



2022-Q1 Quarterly Report



Introduction

The purpose of this report is to update City Council and the community on the activities of the organization, its programs and services, trending data, and key corporate plan projects. The report also provides financial highlights for the quarter and a summary of the revenue and expenses for municipal, utility, and developer operations.

Financial Highlights

Municipal Summary

- First quarter municipal operating results portray a projected annual surplus of \$534,000, based on projected revenue increases of \$4.08 million offset by projected increases in expenses of \$3.55 million.
- Acceleration of the development of the Electric Vehicle Charging Strategy was approved by Council in February of 2022. Up to \$45,000 was approved for a third party consultant to develop a plan to promote community and City adoption of electric vehicles, thereby reducing greenhouse gas emissions, with funding to come from unrestricted reserves.
- Later in February, City Council approved the Pre-Spring Budget Adjustments for an additional \$250,000 to fund the 2022 concrete crushing work and the site servicing costs on an 18 acre industrial site of City-owned land in the Public Works quarter section at an estimated cost of \$1.723 million. This latter adjustment was addressed through the land held for resale account.
- The 2022 Spring Budget Adjustment was approved by Council on April 11, 2022, just subsequent to the quarter end. It resulted in amendment of the City's municipal operating budget to include additional operating revenues of \$401,000 and additional operating expenses of \$401,000. The Spring Budget Adjustment process sets the final approved budget for the City for the 2022 fiscal year. **While this occurred after the end of the first quarter, the revenue and expense budgets have been adjusted in the summaries to reflect this approval.**

Revenue Summary

The following are revenue highlights from the *Municipal Operating Summary* attached to this report:

- Sales and user fees are projected to come in \$171,234 under budget due to a reduction in transit ridership and demand for transit services. Demand for transit service has still not returned to pre-pandemic levels.
- Government transfers – operating increased \$374,651 as the City received:
 - New transit funding of \$113,151 under the Alberta RESTOR federal-provincial grant program to help address transit operating shortfalls;
 - Provincial operating funding of \$160,000 for several temporary positions in 2022 (Municipal Energy Manager, Planning & Infrastructure intern and Finance intern); and
 - Two other operating grants totaling \$81,000 that were approved for carry forward from 2021 to fund associated expense carry forwards (Family & Community Support Services Case Management Service Review and Municipal Asset Management Program).
- Licences and permit revenue is projected to come in \$100,000 higher than budgeted and is directly related to increased development activity, specifically with respect to building permits.
- An increase in transfers from reserves of \$3.66 million was recognized primarily to fund Municipal Development Plan work accelerated from 2023 to 2022 (approximately \$275,000) and \$2.98 million in 2021 costs carried forward to complete the City's Fibre-Optic Broadband project.

Expense Summary

The following are expense highlights from the *Municipal Operating Summary* attached to this report:

- General government expenses are projected to come in \$3.03 million over budget, primarily as a result of the 2021 cost carry forward to complete the City's Fibre-Optic Broadband project (\$2.98 million).
- Protective Services is forecasting to spend an additional \$35,744 in 2022 due to increased costs for medical equipment and supplies and increased costs associated with graffiti inspections and reviews.
- Transportation and Roadway expenses are expected to come in \$462,000 over budget for 2022 due to anticipated increased snow and ice control (SNIC) contract costs of \$450,000.
- Community Services is projecting expense savings of \$271,956 for the year. These savings can be primarily attributed to a decrease in expense of \$180,759 as TransAlta Tri Leisure Centre (TLC) capital contributions are now being funded through the lifecycle program in the long-term capital plan as opposed to the operating budget, combined with savings from vacant Recreation Administration and Horizon Stage positions.
- Development Services is anticipating a \$290,516 increase in expenses primarily related to the acceleration of the Municipal Development Plan work in 2022.

