

CITY OF YORKTON
REGULAR COUNCIL MEETING AGENDA

Monday, June 17, 2024 - 5:00 p.m.

Council Chambers, City Hall

1. **CALL TO ORDER**
2. **APPROVAL OF AGENDA**
3. **PUBLIC ACKNOWLEDGEMENTS**
4. **APPROVAL OF MINUTES**
 - a. Regular Council Meeting Minutes – May 27, 2024
5. **UNFINISHED BUSINESS**
6. **REPORTS OF COUNCIL COMMITTEES AND MATTERS REFERRED**
 - a. Economic Development Committee Meeting Minutes – March 21, 2024
 - b. Environmental Committee Meeting Minutes – April 10, 2024
 - c. Economic Development Committee Meeting Minutes – May 9, 2024
7. **HEARING OF PETITIONS, PUBLIC NOTICES AND PRESENTATIONS**
 - a. Presentation – Parkland Regional Library Board – Request for Tax Abatement and Refund for New Headquarters at 362 6th Avenue North
 - b. Public Hearing – Proposed Bylaw No. 8/2024 Loan Bylaw for Brick Mill
8. **BUSINESS ARISING OUT OF PETITIONS, PUBLIC NOTICES AND PRESENTATIONS**
 - a. Director of Finance
 - Bylaw No. 8/2024 Loan Bylaw for Brick Mill [2nd and 3rd Readings]
9. **CORRESPONDENCE**
10. **BYLAWS**
11. **ADMINISTRATIVE REPORTS**
 - a. City Controller
 - Account Write-offs for 2023
 - b. Director of Finance
 - Preliminary 2023 Year End Report
12. **GIVING NOTICE OF MOTION**
13. **IN CAMERA SESSION**
 - a. Budgetary Item A
14. **ADJOURNMENT**

Economic Development Committee

MINUTES

MARCH 21, 2024

7:00 A.M CITY HALL – MEETING ROOM A

Attendees	Chairperson: Bob Knox Councillors: Mayor Mitch Hipsley, Councillor Darcy Zaharia, Councillor Dustin Brears (via Zoom) Members: Marty Sveinbjornson, Gwen Machnee, Ajay Tadi, Ayodele Komolafe
Invited Guests	Juanita Polegi, Donna Brothwell
Staff	David Balysky (Business Liaison)
Regrets	Councillors: Members: Don Reed, David McKerchar Guests:
Absent	Councillors: Members: Raymond Sharp
Recording	Jody Hahn
Call to Order	7:05 am
Adjourn	8:08 am

ADOPTION OF AGENDA

Discussion	Review of agenda items for discussion.
Motion 11-24	Councillor Darcy Zaharia That the agenda be approved as presented. Carried

MINUTES OF FEBRUARY 8, 2024

Discussion	Minutes from the February 8, 2024 meeting of the Committee were circulated.
Motion 12-24	Marty Sveinbjornson That the minutes of the February 8, 2024 meeting be approved as presented. Carried

OLD BUSINESS

HOUSING INCENTIVES IN OTHER CITIES

Discussion	<ul style="list-style-type: none">- Balysky presented housing incentives in other cities including Regina, Saskatoon, Red Deer, Brandon, and Barrie.- Last meeting there was mention of Regina having two different incentives. One for repairs to existing rental housing. The other one was regarding incentives for newcomers to Canada to help secure housing, which Balysky wasn't able to find details on.- Balysky noticed, especially with Regina and Saskatoon that before they put out any money besides for tax incentives, they want to see that higher levels of government are also pitching into the project. The cities don't want to be involved on their own. They want to see support from the Federal Government through CMHC or from the Provincial Government before sponsoring the project.- Knox discussed how he saw Brandon had a plot of land available for one dollar for prospective developers.
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HOUSING PRICES

Discussion	<ul style="list-style-type: none">- Balysky presented housing prices for home sales in Yorkton. Saskatchewan Realtors Association had stats on Yorkton. The benchmark price was \$236,300, which is down 0.6% from last year. The benchmark over the last 10 years has remained relatively the same between \$200,000 - \$250,000. Looking at inventory levels, back in 2019, there were over 100 homes listed for sale every month, some months over 200. Now we have well under 100, some months only 60. The narrative is true, there seems to be a lack of inventory in existing housing for sale in Yorkton.- The Committee discussed the following topics:<ul style="list-style-type: none">o High-interest rateso Incentives for rental spaceso What's attracting new house builds in other citieso Aging in place – looking at how to keep people in their homes longer. One reason people move into nursing homes or long-term care is because they're on a fixed income and can't afford the upkeep of staying in their house (ex. someone's roof starts leaking and they can't afford to fix it). This can lead to the home going into a state of disrepair and ultimately being eliminated from the housing stock.- Balysky gave the Committee an update on the Parade of Homes. The City has only received one application. Applications are still open. Balysky is working on doing more promotions on the Parade of Homes on social media.- Balysky discussed how initially the Parade of Homes was open to the entire City. Then the focus was shifted specifically to York Landing. Therefore, lot selection was narrowed down to Heath Court in York Landing. To open the lot selection back up, approval would be required by the City Council.
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Ayodele Komolafe enters the meeting at 7:33 AM

Discussion	<ul style="list-style-type: none">- Right now 10% down is required on lots and the remaining can be paid back within 24 months.- Committee discussed the idea of offering sign advertisement on empty City-owned lots. Local builders could put up individual or a shared sign on empty lots. Signs could potentially include a City of Yorkton logo or disclaimer saying City owned priority is available through the City of Yorkton.
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POTENTIAL HOME LOTTO

Discussion	<ul style="list-style-type: none">- Balysky talked to a few prominent organizations about conducting home lottos as fundraisers, but there was no interest due to other initiatives they are undertaking, as well as high construction costs and smaller profit margins as challenges.- Drawbacks and restrictions with home lottos were discussed.
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MEETING WITH BANKS AND REALTORS

Discussion	<ul style="list-style-type: none">- Balysky inquired with the Committee on further clarity for a meeting with banks and realtors.<ul style="list-style-type: none">o Who do we want to approach?o How do we want to approach it?o What do we want to ask them? (establish an agenda)
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	<ul style="list-style-type: none"> - Chamber inquired about bringing in the builders, realtors, and bankers to discuss the incentives that the City has to offer and the need for housing. - The Committee discussed the option of having the City set up a booth at the Spring Expo coming up April 11 – 13.
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NEW BUSINESS

HOTEL SPACES

Discussion	<ul style="list-style-type: none"> - Balysky had a few different inquiries from groups in town looking at hosting big events but the shortage of hotel rooms is a barrier for them to proceed. Balysky has tried reaching out to hotel companies about developing in Yorkton. - Chamber has heard the same thing. Organizations haven't been able to hold provincial events due to the lack of accommodation spaces. - Committee discussed the following topics: <ul style="list-style-type: none"> o High hotel demand and occupancy rates o Loss of 400 rooms from recent hotel demolitions over the last few years o Putting together an information package for hotel investors o Destination Marketing fees
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Councillor Dustin Brears exits the meeting at 8:07 AM

Councillor Darcy Zaharia exits the meeting at 8:08 AM

Quorum is lost and meeting ends at 8:08 AM

ACTION ITEMS

Discussion	<ul style="list-style-type: none"> - Balysky to look for population growth stats for cities like Regina and Saskatoon - Councillor Zaharia/Chamber to arrange a meeting with local builders about incentives and placing signage on vacant City-owned residential lots - Balysky to look into a City of Yorkton booth at the Spring Expo - Balysky to develop a package to be provided to hotel investors - All members to promote hotel development to potential investors they know - Councillor Zaharia, in consultation with Tourism Yorkton, to re-establish efforts with hotels on implementing a destination marketing fee
Motion	No Motion

NEXT MEETING	Thursday, April 11, 2024 at 7:00 a.m. at City Hall.
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Bob Knox

CHAIRPERSON
Bob Knox

Jody Hahn

RECORDING SECRETARY
Jody Hahn

Environmental Committee

MINUTES

WED, APR 10, 2024 7:30 A.M.

