



2022-Q2 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

- Second quarter municipal operating results show a projected annual surplus of \$1.41 million, based on projected revenue increases of \$4.71 million offset by projected increases in expenses of \$3.30 million.
- The 2022 Spring Budget Adjustment was approved by Council on April 11, 2022. 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.
- On May 9, 2022, the 2022 Property Tax and Supplementary Property Tax Bylaw received third reading, thus setting the City's tax rates for the 2022 fiscal year.
- Administration provided an update of the key financial, strategic, and operational results for the City for the 2021 fiscal year and the first quarter of 2022 by way of the 2021 Annual Report and the Q1-2022 Quarterly Report to Council on May 24, 2022.
- The Civic Centre project, with a budget of \$72.8 million, and the Spruce Grove Transit Centre, with a budget of \$4.2 million, received approval from Council on June 13, 2022. At that time, Council also approved the City exceeding its debt policy limit up to a maximum of 5% from 2023 to 2028. Two Civic Centre borrowing bylaws received first reading, the first to cover municipal costs to be repaid through municipal taxes, and the second to cover developer costs to be repaid through offsite levies. Second and third reading of the borrowing bylaws was to take place in July 2022.
- Revisions to the timing, cost estimates, and funding sources of a number of previously approved 2022 capital projects were approved by Council on June 27, 2022. This approval ensured appropriate spending authority was in place for these projects in 2022.

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 \$107,134 under budget due to a reduction in transit ridership and demand for transit services. Demand for transit service has been increasing but has still not returned to pre-pandemic levels.
- Franchise fees are projected to come in \$553,584 higher than budgeted as a result of rate increases for gas and electric franchise fees.
- Government transfers – operating increased \$295,951 primarily due to the City's receipt of:
 - New transit funding of \$113,151 under the Alberta RESTOR federal-provincial grant program to help address transit operating shortfalls;
 - Provincial operating funding of \$80,000 for two municipal intern positions in 2022 (Planning & Infrastructure intern and Finance intern); and

- Two other operating grants totaling \$73,400 that were approved for carry forward from 2021 to fund costs carried forward to complete the Family & Community Support Services (FCSS) Case Management Service Review and work under the Municipal Asset Management Program.
- Licences and permit revenue is projected to come in \$207,200 higher than budgeted and is directly related to increased development activity, specifically with respect to building permits.
- Other – operating revenue is projected to come in \$130,540 higher than budgeted, primarily due to increased TRAVIS permit revenue and Horizon Stage revenues, as some operations resumed in the first half for 2022. TRAVIS permit revenue represents an overweight trucking fee paid to the City by the Province when large trucks travel on City roads. This revenue is up in 2022 as pipeline construction is resulting in more traffic on the roads.
- An increase in transfers from reserves of \$3.55 million was recognized primarily to fund Municipal Development Plan work accelerated from 2023 to 2022, additional concrete crushing, 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 \$2.89 million over budget, primarily as a result of the 2021 cost carry forward to complete the City's Fibre-Optic Broadband project, which is intended to be complete by the end of 2022.
- Protective Services is forecasting to spend an additional \$75,187 in 2022 mainly due to increased costs for medical equipment and supplies, as well as a need for additional supplies in response to an escalating volume of emergency calls.
- Transportation and Roadway expenses are expected to come in \$537,033 over budget for 2022 mainly due to anticipated increased snow and ice control (SNIC) contract costs in the amount of \$450,000.
- Community Services is projecting expense savings of \$358,881 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 short term vacancies.
- Development Services is anticipating a \$152,635 increase in expenses primarily related to the acceleration of the Municipal Development Plan work in 2022.

Utility Summary

- Second quarter utility results are projecting a \$63,000 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 \$139,300 (before transfers to reserves) mainly 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 \$105,606 for water operations as a result of price increases, rising power costs, vehicle rentals, and costs to calibrate and maintain testing equipment to ensure regulatory compliance.
 - Increases are offset by a \$135,628 reduction in waste expenses, as the projected costs for organics disposal are now expected to come in lower than budgeted.