Utility Summary

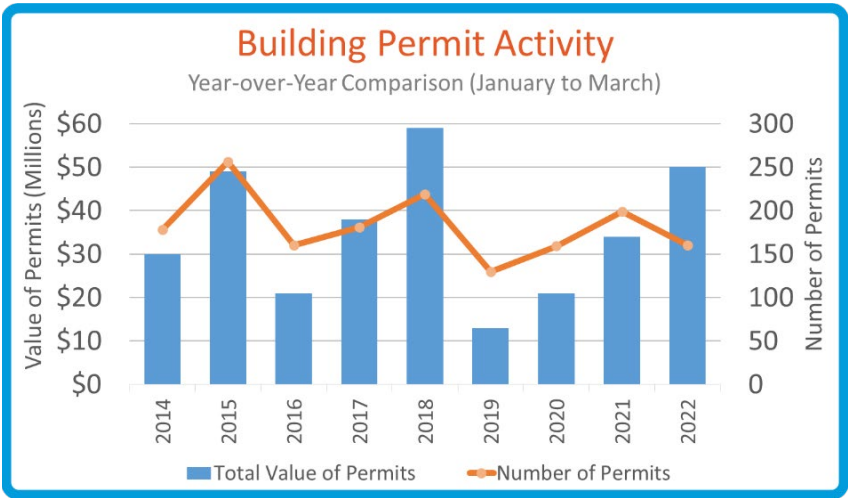
- First quarter utility results are projecting \$86,748 higher-than-budgeted transfer to the utility reserve.
- Utility revenues are projected to be \$202,272 higher than budgeted.
 - Revenues from sales and user fees are projected to come in \$57,200 higher than budgeted, which can be primarily attributed to increased activity at the Eco Centre, continuing the revenue growth trend from last year.
 - Transfer from the utility reserve is expected to be \$145,072 higher than budgeted as a result of 2021 cost carry forwards (\$105,000 was carried forward to complete a storm water condition assessment and \$40,000 to complete master plan updates).
- Expenses are expected to be over budget by \$115,000 (before transfers to reserves) for the following reasons:
 - \$145,072 in 2021 cost carry forwards (\$105,072 was carried forward to complete a storm water condition assessment and \$40,000 to complete sanitary sewer master plan updates).
 - \$11,000 of additional budget required for sanitary sewer dig repairs.
 - Increased cost pressures of \$95,755 for water operations as a result of price increases, rising power costs, and costs to calibrate and maintain testing equipment to ensure regulatory compliance.
 - Increases are offset by a \$136,378 reduction in waste expenses, as the projected costs for organics disposal are less than budgeted.

Developer Summary

- First quarter developer results are in line with budget.

Trending Data

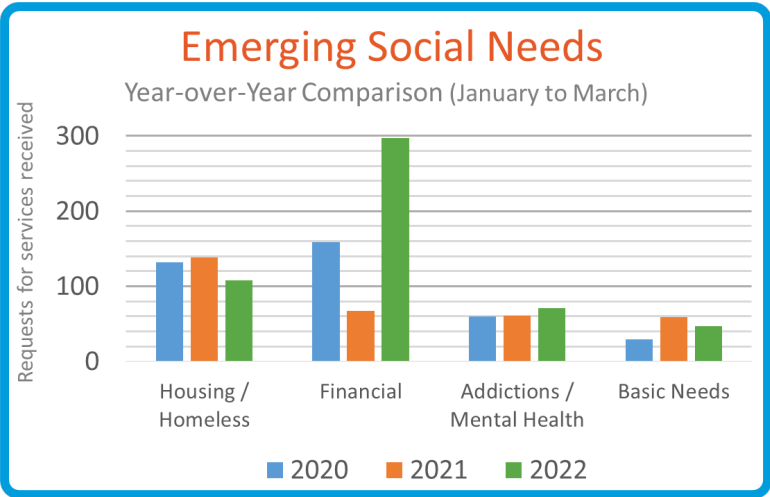
Building Permit Activity



Building permit activity in the first quarter of 2022 is showing similar strength as compared to last year. The first quarter saw 160 building permits approved compared to 199 permits in the first quarter of 2021. The construction value for those permits is much higher at \$50M for the first quarter of 2022 compared to \$34M for the first quarter of 2021. This increase in overall permit value was the result of an increase in higher value permits.