QUEEN ST WTP, STAFF ROOM

Members Present	Chair Shannon Erickson, Sandra Bilan, Dustin Brears (remote via Zoom), Darcy Zaharia, Kris Gendall
Absent	Stefan Bymak, David McKerchar, Jason Signarowski, Matt Poier
City Staff	Aron Hershmillier, Connor Hunt, Lyndon Hicks
Presentation	
Recording	Val Fatteicher
Call to order	7:35 a.m.
Adjourn	8:24 a.m.
1. Declaration of Conflict of Interest	
Declaration	No declaration of conflict of interest was made.
2. Approval of Agenda	
Discussion	Review of agenda items for discussion.
Motion 04-24	Darcy Zaharia That the agenda be approved as presented.
Motion 05-24	Darcy Zaharia That the agenda be amended by removal of Item 4. Needle Handling and HARM Reduction. This item will be rescheduled for another meeting date. CARRIED.
3. Minutes of the January 23, 2024 Meeting	
Motion 06-24	Sandra Bilan That the minutes of January 23, 2024 be approved as presented. CARRIED.
4. Waterworks Master Plan Update	
Discussion	<ul style="list-style-type: none">• A water system vulnerability review has been initiated as part of the wastewater collection assessments.• The previous Waterworks Master Plan was completed in 2004.• This review will address and highlight areas of concern. It is expected to provide a 20-year projection with our current infrastructure. First phase will be on the raw water system focusing on aging and failing infrastructure, system improvements of the failing infrastructure, plus expansion for future service demand.

	<ul style="list-style-type: none"> • Current capacity will be increased with the additional storage of treated water at the Park Street reservoir. The reservoir on Park Street was a former treatment plant site with an existing reservoir that will be utilized for additional water storage. • There is also ongoing discussion with provincial regulators to allow the city to increase our available water allocation. • Expansion at both canola plants has increased demand for water supply. Each of those plants maintains on site storage of water to protect their operations.
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5. Wastewater Treatment Renewal Project Update

Discussion	<ul style="list-style-type: none"> • Currently assessing our wastewater plant projections as part of the Wastewater Treatment Renewal Project. • Increased sampling on industrial sources has been occurring to capture more data. Once this stage is complete the focus will be on process method selection. • Projections on incoming flows and load volumes will be reviewed with cost benefit analysis for treatment options. • Evaluating water reuse methods with available site options. Drought conditions in other areas of Canada make this a favorable future option for this area. • Water reuse project would be innovative, economical and environmentally friendly. • Canola plant representatives have regular meetings with the city to discuss concerns and future plans that may impact their operations. • The City continues to enforce bylaw requirements for wastewater composition levels. New plant design will incorporate the needs to treat their wastewater. • The completed downstream use assessment study determined that there were no users directly impacted by the city's treated wastewater leaving the plant. • Ongoing mechanical and equipment failures at the current plant are posing operational challenges. Investing in repairs to the existing plant to maintain operations. Outdated or obsolete equipment requires fabrication at times when replacement parts cannot be sourced. A condition assessment is also being completed to identify how long we can operate with the existing plant.
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6. 2024 Capital Projects Update

Discussion	<ul style="list-style-type: none"> • Circlebrooke water main replacement project will have the road paving completed this spring. • York Road reconstruction project has recommenced, phase 4 of 7. Currently installing the concrete manhole/stormwater structures. • The downtown core stormwater channel is directed through Victoria Avenue to York Road before channeling out of the city. • Traffic detours will be in place once again.
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	<ul style="list-style-type: none"> • McBurney Drive main replacement project from McNeil Crescent to Matheson Crescent is planned for this year. 130 m of services will be replaced. This area was subject to several water breaks over recent years and was moved up the priority list to be completed. • Evaluating relining service lines instead of open excavation at 20-30% of the overall replacement cost. • Camera work was performed on several areas of the city in recent months to identify problem areas. Older infrastructure continues to fail.
	Dustin Brears leaves meeting at 8:24 am. Quorum lost

7. Next Meeting Date

Next meeting date pending results of the Doodle Poll. Proposed for May.

8. Next Meeting Agenda Items

- Spring Yard Waste Clean Up Program
- Compost Bin at RecyclAbility Enterprises
- Summary of the Pilot Program Curbside Organics Resident Survey
- Environmental Committee – Solid Waste and Environmental Considerations
- Strategic plan review

9. Adjournment 8:24 am

Motion 07-24

Sandra Bilan

That the Environmental Committee Meeting be adjourned. CARRIED.

These minutes have been approved by members of the Environmental Committee on May 14, 2024.

Shannon Erickson

Chair

Val Fatteicher

Recording Secretary

Economic Development Committee

MINUTES

MAY 9, 2024

7:00 A.M CITY HALL – MEETING ROOM A

Attendees	Chairperson: Bob Knox Councillors: Mayor Mitch Hipsley, Councillor Darcy Zaharia, Councillor Dustin Brears Members: Gwen Machnee, Raymond Sharp, Don Reed, Ajay Tadi (via Zoom), Marty Sveinbjornson, Ayodele Komolafe (via Zoom)
Invited Guests	Juanita Polegi, Donna Brothwell
Staff	David Balysky (Business Liaison)
Regrets	Councillors: Members: David McKerchar Guests:
Absent	Councillors: Members:
Recording	Jody Hahn
Call to Order	7:01 am
Adjourn	8:10 am

ADOPTION OF AGENDA

Discussion	Review of agenda items for discussion.
Motion 17-24	Marty Sveinbjornson That the agenda be approved as presented. Carried

MINUTES OF APRIL 11, 2024

Discussion	Minutes from the April 11, 2024 meeting of the Committee were circulated.
Motion 18-24	Raymond Sharp That the minutes of the April 11, 2024 meeting be approved as presented. Carried

OLD BUSINESS

MEETING WITH LOCAL BUILDERS - Councillor Zaharia/Chamber of Commerce

Discussion	<ul style="list-style-type: none">- Councillor Zaharia discussed that he talked to a couple of local builders yesterday. Although builders thought the Show Home Rebate was a good idea they have no interest at this time due to varying reasons. Such as carrying costs and being out of that market and more into commercial.- Committee discussed the following topics:<ul style="list-style-type: none">o Possible reasons for the lack of interest in the residential buildso Apartment building interesto Garage suiteso Federally funded program for multi-unit housing- There are 77 City-owned serviced lots for sale. Currently, all lots are 50% off through the Show Home Rebate but must be obtained through a builder. All
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	new residential builds, whether constructed on a City or privately-owned lot, are eligible for a 5-year tax rebate.
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Ayodele Komolafe enters the meeting via Zoom at 7:15 AM