Developer Summary

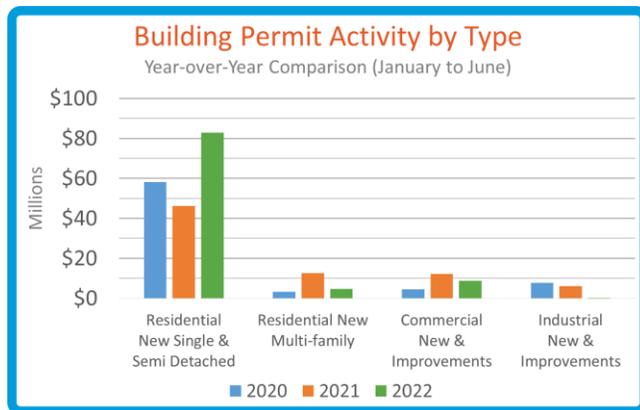
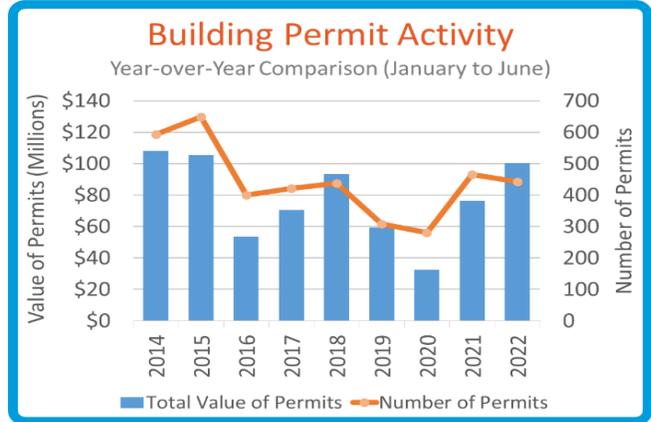
- Second quarter developer results are consistent with budget.

Trending Data

Building Permit Activity

Building permit activity in the first half of 2022 has exceeded pre-pandemic levels and is trending close to record levels in terms of dollar value of construction in the community.

The first half of 2022 saw 443 building permits approved compared to 465 permits in the first half of 2021. However, the construction value for those permits is much higher at \$100 million for the first half of 2022 compared to \$77 million for the first half of 2021. This increase in overall permit value is the result of an increase in the number of new residential construction permits and their value particularly in the single detached category.

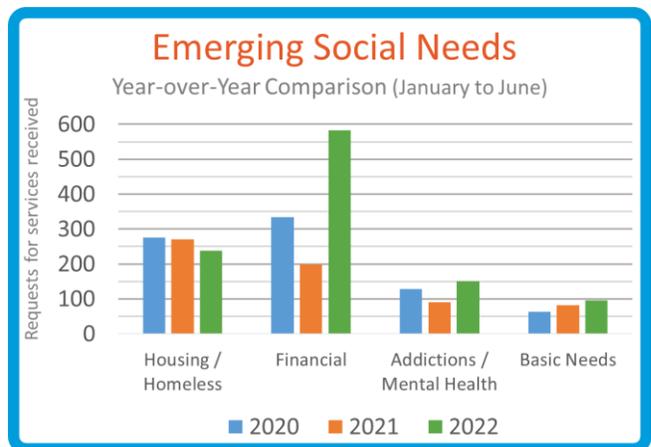


In the first half of 2022, there were 224 building permits for new single and semi-detached dwellings valued at \$83 million compared to 174 permits valued at \$46 million in the first half of 2021. There were no new constructions permits in either the commercial or industrial categories, as many commercial developers are focused on improvements to attract and retain tenants. Permit activity in the commercial improvements category was modest. In total, building permits were issued for 243 new housing units in the first half of 2022.