Emerging Social Needs

The chart represents the top presenting requests for services received through the Family and Community Support Services (FCSS) Information and Referral front desk, as well as from new and existing clients with complex needs as supported through the Case Management and Regional Housing programs. Data for the Community Volunteer Income Tax Program was not available for this reporting period.



The increase in requests for financial support are primarily a result of seniors seeking assistance to re-establish their Alberta Seniors Benefit and the Guaranteed Income Supplement with the conclusion of the Canada Emergency Response Benefit (CERB) program. Many seniors who received CERB in 2020 saw a loss or reduction in their federal and provincial income supplement payments as a result.

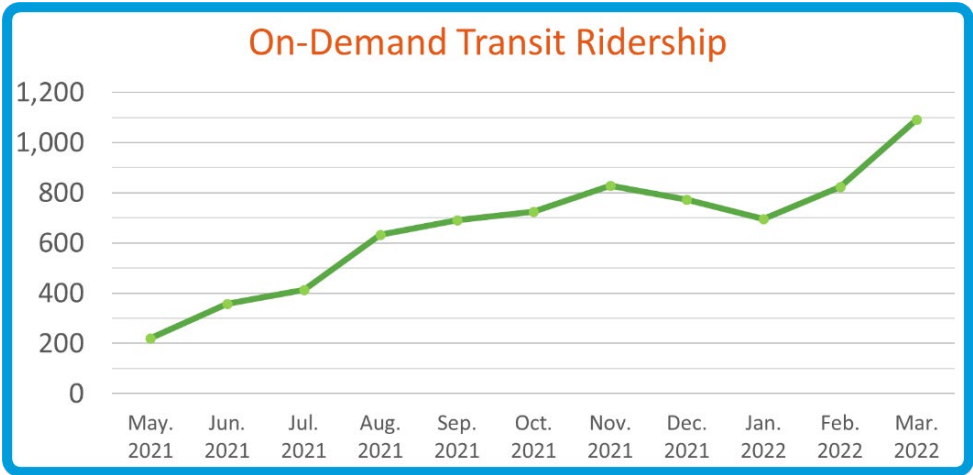
Community Social Development works closely with the social non-profit sector in supporting the social needs of residents. These networks have indicated a similar increased demand for financial services as residents are seeking alternate sources of financial support with the conclusion of federal programs.

Transit Ridership

Local Service

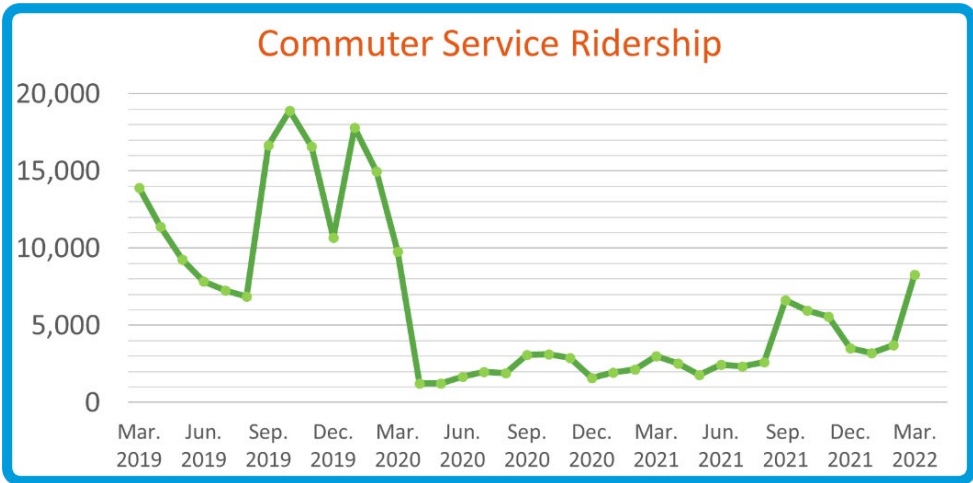
The on-demand local service ridership continues a steady increase. Ridership has grown from about 200 passengers per month when on-demand service was first launched in May 2021 to over 1,000 passengers per month in March 2022.