Gwen Machnee exits the meeting at 7:19 AM

Gwen Machnee enters the meeting at 7:21 AM
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NEW BUSINESS

Business from the Floor

Discussion	<ul style="list-style-type: none"> - YBID announced that June days are happening again. Dates can be found on the website. - Chamber announced the following events: <ul style="list-style-type: none"> o June 13th, 10:30 AM – 2:30 PM- Business Forum at St. Mary's with a theme of Business Succession Planning. o July 3-6 - Summer fair o Saturday, July 6 – Parade with a theme for the 150th anniversary of Treaty 4 signing. - Committee members and Administration discussed the progress of the York Road project. - Gwen announced that the East Central Research Foundation is hosting a Field Day on July 23 starting at 9:00 am with a tour of the research farm and a BBQ lunch to follow. Everyone is invited.
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ONGOING/FOLLOW-UP

DESTINATION MARKETING FEE

Discussion	<ul style="list-style-type: none"> - Balysky discussed that he had talked to Councillor Zaharia and Yorkton Tourism. They hadn't had much buy-in or interest from hotels. - Balysky suggests tabling this until the City receives more direction and support from the province.
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HOTEL PACKAGE

Discussion	<ul style="list-style-type: none"> - Balysky shared the draft copy of the general investment package he has been working on, inquiring with the Committee for any comments and suggestions. - Committee members discussed the following topics: <ul style="list-style-type: none"> o Recommended hotel locations o City incentives o New hotel interest o How could we make Yorkton a primary market? o Destination draw to Yorkton for hotel stays o Desire for an upscale hotel
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Priority Charts

Discussion	<ul style="list-style-type: none">- Balysky shared the EDC priorities chart he created to keep track of progress.<ul style="list-style-type: none">o Hotel development attraction – is underway with progress being madeo Housing development – incentives are available and being promoted, waiting on interest, taking calls, responding to inquirieso Improving the narrative that Yorkton is “Open for Business” – has not been discussed yeto Medical / dental professionals – meeting with local doctors, SaskHealth, Health Foundation, City Administration, Greg Ottenbreit, and Warren Kaeding in early June. Mayor and Councillors are also welcome to join in this meeting.<ul style="list-style-type: none">▪ Committee suggested including the following in this meeting:<ul style="list-style-type: none">• the local nurse practitioner• Younger doctors who were in Yorkton but left, as well as established doctorso Committee members discussed the following topics:<ul style="list-style-type: none">▪ Private vs. public healthcare▪ Effects the new hospital and MRI capabilities could have
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ACTION ITEMS

Discussion	<ul style="list-style-type: none">- Balysky will look into getting postal code numbers from the Health Foundation, SaskHealth, Canadian Tire and/or McMunn & Yates to better gauge Yorkton trading area.- Balysky will share the list of 36 business openings in 2023- All Committee members to inquire within the community about improving the narrative that Yorkton is “Open for Business” – Where are people getting this narrative from? How can the City improve this narrative?- Balysky will look into including the local nurse practitioner and young doctors, as well as established doctors in the medical professionals meeting.
Motion	No Motion

NEXT MEETING	Thursday, June 13, 2024 at 7:00 a.m. at City Hall.
Motion 19-24	Marty Sveinbjornson That the next meeting be moved to Thursday, June 6, 2024. Carried

ADJOURNMENT

Motion 20-24	Gwen Machnee That the Economic Development Committee Meeting be adjourned at 8:10 a.m. Carried
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Bob Knox

CHAIRPERSON
Bob Knox

Jody Hahn

RECORDING SECRETARY
Jody Hahn

Request to Speak Before Yorkton City Council on June 17,2024

Applicant: Parkland Regional Library
P.O. Box 5049
Yorkton, Sask. S3N 3Z4

Business Address: 362 6th Ave N. Yorkton

Presenter: Lani Best, Chairperson of Parkland Regional Library Board

Presenter Phone Number [REDACTED]

Email: [REDACTED]

Application Date: May 27,2024

Presentation Date: June 17,2024

Topic of Request: Refund of taxes and permanent exemption of taxes on the newly purchased building at 362 6th Ave. to be used as the Parkland Regional Library Headquarters.

Preamble:

The purpose of Parkland Regional Library is to provide public library service to the people of the Parkland area of Saskatchewan. The Parkland Regional Library headquarters is the place through which all day-to-day operations are run. It is the facility to which all materials (books, DVDs, VOX) for the region are shipped for cataloging and processing. Headquarters is also the collecting source for all recourses put on hold throughout the province. Resources are sorted and transported from here to the loaning libraries and their patrons. Programs for library use are developed in this building.

After almost 25 years of the Regional Library Headquarters being located on Highway 52 West, on April 1,2024 the Parkland Regional Library purchased a property at 362 6th Ave. North in Yorkton to become the new headquarters. As you can see from the tax notice attached the taxes on this building are \$17,116.98. We are requesting that these taxes be refunded, and that the Parkland Regional Library Headquarters building be made exempt from taxation.

In the nearly 25 years our headquarters has been in the RM of Orkeny we have never been charged property taxes. After checking with all the regional libraries in the province it appears to be the norm that like public libraries, regional headquarter buildings are exempt from taxes.

RECEIVED

MAY 27 2024

**CITY CLERK'S OFFICE
CITY OF YORKTON**

The following is a screenshot from the Cities Act section 262 which we believe speaks to the issue of taxation regarding regional library headquarters buildings.

(j) the property of every public library established pursuant to *The Public Libraries Act, 1996*, to the extent of the actual occupation of the property for the purposes of the institution;

(k) the buildings and land used in connection with buildings owned by any other city, municipality or controlled corporation and used for municipal purposes, except any portion of those buildings or that land that is used:

(i) as a residence; or

(ii) for any purpose other than a city or municipal purpose;

The Parkland Regional Library is owned, governed and operated by the Municipalities in our Region, which makes it a municipal building in our opinion.

It would appear that other cities in the province have chosen to interpret this legislation as indicating that a regional library headquarters building should fall under ownership of all municipalities and so should be exempt. We are hoping that the city of Yorkton will do the same.

If we are forced to pay taxes, then that additional money would have to come from an increase in our levy. This would increase the city of Yorkton's levy as well.

Libraries are an essential service with limited resources to keep the institution viable. Libraries support literacy and lifelong learning and greatly enrich our communities. The regional headquarters is the hub of each region's library services. The Parkland Regional Library Board and Executive work diligently to keep operating costs low so that the majority of the budget dollars can be spent on resources and services that are provided to the Yorkton Public Library and the other 53 branch libraries within our region. An increase in the amount of the taxes would adversely affect these efforts.

Thank you for taking the time to consider our request.