Emerging Social Needs

This chart represents the most common 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 as supported through the Case Management Program and Regional Housing Program.

Requests for financial support continue to be high as increased cost of living adds to the financial struggles of some residents. Many of these requests are seniors and individuals seeking help to establish or re-establish sustainable financial benefits.

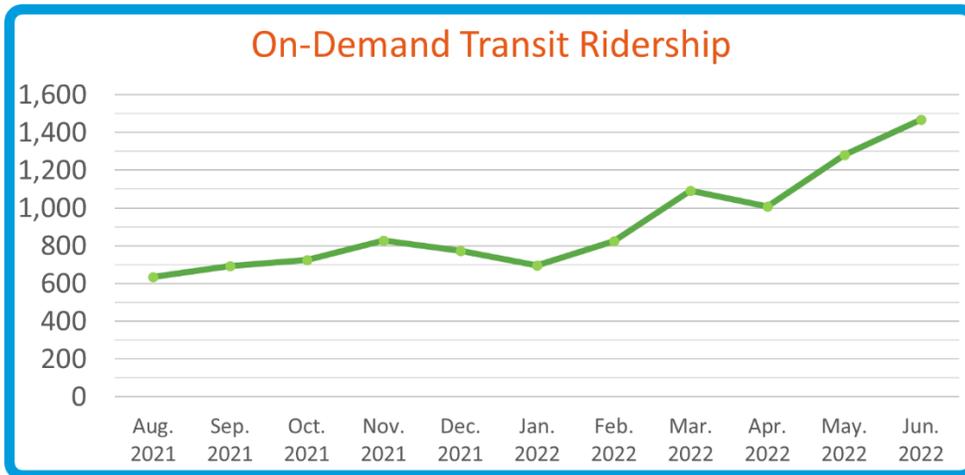


Transit Ridership

Local Service

On-demand local transit service ridership has grown by about 200 passengers every month this quarter, with 1,469 riders in June 2022.

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



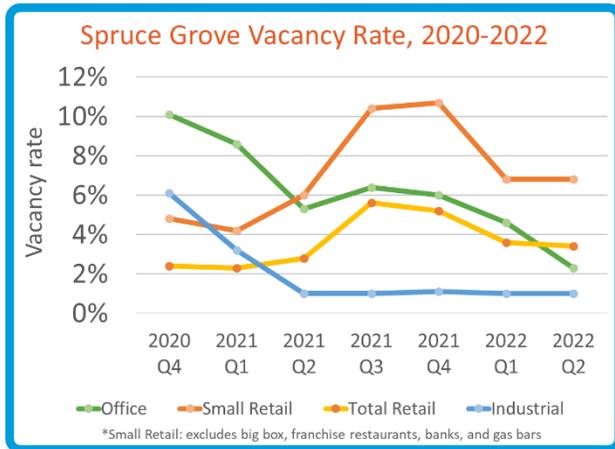
Commuter Service

June saw 4,710 riders on the commuter service, which represents an increase of 91 per cent when compared to the same month in 2021. May through August typically sees a significant drop in ridership due to post-secondary students not using the service. Demand for transit service has been increasing but has still not returned to pre-pandemic levels.