The service area for on-demand transit was expanded in May to include all of the City of Spruce Grove, including the industrial area south of the railway tracks.



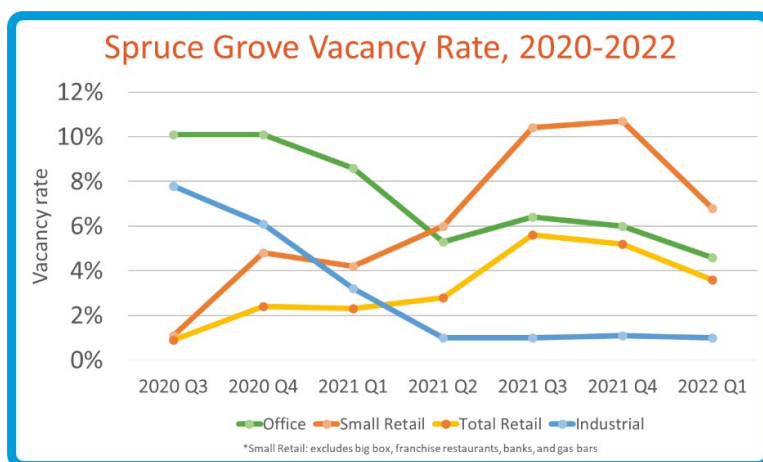
Commuter Service

March saw 8,300 riders on the commuter service, which represents an increase of 175% when compared to the same month in 2021. This increase was mainly the result of post-secondary students returning to in-person learning. While this represents a significant increase, the ridership is still lower than pre-pandemic levels. As a result, revenue is projected to come in lower than budgeted.



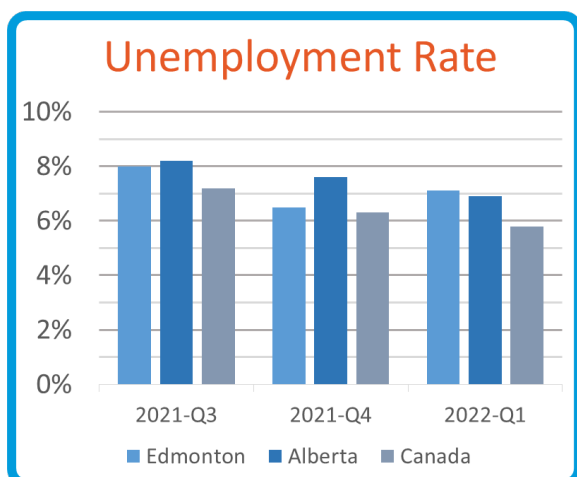
Economic Activity

Vacancy Rates

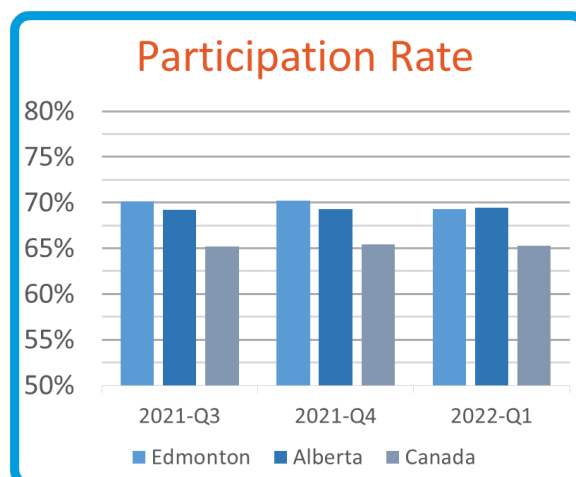


Vacancy rates in the office and retail sector continue a decreasing trend. The vacancy rate in the small retail sector saw the largest decrease from 10.7% in the last quarter to 6.8% in the first quarter of 2022, while the vacancy rate in the industrial sector remains historically low at 1%. This marks a decline in overall vacancy rates in the commercial and industrial sectors for the last three quarters, indicating a rebounding economy.

Labour Force Trends¹



Alberta's unemployment rate was 6.9% in March, down 0.7 percentage points from December and down 1.3 percentage points from September.