Lani Best, Chairperson
Parkland Regional Library Board

Request for Tenders

Name of Tender: **Kinsmen Arena Ice Systems Upgrades**

Tender must be received **before 2:00 p.m. on June 20, 2024.**

Tender will be received through the City of Yorkton's e-bidding system at www.biddingo.com/yorkton

Details of Tender:

The City of Yorkton is inviting an experienced, well-qualified entity to submit Tenders to perform a renovation to the Kinsmen Arena located at 227 Prystai Way, Yorkton, SK.

Specifications are available at:

Online at www.biddingo.com/yorkton

Tenders shall remain open for acceptance by the City and irrevocable for twenty four (24) calendar days following the date specified for closing.

Tenders received after the date and time specified for closing will be marked late and returned unopened.

The City reserves the right to reject any or all tender. Lowest or any proposal not necessarily accepted.

Public Notice

Bylaw No. 8/2024 – Loan Agreement for Yorkton Brick Mill

Details: Yorkton City Council will consider Loan Bylaw No. 8/2024, which is proposed to formalize a loan from the City for the restoration the historic Brick Mill Building located at 120 Livingstone Street, including the construction of an Interpretive Cultural Centre. The site has been declared as Municipal Heritage Property.

The Cities Act permits a City to loan money to non-profit organizations by bylaw, if it is of benefit to the city. The Yorkton Brick Mill Heritage Society has committed financial sponsors which are guaranteeing the repayment of the debt, however it will be done in increments over time. The loan from the City is for \$240,000.00 CAD and will be repaid in equal instalments over four years interest free.

Pursuant to *The Cities Act*, the Bylaw is to be publicly advertised before Council makes their final decision.

Public Hearing: City Council will hear all persons who are present and wish to speak to the proposed loan bylaw and all written submissions will be read verbatim, unless the submitter is in attendance to speak on the submission, on **Monday, June 17, 2024 at 5:00 p.m. in City Hall Council Chambers, Yorkton, SK.**

Written Submissions: If you wish to provide written comments for Council's consideration, they must be submitted by 9:00 a.m. on Wednesday, June 12, 2024. Written submissions must be directed to:

Jessica Matsalla, Director of Legislation and Procedures

In Person: 37 Third Avenue North, Yorkton, SK

Via Mail: Box 400, Yorkton, SK S3N 2W3

Via Email: jmatsalla@yorkton.ca

For More Information:

To see the proposed bylaw and administrative report for this item, please visit www.Yorkton.ca. Click or tap on the "Council Meetings" link and select "Agenda and Information Package" for the May 27, 2024 Regular Council Meeting. The report will be found in the Information Package that follows the Agenda.

Request for Proposals

Name of Proposal: **Deer Park Golf Course Golf Cart Fleet Leasing**

Proposal must be received **before 2:00 p.m. on June 14, 2024.**

Proposal will be received through the City of Yorkton's e-bidding system at www.biddingo.com/yorkton

Details of Proposal:

The City of Yorkton, Recreation & Community Services Department is soliciting proposals from experienced and capable vendors for the supply of a leased golf cart fleet for the Deer Park Golf Course.

The purpose of this Request for Proposals process is to select a vendor to enter into an agreement with the City to supply a new fleet of 50 electric lithium-ion battery powered leased golf carts.

Specifications are available at:

Online at www.biddingo.com/yorkton

Proposal shall remain open for acceptance by the City and irrevocable for thirty (30) calendar days following the date specified for closing.

Contact Person

Enquiries regarding the tender procedure and particulars can be directed to:

Taylor Morrison

Director

Recreation & Community Services

City of Yorkton

Phone: 306-786-1750

Email: parksandrec@yorkton.ca

The City reserves the right to reject any or all proposal. Lowest or any proposal not necessarily accepted.

TITLE: Proposed Bylaw No. 8/2024 – Brick Mill Heritage Society – Interpretive Centre Loan [Second & Third Reading and Adoption]	DATE OF MEETING: June 17, 2024
	REPORT DATE: June 10, 2024
CLEARANCES: None.	ATTACHMENTS: 1. May 27, 2024 Report “Bylaw No. 8/2024”
Written by: Ashley Stradeski, Director of Finance Ashley Stradeski	
Reviewed by: Jessica Matsalla, City Clerk Jessica Matsalla	
Approved by: Michael Eger, Acting City Manager Michael Eger	

PURPOSE / BACKGROUND:

At the May 27, 2024 meeting of Council a report on Bylaw No. 8/2024 (Attachment #1) was presented to Council.

The purpose of this report was to provide for public notice and first reading of a borrowing bylaw to loan the Brick Mill Heritage Society \$240,000 on an interest free basis, repayable over four years.

This bylaw requires a second & third reading which can be provided and approved tonight. If approved tonight, we can have both parties sign the loan agreement this week and disburse funds.

COMMUNICATION PLAN/PUBLIC NOTICE

The bylaw went through our standard public notice process, being posted online, at City Hall, and through our regular advertising channels.

There has been no feedback received by our office as of the date of writing this report.

OPTIONS

1. That Bylaw No. 8/2024, a Bylaw in the City of Yorkton, in the Province of Saskatchewan to Lend Money to The Yorkton Brick Mill Heritage Society Inc. for the Restoration of the Historic Site Designated As Municipal Heritage Property known as the Brick Mill and construction of The Interpretive Centre At 120 Livingstone Street, be given 2nd & 3rd Reading this 17th day of June, A.D., 2024 and entered in the City of Yorkton Bylaw register.
2. That Council deny introduction and 2nd and 3rd Reading of Bylaw No. 8/2024.
3. Other direction as Council deems appropriate.

ADMINISTRATIVE RECOMMENDATION(S)

1. That Bylaw No. 8/2024, a Bylaw in the City of Yorkton, in the Province of Saskatchewan to Lend Money to The Yorkton Brick Mill Heritage Society Inc. for the Restoration of the Historic Site Designated As Municipal Heritage Property known as the Brick Mill and construction of The Interpretive Centre At 120 Livingstone Street, be given 2nd reading this 17th day of June, A.D., 2024; and
2. That Bylaw No. 8/2024, a Bylaw in the City of Yorkton, in the Province of Saskatchewan to Lend Money to The Yorkton Brick Mill Heritage Society Inc. for the Restoration of the Historic Site Designated As Municipal Heritage Property known as the Brick Mill and construction of The Interpretive Centre At 120 Livingstone Street, be introduced and given 3rd and final reading this 17th day of June, A.D., 2024, and entered in the City of Yorkton Bylaw register.

REPORTS TO COUNCIL

TITLE: Proposed Bylaw No. 8/2024 – Brick Mill Heritage Society – Interpretive Centre Loan [First Reading and Public Notice Authorization]	DATE OF MEETING: May 27, 2024
	REPORT DATE: May 14, 2024
CLEARANCES: None.	ATTACHMENTS: 1. Draft Bylaw No. 8/2024 – Loan Bylaw for Brick Mill 2. Public Notice
Written by: Ashley Stradeski, Director of Finance Ashley Stradeski	
Reviewed by: Jessica Matsalla, City Clerk Jessica Matsalla	
Approved by: Michael Eger, Acting City Manager Michael Eger	

PURPOSE/BACKGROUND/TIMELINE:

For over a decade there has been a dedicated group of individuals whose goal was to save the Old Mill located at 120 Livingstone Street in Yorkton. The Yorkton Brick Mill Heritage Society Inc. was formed in early 2012 by individuals interested in encouraging the preservation of the oldest surviving brick flour mill in Saskatchewan, and in 2024 will celebrate 126 years in existence. Constructed in 1898 by John J. Smith to support the new settlement's agricultural base, 'The Old Mill' continues to be a monument to our pioneers and history.