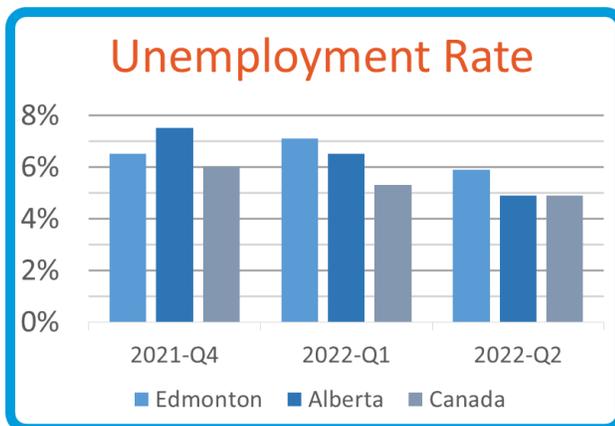
Economic Activity

Vacancy Rates



Vacancy rates in the retail and industrial sectors remain primarily unchanged this quarter with the vacancy rate in the industrial sector sitting at a historically low level of one per cent. The office sector vacancy rate saw the largest decrease from 4.6 per cent in the first quarter to 2.3 per cent and has been steadily decreasing over the last two years. This drop is attributed to general expansion of professional services in the community and new tenants in the Tri Wellness Professional Building.

Labour Force Trends¹



Alberta’s unemployment rate dropped to 4.9 per cent in June, down 1.6 percentage points from March and 2.6 percentage points from December 2021. The unemployment rate in Alberta is now on par with the national average. However, workforce challenges continue to be an issue for many businesses in Spruce Grove and the surrounding region – particularly skilled trades and the service sector where turnover rates remain high.



Alberta’s employment participation rate is steady at around 69 per cent and continues to be above the national average rate of 65 per cent. 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 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted <https://doi.org/10.25318/1410028701-eng>

June 2022 Residential Housing Statistics²

<i>Dwelling Type</i>	<i>Average Selling Price</i>	<i>Month over Month % Change</i>	<i>Year over Year % Change</i>
Single family homes	\$494,302	0.3%	4.5%
Condominiums	\$238,377	-0.3%	-1.6%

Community Updates

Events and Activities

Various activities and events have been planned for the summer that promote community and create the space for residents of all ages to gather and celebrate together. These activities and events include:

Canada Day

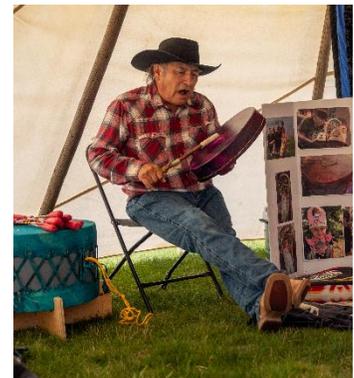


Canada Day celebrations were focused on bringing the community together again with many activities returning since celebrations were adapted throughout the pandemic. To kick off the day, residents had an opportunity to gather at the pancake breakfast, which was hosted for the first time at the new Protective Services building. Protective Services staff took the opportunity to showcase the new facility to residents, including the various pieces of

equipment (firetrucks, ambulances, etc.) used to keep our community safe.

Park and ride locations were set up throughout Spruce Grove to transport residents to Jubilee Park where the main festivities took place, which included Kangoo Club, gold panning, hula hooping, Orbis Sports, West Central Waterdogs Competition, The Boxing Club, a community market hosted in conjunction with the City Centre Business Association, and much more. The main stage had performers throughout the day and ended with a fantastic performance by country singer Charlie Major followed by a fireworks show.

More information on attendance, resident feedback, and other measurable outcomes will be included in the Q3 report.



² Realtors Association of Edmonton. Monthly Market Statistics Update, June 2022, https://www.realtorsofmonton.com/Attachments/PDFs/2022-Stats/JUNE_2022_MonthlyStatsBoard-1

Summer in the City

The Recreation and Culture teams are again hosting the Summer in the City program, which offer streams of themed programming, including:

- [Adventure Camps](#): These week-long Adventure Camps offer a variety of weekly themed programming such as Superheroes, Under the Sea and many more throughout the summer. Campers will get the chance to make new friends, try new things, and express themselves through activity and play. Our fantastic and energetic team leaders will guide participants through a wide variety of games and crafts and will join the campers on weekly field trips and outings across Spruce Grove and beyond!
- [Pop-Up Playground](#): Pop-Up Playground is a free drop-in program with fun activities that take place throughout the parks of Spruce Grove in July and August. Designed for kids ages three to eight to attend with friends, parents or caregivers, each week will feature a different theme and special activities with games and crafts.
- [Leaders in Training](#): This program is for youth ages 13 and up who have completed Grade 7, where they get to meet new friends and challenge their leadership skills in a fun and exciting atmosphere. Registration is already full for this program.
- [Youth at the Log Cabin](#): This program is for youth to drop-in and relax, play games, read, and connect with friends at the Log Cabin.
- **New this year!** [Art Explorer Camps](#): This new program provides a variety of activities and experiences allowing participants to explore a range of artistic techniques, learn new skills and experiment with different materials. Storytelling, sculpting, movie making, LEGO creations and graffiti art are all sub themes within this new program!



Further detail on program attendance will be included in the Q3 report.

Honouring National Indigenous Peoples Day

The National Indigenous Peoples Day (NIPD) event was held June 18 at the Tri Leisure Centre and attended by approximately 70 people. The NIPD subcommittee of Connecting with our Indigenous Neighbours group purchased a willow tree for their Giving Tree Ceremony. A location at Rotary Park (in close proximity to the recently erected Iroquois sign) was selected to plant the tree. A brief gathering took place on June 21 to bless the tree and complete the ceremony.

The City is also partnering with the Spruce Grove Public Library on reconciliation initiatives in 2022. A Healing Garden was planted in the Community Garden on King Street. In addition, two ribbon skirt making workshops were held in June for Indigenous History Month and both reached registration capacity. There is also a performance by Patrick Mitsuing planned for Alberta Culture Days on September 24.

Block Party Program



The City's block party program encourages Spruce Grove residents to get to know their neighbours while becoming more connected to the community. [Block party applications](#) are accepted online between April 19 and August 22 and block parties can be hosted between May 1 and September 5. Block party registrations increased significantly this year and reached the capacity limit of 50 block parties to be hosted within our community by the end of the summer.

Further detail on program success will be shared in the Q3 report.

Community Growth

Civic Centre and Spruce Grove Transit Centre

Spruce Grove City Council was [presented with the proposed budget](#) for the [Civic Centre project](#) during a Council meeting on June 13, 2022. Council unanimously agreed to approve [the project with a budget of \\$72.8 million](#). The funding sources for the project are Municipal Sustainability Initiative funding, proposed cost share revenue, proposed Municipal and Developer funded borrowing, and reserves.

Throughout the process to design the Civic Centre, the City has worked closely and consulted with stakeholders, subject matter experts, and residents to develop the current concept for the Civic Centre, which is focused on meeting the following goals:

- Address the need for ice.
- Do more than a basic arena, but less than an event centre.
- Address other culture and community needs.
- Minimize costs where possible (focus on functionality).



The Civic Centre approval also included the construction of the Spruce Grove Transit Centre at the same site. The \$4.2 million cost is not included in the Civic Centre budget as it will be funded through Municipal Sustainability Initiative funding, GreenTRIP funding, and the Investing in Canada Infrastructure Program (ICIP). The goal of constructing the Transit Centre is to provide access to the Civic Centre and enable the City to continue to be a committed partner in regional transit efforts, ensuring there is appropriate infrastructure in place for future transit demand in Spruce Grove.

Construction on the Civic Centre and Transit Centre is expected to begin later this fall and updates on progress made will be provided each quarter.

City Centre Area Redevelopment Plan

Work continues on implementing the City Centre Area Redevelopment Plan (CCARP), including the McLeod Avenue and Main Street streetscape revitalization project and the redevelopment of Columbus Park. The CCARP is focused on revitalizing the area to make the City Centre a place where people of all ages come to shop, dine, work, live, socialize, interact, and participate in a variety of community, arts and cultural experiences. Information is shared with the community through a [dedicated project website](#) where people can subscribe for updates.

Businesses in the City Centre will remain open during the construction, and the community is encouraged to continue supporting them throughout this temporary disruption in the area.