Alberta's employment participation rate is steady at around 69% and is above the national average rate of 65%. Participation rate measures the total labour force (comprised of those who are employed and unemployed, combined) relative to the size of the working-age population.

¹ Statistics Canada. Table 14-10-0380-01 Labour force characteristics, three-month moving average, seasonally adjusted
<https://doi.org/10.25318/1410038001-eng>

Residential Housing Sales²

Dwelling Type	Average Selling Price	Month over Month % Change	Year over Year % Change
Single family homes	\$503,711	2.0%	9.9%
Condominiums	\$245,070	8.4%	6.7%

The average selling price for single family homes was \$503,711 in the month of March, a 9.9% year-over-year increase and a month-over-month increase of 2.0%. For condominiums, the average selling was \$245,070 in the month of March, a 6.7% year-over-year increase and a month-over-month increase of 8.4%.

Community and Organizational Updates

Winter Community Activities and Events

Outdoor Skating

This season, the outdoor ice surfaces were open daily for general use from mid-December to the end of February with a few exceptions when the daytime temperatures were too warm. This included the ice rinks in Lakewood, Aspenglen and Brookwood, the skating ovals at Jubilee Park, Central Park and Fairway Park, and the two skating pads at Heatherglenn and Westview Parks. The skating oval at Central Park remained open until April 11.



Council's 2022-25 Strategic Plan

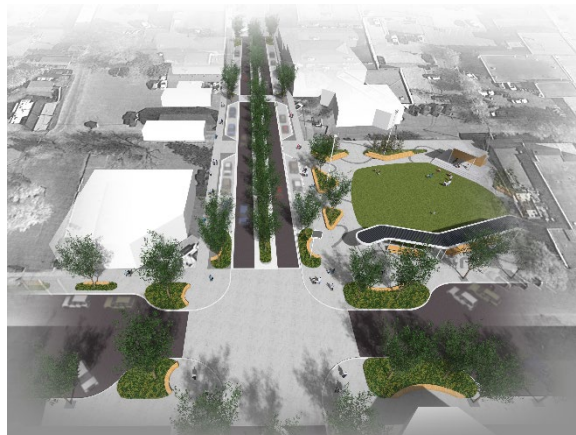
Members of Council participated in a series of strategic planning retreats in the first and second quarter of 2022 to develop the Strategic Plan. The Plan is broken down into four main themes: Community Connections, Environmental Sustainability, Economic Prosperity and Governance in Action. Within these themes are a series of goals, objectives and actions, some of which are more immediate, short term and some of which are longer term that will contribute to the outcomes of future Councils. Each goal, objective and action that requires further investment will be further assessed through the annual Corporate Planning process. The community will have the opportunity to provide input into the draft Strategic Plan prior to its expected finalization in summer 2022.

² Realtors Association of Edmonton. Monthly Market Statistics Update, March 2022,
https://www.realtorsofedmonton.com/Attachments/PDFs/2022-Stats/MAR_2022_YEGMedia_RAEStats

City Centre Area Redevelopment Plan (ARP)

An Open House was held on May 4 to provide information about the upcoming streetscape redevelopment project for McLeod Avenue and Main Street, including timelines and construction information.

The project will enhance the area as one of the City's main commercial and social destinations and help create a more pedestrian focused environment by improving sidewalks and street crossings, adding street trees, landscaping, and places to gather. The project also includes rehabilitation of the underground infrastructure to service businesses and residents and create the opportunity for new development.



Digital Economy Program

The City joined the Digital Economy Program in partnership with the University of Alberta, Business Link, and Digital Main Street, to offer small businesses an opportunity to transform their online presence. The program can help businesses with ecommerce, expanding their web presence, or even developing a social media strategy.

The uptake on the program has been very successful with 49 businesses signing up in the first quarter.

The program provides services and technical support to eligible small businesses at no cost and is funded by the Government of Alberta and Prairies Economic Development Canada.

To take advantage of this program, business owners can visit yourDEP.ca and complete an application form.