The property was deemed a Municipal Heritage Property in 1997 and the City took tax title in 2010. The Yorkton Brick Mill Heritage Society (the Society) has raised funds to save the building and provide the necessary fixes, and in 2022, the Society acquired ownership of the Mill from the City for \$1. From there tremendous amounts of volunteer work hours have been allotted to the vision, planning, fundraising/grant applications, and construction of a new Interpretive Cultural Center which will tell the “Story of Milling in Saskatchewan”.

Throughout the journey the City of Yorkton has supported the project as within the pillar of our Community Development Goal in the 2020 Strategic Plan identifies that the City of Yorkton’s objectives include that we establish a vibrant culture that celebrates diversity, arts, customs, food, fashions, museums motion picture/film festival and heritage.

Our Official Community Plan has many references to support for heritage preservation. Likely the most fitting section to describe the city’s position on it is 4.6 of “Our Goal”, *We are a socially sustainable community that fosters its unique history by reflecting the values and cultures of our residents by contributing to heritage preservation and cultural vibrancy. We provide opportunities for our culture and history to be showcased and appreciated. The Yorkton Municipal Cultural Plan and the Downtown and West Broadway Corridor Redevelopment Plan*

are guiding documents in developing policies and strategies in supporting history and culture within our city.

In 2019 the City of Yorkton committed to providing the project with \$300,000 conditional to compliance with certain building requirements, and proof of sustainability. As the Project evolved, community sponsors committed funds to the project in instalments, and in order to continue with construction the Society requested help from the City of Yorkton by way of an interest free loan.

At the November 22, 2022, Regular Council meeting, Council passed the following resolution:

*****R00294-2022**

Wyatt/Chyz

That upon the conditions of Resolution No. R00240-2020 of the October 26, 2020 Regular Council Meeting being met, and the Brick Mill Committee can demonstrate that the new build is sustainable and fully funded, Council authorizes Administration to enter into an interest free borrowing agreement with the Yorkton Brick Mill Heritage Society Inc. (the Society), whereby the City would front a maximum of \$240,000 to the Society to proceed with the building of the Cultural Interpretive Centre at 120 Livingstone Street, with the understanding that the Society has committed incremental donations (over 5 years) from the community that have been made to the Cultural Interpretive Centre, and that repayment is to be made to the City by the Society over five (5) years. Councillors Brears and Zaharia opposed.

Carried. ***

A presentation providing updates was recently given to Council which was deemed as satisfactory, and thus direction to prepare the bylaw was formally given at the April 29, 2024 Council meeting:

As contained in the Regular Council Meeting Minutes of Monday April 29, 2024.

*****R00138-2024**

Goulden/Chyz

That Council direct Administration to prepare a loan bylaw in accordance with Section 152 of the *Cities Act* for the restoration of the historic site known as The Brick Mill, also designated as Municipal Heritage Property, located at 120 Livingstone Street.

Carried Unanimously.***

In accordance with Sections 151 and 152 of *The Cities Act*, a Council may only lend money by way of passing a bylaw, and only if it is guaranteed that the money will be used for a purpose that will benefit the city, and that it is loaned to a non-profit organization as defined in Section 125 of the Act. The bylaw must include the amount of money to be loaned, and in general terms, the purpose for which the money that is loaned to be used, the minimum rate of interest, the term, and the terms of repayment of the loan; and the source of the money to be loaned. This is included in Attachment 1.

COMMUNICATION PLAN/PUBLIC NOTICE

Prior to Administration establishing a formal loan agreement (within Attachment 1), the bylaw must receive Council approval/ three readings. Council's Public Notice Bylaw No. 8/2003 requires that a lending bylaw be advertised prior to Council approval. (Attachment 3).

OPTIONS

1. That Bylaw No. 8/2024, a Bylaw in the City of Yorkton, in the Province of Saskatchewan to Lend Money to The Yorkton Brick Mill Heritage Society Inc. for the Restoration of the Historic Site Designated As Municipal Heritage Property known as the Brick Mill and construction of The Interpretive Centre At 120 Livingstone Street, be introduced and given 1st Reading this 27th day of May, A.D., 2024, and further, authorize the Public Notice process.
2. That Council deny introduction and 1st Reading of Bylaw No. 8/2024.
3. Other direction as Council deems appropriate.

ADMINISTRATIVE RECOMMENDATION(S)

1. That Bylaw No. 8/2024, a Bylaw in the City of Yorkton, in the Province of Saskatchewan to Lend Money to The Yorkton Brick Mill Heritage Society Inc. for the Restoration of the Historic Site Designated As Municipal Heritage Property known as the Brick Mill and construction of The Interpretive Centre At 120 Livingstone Street, be introduced and given 1st Reading this 27th day of May, A.D., 2024, and further, authorize the Public Notice process.

CITY OF YORKTON**BYLAW NO. 8/2024****A BYLAW IN THE CITY OF YORKTON, IN THE PROVINCE OF SASKATCHEWAN
TO LEND MONEY TO THE YORKTON BRICK MILL HERITAGE SOCIETY INC.
FOR THE RESTORATION OF THE HISTORIC SITE DESIGNATED AS MUNICIPAL
HERITAGE PROPERTY KNOWN AS THE BRICK MILL AND CONSTRUCTION OF
THE INTERPRETIVE CENTRE AT 120 LIVINGSTONE STREET**

The Yorkton Brick Mill Heritage Society Inc., registered owner of the Yorkton Brick Mill is constructing an Interpretive Cultural Centre adjacent to the historic Brick Mill Building located at 120 Livingstone Street, designated as Municipal Heritage Property.

The Council of the City of Yorkton in the Province of Saskatchewan, in accordance with subsections 151(1)(a) and section 152 of *The Cities Act*, enacts as follows:

1. In this bylaw:
 - a. “Borrower” shall mean the Yorkton Brick Mill Heritage Society Inc.
 - b. “Council” shall mean the council of the municipality;
 - c. “Municipality” shall mean the City of Yorkton;
2. The Council of the City of Yorkton hereby authorizes a loan in an amount not to exceed Two-Hundred and Forty Thousand Dollars [\$240,000.00] in Canadian currency to The Yorkton Brick Mill Heritage Society Inc., a non-profit organization as described in clause 125(1)(f) of *The Cities Act*, said funds to be used for continued construction and restoration costs of the Yorkton Brick Mill and Interpretive Centre on the historic site.
3. The borrower has committed financial sponsors which will contribute funds to the borrower on an incremental basis over four (4) years. The City of Yorkton will front the lump sum to the borrower, and shall remit payments to the City by June 30 annually.
4. The loan shall be conditional to the borrower providing copies of duly executed funding agreements from all committed financial sponsors, to the municipality prior to the execution of the loan agreement mentioned in Appendix A of this bylaw.
5. The loan shall be for a term of four (4) years, bearing interest at a rate of zero (0) percent per year, with equal and annual re-payments to commence in the year 2025.
6. The source of funds to be loaned by the municipality shall be provided by the Rainy Day Reserve fund, and repayments shall replenish the account, as collected.
7. The funds shall not be disbursed until the borrower’s authorized officers have signed an agreement setting out conditions detailed in this bylaw, with the municipality.
8. The municipality shall disburse the funds directly to the borrower upon full execution of the agreement in Appendix A of this bylaw.
9. The municipality acknowledges that this loan affects the municipality’s debt limit.