Photo Credit: ISL Engineering

2022 Construction Projects

It's another busy construction year in Spruce Grove with many projects that will enhance the City's roadways, utilities, buildings, parks and facilities. These projects include:

- **Bus stop paving** - Seven bus stops will be paved by end of the year with six already completed.
- **Watermain and sanitary sewer rehabilitation** - Jespersen Avenue (King Street to Queen Street)
- **Surface infrastructure improvements** - Grove Meadows and Lakewood neighbourhoods

At this time work is on schedule and on budget. It's important to note that with the significant amount of work being done in the City Centre, the number of rehab projects in other areas are on a smaller scale than previous years.

Spruce Grove - Stony Plain Trail

In March 2021, Spruce Grove City Council and Stony Plain Town Council approved the first location for the multi-use trail connection between the two communities. Construction on the first trail began in September 2021 and continued until the construction season ended for the year. Construction resumed in June, and the trail is expected to be substantially completed in August except for a small section due to the Trans Mountain Pipeline construction. The Trans Mountain Pipeline construction work is expected to be completed in September.

The Town of Stony Plain has recently completed the preliminary engineering for a second trail. On May 24, Spruce Grove City Council approved the process to complete the detailed engineering design for a second multi-use trail connection between Spruce Grove and Stony Plain that would run along the south side of Highway 16A. The Town of Stony Plain will lead the detail design and construction of the second trail which will provide both municipalities alternate routes for residents to use for leisure use. It will provide stronger ties within the region, showing how the two municipalities worked together toward similar goals benefitting all residents. The preliminary engineering estimated cost for the second trail is \$1,530,000. This cost will be refined during the detailed engineering work.

Programs and Grants

Youth Transit Promotion

Spruce Grove Transit launched the Summer of '22 Transit Promotion for youth riders. In collaboration with local schools, a free booklet of 10 single ride tickets was distributed to every high school student to promote awareness of the services and to encourage more youth ridership on Spruce Grove Transit. The tickets are valid from July 2, 2022, to August 31,

2022, and each ticket can be used for a single one-way trip for passengers aged 18 and under on all Spruce Grove Transit routes.

Details on the success of the promotion will be included in the Q3 report.

Digital Economy Program

Local small businesses continue to take advantage of the Digital Economy Program with 61 eligible businesses signing up since the program launched in January 2022. Thirty-five of those businesses have completed their engagement and are now well on their way to digital transformation.



The program helps businesses with ecommerce, expanding their web presence, logo design, photography, videography, or even developing a social media strategy. The goal of the program is to jumpstart businesses with the basics, educate them, and get them comfortable with using digital tools in their businesses and be motivated and equipped to continue to the next step by themselves.

The program is delivered through a partnership between participating communities in Alberta, the University of Alberta School of Retailing, Business Link, and Digital Main Street. 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 (PrairiesCan) with support from the City of Spruce Grove.

Electric Vehicle Charging Stations

The City was approved for \$200,000 in funding through the Municipal Climate Change Action Centre’s Electric Vehicle Charging Program to cover the costs of installing electric vehicle (EV) chargers at five City facility locations. Three of the locations will be for public use while two locations will be for municipal use. The federal government, along with the Government of Alberta, is providing rebates for the installation of new EV charging stations in public places, on-street locations, municipal property, and for municipal vehicle fleet.

This project demonstrates the City’s commitment to fostering an environmentally sustainable community and limiting the impact on the environment and its related effects. Vehicle use is the largest source of greenhouse gas emissions (GHG) in Spruce Grove, accounting for about 45 per cent of total emissions.

Community Recovery Grant

The City is providing a third round of grant funding to organizations who deliver local services and programs designed to improve our resident’s quality of life. Initiatives must be new or enhance existing programs and services to support COVID-19 recovery and fall within FCSS mandates. Grant applications are reviewed by an internal review committee.