Economic Development Strategy and Action Plan

The City is collaborating with the Economic Development Advisory Committee (EDAC) to update the Economic Development Strategy and Action Plan. The updated 5-year strategy covering the period 2023-28 will provide an opportunity to assess the results of the current strategy and key changes in the economic environment brought on by COVID, the emergence of Edmonton Global, transition to a low carbon economy, and the impact of transformational technologies. Stakeholder and public consultation will be a priority to ensure there are opportunities for broader engagement with the business community and residents.

Terms of Reference for the Economic Development Strategy update was approved on March 1. A Request for Proposals (RFP) has been issued and closed on April 14.

Fibre-Optic Broadband Strategy Implementation

The City entered into an agreement with TELUS to build out a community-wide fibre-optic network. The City is contributing \$4.25M to the project towards building out connectivity throughout the industrial areas of the city, and TELUS is investing a further \$50M to connect over 90% of homes and businesses within the City boundary.

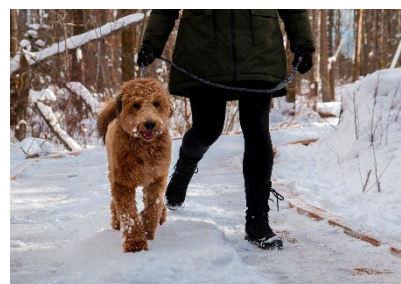
Construction on the fibre-optic network started in September of 2021. The industrial area was completed in April 2022 and access to fibre internet is now available in the area. Access to fibre internet is expected to be available to 90% of homes and businesses by November 2022.

Industrial Land Project

On February 28, Council approved proceeding with the site servicing of the 18 acre industrial site on City-owned land in the Public Works quarter section at an estimated cost of \$1.7 million, which will be funded through unrestricted surplus. Spruce Grove is experiencing a lack of available serviced industrial land as the vacancy rate in the industrial sector remains historically low at 1%. Completion of the site servicing will result in the availability of additional serviced industrial land to the region by the end of 2022. This will help accommodate economic growth, generate high quality employment opportunities, and will contribute towards the overall economic sustainability of the city.

Jubilee Park Boardwalk Trail

The new Jubilee Park Boardwalk Trail opened in January. The boardwalk provides safe connections along the existing trail network during all seasons and limits disturbance to the wetland eco-system. The new trail is a result of a Community Benefit Agreement signed with Trans Mountain as part of the Trans Mountain Expansion Project.



Community Recovery Grant

In 2021, three non-profit organizations received a total amount of \$30,000 from the City as part of the Community Grant Program – Domestic Violence. The grant is part of the City's commitment to supporting organizations that provide services and supports to local residents to address domestic violence.

Parkland Turning Points Society received \$10,000 which helped implement programs for victims and offenders of domestic violence.

Edmonton Violence Prevention Centre received \$17,000. The grant was used to support two domestic violence treatment groups per year. A total of twelve 2.5 hour sessions were provided for a twelve week period that were available to Spruce Grove residents.

Today Centre received \$3,000 to provide additional financial resources to support victims of family violence with executing their safety plans which are developed to prepare victims for situations regardless of what they decide. The results from a client closure survey indicated that:

- 80% of Spruce Grove residents accessing The Today Centre's services had a better understanding of risk to themselves and their children (in those situations where clients felt risk was a factor).
- 80% of clients were identified as able to articulate their safety plan (in those situations where safety planning was identified as a need).
- 90% had their immediate and basic needs partially or fully addressed (in those situations where clients identified concerns with immediate and basic needs).
- 100% of clients were identified as being fully or partially connected to medium to long term supports.

Climate Change Action Plan



On February 22, the City presented a draft Climate Change Action Plan to the Committee of the Whole. The Climate Change Action Plan is a 12-year guiding document for the City that will outline feasible, effective, and equitable actions to both reduce greenhouse gas (GHG) emissions, and to enhance community resilience and protect the local economy, environment and community from current and future climate-related impacts.

Throughout the preparation of the Climate Change Action Plan, the City engaged with residents, conducted research of scientific best practices and regional actions to recommend a set of actions that the City can take to address climate change in an environmentally and financially responsible way.