10. The borrower shall submit annual financial statements on the Brick Mill operations to the municipality's Director of Finance.

Mayor

City Clerk

Introduced and read a first time this ____ day of May, A.D., 2024.

Read a second time this ____ day of June, A.D., 2024.

Read a third time and adopted this ____ day of June, A.D., 2024.

LOAN AGREEMENT

THIS AGREEMENT made in the _____ day of _____, 2024

BETWEEN:

CITY OF YORKTON
a municipality in the Province of Saskatchewan
(the “Lender”)

AND:

THE YORKTON BRICK MILL HERITAGE SOCIETY INC.
a non-profit corporation pursuant to the laws of the Province of Saskatchewan
(the “Borrower”)

The parties agree as follows:

Funding Limit/Loan Amount

1. The Lender agrees to lend to the Borrower, and the Borrower agrees to borrow from the Lender an amount not to exceed \$240,000.00 of lawful money of Canada (Principal Sum).

Purpose of Funds

2. The Borrower agrees that the principal sum shall only be used for the purpose of continuing/completing construction for the Interpretive Cultural Centre and Restoration of the Brick Mill at 120 Livingstone Street in the City of Yorkton, in the Province of Saskatchewan.

Payment Terms

3. The Lender shall disburse one lump payment not to exceed \$240,000.00 directly to the Borrower upon the execution of this agreement.

Borrower's Requirements

4. a) The Borrower acknowledges that prior to the Lender making an advance under this Loan agreement, the Borrower shall submit to the Lender copies of duly executed funding agreements from all committed financial sponsors who will contribute funds to the Borrower on an incremental basis over four (4) years with the first payment expected in 2025.

- b) The Borrower shall submit annual financial statements on the Brick Mill operations on or before June 30 in each year.

Term of Agreement

5. The Lender and Borrower agree that the loan shall be for a term of four (4) years bearing no interest.

Repayment Terms

6. The Borrower agrees to repay to the Lender in the City of Yorkton, in the Province of Saskatchewan the principal sum as follows:
- a) The principal sum is to be repaid in up to four (4) consecutive yearly instalments of \$60,000 commencing on the 30th day of June, 2025, and \$60,000 annually on the 30th of June in each year following until the balance of the principal sum is paid, with all due and payable on the 30th day of June, 2028, the date provided for the payment of the last instalment of the principal sum.

Termination of Agreement

7. On the occurrence of any of the following events of default the Lender may, at its option required the unpaid balance of the principal sum to immediately become due and payable:
- a) In the event that the Borrower fails to make any of the payments in the amounts and at the time specified in this agreement;
- b) In the event that the Borrower should breach any part of this agreement entered into between the Lender and Borrower;
- c) In the event that the Borrower should become bankrupt or insolvent or should the Borrower be subject to provisions of the *Bankruptcy Act* or any other Act for the benefit of creditors or should the Borrower go into the liquidation either voluntarily or under an Order of a Court of competent jurisdiction or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency;
- d) In the event that the Borrower should suspend or fail to carry on and continuously conduct its business/operation as set out in this agreement.

IN WITNESS WHEREOF the City of Yorkton has hereunto attested to this agreement by the proper signing officers on its behalf this ____ day of _____, 202__.

CITY OF YORKTON

By: _____
Name & Title: Mitch B. Hipsley, Mayor

By: _____
Name & Title: Jessica Matsalla, City Clerk

IN WITNESS WHEREOF the Yorkton Brick Mill Heritage Society Inc. has hereunto attested to this agreement by the proper signing officers on its behalf this _____ day of _____, 202__.

YORKTON BRICK MILL HERITAGE SOCIETY INC.

By: _____
Name & Title: _____

By: _____
Name and Title: _____

Public Notice

Bylaw No. 8/2024 – Loan Agreement for Yorkton Brick Mill

Details: Yorkton City Council will consider Loan Bylaw No. 8/2024, which is proposed to formalize a loan from the City for the restoration the historic Brick Mill Building located at 120 Livingstone Street, including the construction of an Interpretive Cultural Centre. The site has been declared as Municipal Heritage Property.

The Cities Act permits a City to loan money to non-profit organizations by bylaw, if it is of benefit to the city. The Yorkton Brick Mill Heritage Society has committed financial sponsors which are guaranteeing the repayment of the debt, however it will be done in increments over time. The loan from the City is for \$240,000.00 CAD and will be repaid in equal instalments over four years interest free.

Pursuant to *The Cities Act*, the Bylaw is to be publicly advertised before Council makes their final decision.

Public Hearing: City Council will hear all persons who are present and wish to speak to the proposed loan bylaw and all written submissions will be read verbatim, unless the submitter is in attendance to speak on the submission, on **Monday, June 17, 2024 at 5:00 p.m. in City Hall Council Chambers, Yorkton, SK.**

Written Submissions: If you wish to provide written comments for Council's consideration, they must be submitted by 9:00 a.m. on Wednesday, June 12, 2024. Written submissions must be directed to:

Jessica Matsalla, Director of Legislation and Procedures

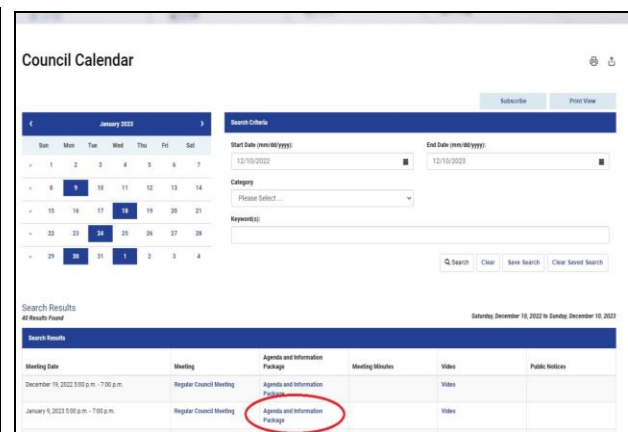
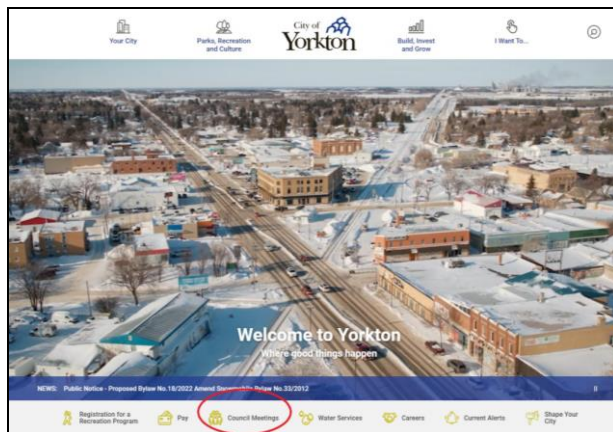
In Person: 37 Third Avenue North, Yorkton, SK

Via Mail: Box 400, Yorkton, SK S3N 2W3

Via Email: jmatsalla@yorkton.ca

For More Information:

To see the proposed bylaw and administrative report for this item, please visit www.Yorkton.ca. Click or tap on the "Council Meetings" link and select "Agenda and Information Package" for the May 27, 2024 Regular Council Meeting. The report will be found in the Information Package that follows the Agenda.



