projects

Service Description	2010 Budget	2011 Forecast	2-Year Total
Parkland inventory growth	\$ 1,193	\$ 1,768	\$ 2,961
Annualization	-	-	-
	-	-	-
<b>Total Operating Impact of Capital</b>	<b>\$ 1,193</b>	<b>\$ 1,768</b>	<b>\$ 2,961</b>

# Parks

## Service Needs Funded Within 3%

### Impact of Capital

#### Description

The impact of capital on the operating budget is derived from two sources: Parks capital projects, and parks inventory contributed by developers, other departments, and partnership projects. Projected operating impacts are identified on capital project profiles for Parks projects but the impact from contributed capital is not accounted for. The other operating impacts not reflected against specific projects are system-wide impacts. Adding incremental inventory requires additional operations and technical support staff, to address both the growth in inventory and the growth in capital projects to be planned and managed. The volume and cost of the maintenance activities is based on costing provided through Plant Maintenance. Planned activities include turf maintenance, horticulture, playgrounds, parks servicing and traffic systems, tree maintenance and pest management.

#### Justification

Funding Parks inventory growth will:

- a) Avoid the erosion of existing Park maintenance cycles and ensure park infrastructure is maintained to acceptable levels.
- b) Ensure timely park development to meet public expectations, ensure existing systems and processes are kept up to date and allow for continued and improved stewardship of the parks system in an efficient and effective manner.

#### Links to Strategic Goals & Departmental Outcomes

- a) Enhance social connectedness for all citizens
- b) Increase access and proximity to ecological systems
- c) Preserve, celebrate and support Edmonton's heritage, arts and culture
- d) Improve city's urban architecture and urban form to ensure it meets environmental standards that exemplifies excellence in urban, architectural and landscape design.
- d) Reduce barriers to participation in recreation activities and local programs
- e) Refocus spending on renewing existing infrastructure relative to investment in new infrastructure

Incremental (\$000)	2010				2011				2012			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
New Budget Annualization	1,193		1,193 -	15.4	1,768		1,768 -	12.7	1,000		1,000 -	10.0
<b>Total</b>	<b>1,193</b>	<b>-</b>	<b>1,193</b>	<b>15.4</b>	<b>1,768</b>	<b>-</b>	<b>1,768</b>	<b>12.7</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>	<b>10.0</b>