Three community feedback sessions were held online in January to get feedback on the proposed Climate Change Action Plan with 24 people registering for the sessions. A final report was presented to Council on May 9.

Single-Use Items Reduction Bylaw

The Single-Use Items Reduction Bylaw came into effect on January 1, 2022 which bans the use of plastic checkout bags, plastic straws, and polystyrene food service ware. A toolkit with information, education material, and advice on communicating with customers was made available to business owners which helped ensure a smooth transition for both businesses and residents.



Youth Transit Pass Program

As part of the corporate planning process, Council requested that Administration explore options for a youth transit pass program. Information was presented to Council on April 19 with information regarding options for the implementation of a youth transit pass program for local service in Spruce Grove. At this time, Administration is preparing more information on next steps which will be presented to Council in the future.

CityView Software Upgrade and Enhancement

A new online portal was launched that will make it easier and more convenient for builders, developers, business owners, and residents to apply for permits, business licences, and other related applications. Over 200 users have registered for the portal since January 24, 2022. The City's website has been updated to include FAQs and step-by-step videos and instructions to assist users with the online portal. The webpages offering information about the portal saw a large spike in the number of visits since the public launch. A search tool is also available to help customers determine what permits are required along with the necessary forms and information for their application package. The City continues to enhance the information on the website to support customers.

Enhancing Customer Service – SeeClickFix Pilot

In December, the City launched a pilot of an online reporting tool called SeeClickFix. The tool allows users to report some of the most common non-emergency issues, such as missed waste collection, potholes, sidewalk damage, and litter. Users can also use SeeClickFix to review existing problems that have previously been reported through the City’s website or the downloadable mobile app. SeeClickFix allows customers a quicker, easier, and more convenient way to report an issue to the City and enables staff to promptly respond to resident inquiries and requests. In the first quarter, the average response time to requests was 22 hours.

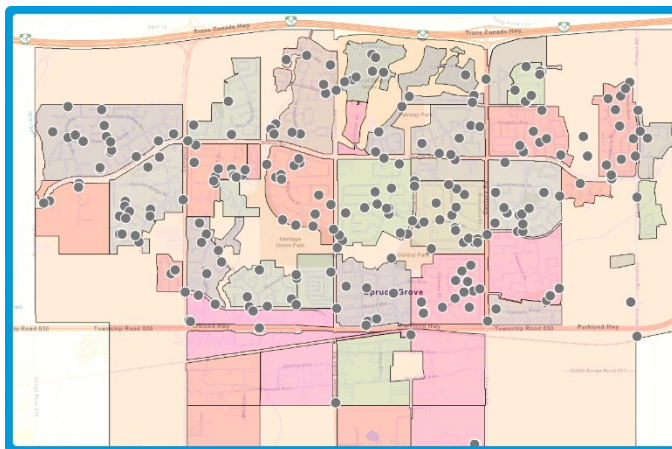


Figure 1: Map showing SeeClickFix requests from December 2021 to April 2022.

The City is continuing to evaluate the pilot program as it works to mature its approach to customer service, shifting to a more customer-centric customer experience focus. Since launching the SeeFixClick pilot project in December, the city has received over 250 service requests as shown on the map above (Figure 1).

This service tool will be considered as part of the customer experience strategy that will be developed and brought to Council later this year.

Initiation of a Bylaw and Policy Review

Administration is in the process of implementing various systems, policies, and processes in an effort to continuously improve transparency and program and service delivery. One of the projects supporting this work is a two-year bylaw and policy review.

This project was initiated early in 2022 and the first phase is now complete. This phase involved Council repealing bylaws and rescinding policies that had either expired, were otherwise no longer required as they were either superseded by provincial legislation, matured systems, and/or process within the municipality, or were no longer necessary to enable the provision of a service. The next phase will involve updating bylaws and policies to ensure they are relevant, efficient, and meet the needs of the community. This will also involve ensuring bylaws and policies comply with legislation and align with Council priorities, follow consistent wording and formatting, and consider equity, diversity, and inclusion, as well as the principles of truth and reconciliation.