Questions regarding the proposed bylaw may be directed to:

City of Yorkton Finance Department

Phone: (306) 786-1723

Email: astradeski@yorkton.ca

TITLE: Account Write-offs for 2023	DATE OF MEETING: June 17, 2024
	REPORT DATE: June 7, 2024
CLEARANCES:	ATTACHMENTS: 1) Write-off Summary 2023 2) Memo Regarding Outstanding Utility Accounts
Written by: Amber Matechuk - City Controller Amber Matechuk	
Reviewed by: Jessica Matsalla - City Clerk Jessica Matsalla	
Approved by: Michael Eger - Acting City Manager Michael Eger	

PURPOSE/BACKGROUND

Annually, Administration is required to bring a report to Council detailing all City account write-offs incurred during the fiscal year which can include:

- a) *Building permits, Business licenses, and Planning and Engineering accounts*
- b) *Leisure accounts including Deer Park and rec facility leases*
- c) *Gallagher Centre accounts for all services and rentals*
- d) *Public Works and Waterworks accounts regarding custom work*
- e) *Utility Billing and Tax accounts*
- f) *Administration accounts including miscellaneous/general losses*
- g) *Land Fund accounts including leases and the Mobile Home Park*

Under the City Administration Bylaw No. 17/2017, the City Manager has discretion to write-off any uncollectible accounts not exceeding \$7,500. Any account in excess of this limit requires Council approval.

DISCUSSION/ANALYSIS/IMPACT

For the 2023 year, the write-offs in the summary attached, include various unpaid utility bills, some recreation rentals, and an event license. There are three AR accounts above the \$7,500 limit that still require council approval:

- Account #NOSC001 for \$10,834.65
- Account #CAMT007 for \$8,397.55
- Account #SPEO001 for \$8,528.24

These three accounts are each for a mobile home rent arrears, demolition and disposal. Each account fell into rent arrears and Administration sent these accounts to the Office of Residential Tenancies where we were granted writ of possession for the mobile homes. In these cases the properties are usually abandoned by the tenant, and then over time the City receives permission to dispose of the property. Due to the age and deteriorated condition, the buildings were all demolished; which was done collectively at the same time in July of 2023.

The fees for each account including arrears, demolition, landfill fees, and various admin expenses (including application, permits, property clean up, etc.) are broken down as follows:

Account #	Account Balance	Arrears Total	Demolition & Landfill Fees	General Admin/Clean Up
NOSC001	\$10,834.65	1,340.72	7,668.31	1,825.62
CAMT007	\$8,397.55	1,157.31	6,391.82	848.42
SPEO00	\$8,528.24	2,241.27	6,114.31	172.66

These fees were charged back to each mobile home account and eventually sent to our collections agency. Given that the mobile homes were deemed abandoned by the owner before demolition, and Administration has exhausted all attempts to get in contact with the owner to collect, it is likely these fees will not be recovered.

Administration seeks approval to write-off the balances on these three accounts as identified above. If funds are ever retrieved from the collection agency, it would be added back to City revenue in the year received.

For the purposes of this report, these account write-offs (pending approval) have been included in the summary of write-offs by department below:

2023 Write-offs by Dept

Department	Revenues	Bad Debts	%
Taxes & Interest	30,296,198		0.000%
Grants, Surcharges, Other	6,863,117		0.000%
Land Fund	621,905	\$ 27,760	4.464%
Administration	150,306		0.000%
Protective Services (inc grants)	1,025,520		0.000%
Parks, Recreation, Deer Park	1,781,753	\$ 7,270	0.408%
Gallagher Centre	1,700,554	\$ 273	0.016%
Airport/Planning/Engineering	2,837,778	\$ 575	0.020%
Public Works	318,514		0.000%
Environmental (Landfill)	2,673,333		0.000%
Waterworks/Garbage/Recycling	12,924,640	\$ 11,948	0.092%
	\$ 61,193,617	\$ 47,826	0.078%

* Total is less than 1/10th of 1%

Considering the total revenues for the City are in excess of \$60 million, the 0.078% of uncollectible amounts is considered extremely reasonable.

For comparison purposes, the following is a summary for 2022 write-offs.

Total 2023 write-offs:		Total 2022 write-offs:	
Accounts > \$7,500	\$27,760.44	Accounts > \$7,500	\$12,133.06
Accounts < \$7,500	<u>\$20,065.38</u>	Accounts < \$7,500	<u>\$24,666.67</u>
Total	\$47,825.82	Total	\$36,799.73

For the water utility write-offs, we maintain these records for at least seven (7) years. Our current policy stipulates that if any of these individuals request water service in the future, service will not be provided until their outstanding balance is paid. Therefore, while the accounts are written off, the debts are not forgotten.

FINANCIAL IMPLICATIONS

The annual budget allows \$40,000 for account write-offs, which historically is not used in full. The reasonably low write-off volume is indicative of active follow up of accounts by all departments. Accounts are only written off after all means of collection have been exhausted, including use of a collection agency. Unfortunately, some losses are unavoidable.

In 2023, write-offs are slightly more than the \$40,000 annual budget; however, the bad debt allowance has enough built up over the years to cover this. The balance will remain in the allowance for bad debts accounts for future years. All allowance accounts are reviewed on an annual basis in conjunction with our auditors to ensure any potential large losses will be covered.

OPTIONS

1. To approve the write-off of Accounts Receivable accounts: #NOSC001 for \$10,834.65, #CAMT007 for \$8,397.55 and #SPEO001 for \$8,528.24 totaling \$27,760.44; and further to receive and file the summary of write-offs for accounts less than \$7,500 each, totaling \$20,065.38 for 2023 as presented.
2. To deny the write-off of AR accounts: #NOSC001 for \$10,834.65, #CAMT007 for \$8,397.55 and #SPEO001 for \$8,528.24 and request a revised summary of write-offs for 2023.
3. Other direction as provided by Council.

ADMINISTRATIVE RECOMMENDATION(S)

That Council approve the write-off of Accounts Receivable accounts: #NOSC001 for \$10,834.65, #CAMT007 for \$8,397.55 and #SPEO001 for \$8,528.24 totaling \$27,760.44; and further to receive and file the summary of write-offs for accounts less than \$7,500 each, totaling \$20,065.38 for 2023 as presented.