After applications were reviewed by an internal Grant Review Committee, the 2022 Community Recovery Grant recipients are:

- Parkland Young Life: \$10,000 to provide weekly clubs for teens including birthday club, fiesta club, and the great mattress race in the City of Spruce Grove.
• Spruce Grove Pentecostal Community Church: \$10,000 to promote positive neighbourhood connection in the City of Spruce Grove.



Understanding Housing Needs and Homelessness

The Town of Stony Plain and the City of Spruce Grove are partnering to better understand homelessness in the Tri-Municipal Region. The [Short-Term Non-Market Housing Study](#) is looking to identify gaps and needs in temporary, transitional, and supportive housing in our area.

Building on the Tri-Municipal Regional Plan Housing Assessment released in 2021, the Short-Term Non-Market Housing Study provides additional information on how to support residents who may be experiencing homelessness, living in unsafe situations, or be at risk of losing their homes. The study presents an overview of present-day realities within the Tri-Region, which includes a measurement of supports currently available for residents in need of temporary housing, as well as recommendations for stakeholders in the Tri-Municipal Region to consider.

As part of the Reaching Home Grant, the City is also working with the Town of Stony Plain to undertake the Tri-Region Housing Needs Estimate for 2022. The goal is to collect information on homelessness and people who are at-risk of homelessness through a unique identifier and survey data gathered by service agencies over a set period. The data collection process will use anonymous surveys to maintain privacy of clients, prevent duplication, and ensure more accurate estimate results.

Organizational Updates

Improved Culture and Recreation Program and Service Delivery

After the Community and Protective Services division identified an opportunity and desire to review the City's Recreation and Cultural Services departments, both departments were formally merged into one department on June 6. While the implementation of the new department will occur over the next few months, the results and impact of the new department will start to be realized in the community. These include, but are not limited to:

- Increased community development support to arts, culture, heritage community groups.
- Ability to create and manage robust mural and public art programs.
- Increased diversity in arts and culture programs, services and events.
- Increased focus and support on City-led community events, hosting bids and other art, culture, and sport tourism opportunities.
- Increased programming delivery for youth and other identified community needs, either directly and/or in collaboration or partnerships.
- Increased focus on customer experience for both public, partners and other stakeholders.
- Increased ability to provide leadership to emergency social services planning and implementation.
- Enhanced opportunities to integrate equity, diversity, and inclusion into all areas of service delivery.
- Ability to easily integrate future department growth to respond to community growth and service changes (e.g., Civic Centre project).

Draft 2022-25 Strategic Plan

Spruce Grove City Council has developed a [draft 2022-2025 Strategic Plan](#) to guide their work for the duration of Council's current term. Residents were asked for their feedback on the draft plan through an online survey that was open from May 18 to July 4. Results of the survey and engagement done by members of Council individually with the community was discussed at the July 18 Council meeting prior to the plan being finalized in August.

Customer Service Improvements

Various improvements to the City’s customer service program were made this past quarter. These improvements include:

- **Transit phone lines:** A new Transit Call Centre has been established with staff from the Recreation and Culture Customer Experience Team taking over the phone lines for transit inquiries as of July 27. This will provide quicker response times and expanded service hours including evening and weekends. The new operating hours for transit inquiries are:
 - Monday to Friday: 8:30 a.m. - 9:30 p.m.
 - Saturday: 8:30 a.m. - 6:00 p.m.
 - Sunday: 8:30 a.m. - 4:30 p.m.
- **Claims web page:** A new self-serve public [claims page](#) has been developed on the City’s website. This tool will increase efficiency in the intake of public claims and support a more robust customer service experience for claimants through self-service options including information on how to make a claim, educational material on claim types, and an online claim form. Since launching in late May, a total of nine claims have been submitted through the new tool.
- **SeeClickFix reporting tool:** In the second quarter of 2022, the City has received 113 service requests related to parks, trails and open spaces, missed waste collection, potholes, sidewalk damage, and other categories. The average response time to those requests was 19 hours.