Write-off Summary 2023

Land Fund - Mobile Home Park

AR account #NOSC001 (per report)	\$10,834.65
AR account #CAMT007 (per report)	\$ 8,397.55
AR account #SPEO001 (per report)	\$ 8,528.24

\$ 27,760.44

Planning, Building & Economic Developmnet

AR account #FTWC001	\$ 575.00
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\$ 575.00

Recreation & Community Services

Various Recreation Rentals	\$ 272.50
Yorkton Cardinals (approved by City Manager Feb 2023)	\$ 7,270.00

\$ 7,542.50

Utility Billing

Various Accounts (memo dated June 6, 2024)	\$11,947.88
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\$ 11,947.88

Total 2023 Write-offs

\$ 47,825.82



Finance Department

Box 400 · 37 Third Avenue North · Yorkton, Saskatchewan · S3N 2W3 · Phone 306-786-1700 · Fax 306-786-6880 · www.yorkton.ca

To: Mr. Michael Eger, Acting City Manager

From: Water Billing Department

Date: June 06, 2024

Re: Outstanding Utility Accounts

The attached list of outstanding utility accounts was referred to the Credit Bureau for collection with no results. Administration requests your permission to write off these outstanding amounts totaling \$11,947.88. With estimated water revenues of \$12,483,366.11 a 1% loss would be \$124,833.66 the total to write off is less than 10/100 of 1% of that amount.

Our current policy stipulates if any of these individuals request water service in the future, service will not be provided until their outstanding balance is paid. Although the amounts are written off, we keep them on file for 7 years. In the last year, we collected over \$18,697.17 from connection fees, reconnection fees and collecting credit bureau accounts, which will help offset the amount to be written off.

For comparison purposes, the previous year's write-offs are as follows:

2016	\$ 8,657.32
2017	\$ 6,207.85
2018	\$ 9,000.09
2019	\$10,350.46
2020	\$ 8,851.71
2021	\$18,268.55
2022	\$22,668.35

RECOMMENDATION: That the City Manager Grants Administration authority to write-off the attached list of outstanding utility accounts totaling \$11,947.88.


 Ashley Stradski
 Director of Finance Concurrence


 Michael Eger
 City Manager's Approval

2023-08-15	002-0000840-003	\$216.26
2023-03-15	003-0001280-007	\$39.31
2023-07-20	004-0000140-005	\$109.68
2023-10-01	004-0000450-003	\$151.57
2023-08-31	004-0000860-004	\$77.77
2022-10-31	005-0000300-004	\$73.99
2023-06-14	005-0000400-003	\$160.35
2023-09-30	005-0000700-007	\$100.01
2023-01-24	005-0000760-015	\$270.10
2023-02-28	006-0000850-011	\$65.14
2023-03-15	007-0000010-002	\$316.02
2023-04-15	008-0000170-010	\$184.84
2023-05-04	009-0000750-003	\$166.12
2023-01-12	011-0000980-005	\$13.73
2022-11-30	011-0001300-005	\$205.08
2023-06-30	011-0001360-010	\$64.05
2023-03-10	012-0000430-009	\$198.25
2023-07-25	012-0000680-002	\$323.04
2023-02-28	013-0000520-003	\$435.77
2023-04-04	013-0000530-014	\$253.75
2023-09-12	013-0000610-006	\$224.56
2023-04-01	014-0000410-009	\$133.16
2023-02-28	014-0000630-009	\$253.50
2023-08-31	014-0000630-010	\$111.00
2022-11-14	015-0000380-004	\$11.02
2023-02-20	015-0001320-002	\$151.40
2023-05-31	017-0000080-006	\$119.62

2023-05-31	017-0000160-007	\$1,275.05
2023-05-23	017-0000230-006	\$251.94
2022-11-30	017-0000660-001	\$87.25
2023-07-31	017-0000880-001	\$143.15
2023-05-15	019-0001050-009	\$265.69
2023-10-12	020-0000230-002	\$156.43
2022-10-31	020-0001090-004	\$146.92
2023-01-31	021-0000430-001	\$76.65
2023-05-08	021-0000470-006	\$25.04
2023-09-30	025-0000910-003	\$907.43
2023-10-20	026-0000120-003	\$195.08
2023-06-30	026-0000370-007	\$70.37
2023-04-21	027-0000450-013	\$274.44
2023-08-31	028-0000480-006	\$308.92
2023-03-09	028-0000605-018	\$211.37
2023-01-31	028-0000820-007	\$99.49
2022-11-30	028-0000830-010	\$57.91
2023-02-17	030-0000670-015	\$122.41
2022-12-31	030-0000770-014	\$288.60
2023-01-16	030-0000880-003	\$215.57
2023-10-20	030-0001630-011	\$426.00
2023-01-23	030-0001640-016	\$54.15
2023-08-02	030-0001840-007	\$216.92
2023-07-24	033-0000020-003	\$60.55
2023-04-14	033-0000480-001	\$179.42
2023-08-21	033-0000820-006	\$222.09
2022-10-17	033-0001350-001	\$195.13
2023-03-08	033-0001720-007	\$290.47
2023-04-11	040-0000324-001	\$253.51
2023-05-30	091-0000210-008	\$114.92

2022-12-30	091-0000390-011	\$96.99
2023-06-01	091-0000390-012	\$80.24
2023-05-23	091-0000420-010	\$19.16
2022-12-31	093-0000360-011	\$50.82
2022-11-30	093-0000390-007	\$13.71
2023-08-01	093-0000570-012	\$65.00
Date	Number	Owing
		\$11,947.88

TITLE: Preliminary 2023 Year-End Report	DATE OF MEETING: June 17, 2024
	REPORT DATE: June 12, 2024
CLEARANCES:	ATTACHMENTS: 1. December 2023 Exceptions to Budget
Written by: Ashley Stradeski - Director of Finance	Ashley Stradeski
Reviewed by: Jessica Matsalla - City Clerk	Jessica Matsalla
Approved by: Michael Eger – Acting City Manager	Michael Eger

BACKGROUND

Audit work on the 2023 year-end is still progressing. We will have the final audit report to Council in August. With that, however, we have come to our preliminary estimate of our 2023 year-end departmental surplus / deficits.

DISCUSSION

2023 was a very interesting year, one which presents some interesting opportunities for the City. The year's departmental actual vs. budget is much like any other year on a department by department basis, with one major exception: **interest rates**.

The Bank of Canada interest rate has increased a full tenfold over the last two years, from 0.5% to 5.0% where it currently sits. This has had a tremendous impact on the interest rates we were able to get on both our cash on hand as well as our longer term deposits.

The result of this is that the City of Yorkton had a surplus to budget of **\$1,978,039**, which is the highest by far in recent history. This is a far cry from the operating deficit we had last year. The breakdown of the departmental surplus / deficits is below:

Revenue:	Surplus (Deficit) to Budget	
Taxes	134,796	
Crown Surcharges	317,916	
Interest Income and Tax Penalties	1,459,008	
Municipal Operating Grant	<u>58,201</u>	1,969,921
Net Departmental Operating Budgets:		
Council / Corporate Services / Bylaw	21,883	
Fire / RCMP	(151,905)	
Recreation & Community Services	(74,500)	
Water Park & Gallagher Centre	(176,830)	
Engineering & Asset Management	(80,687)	
Planning, Building & Development	130,462	
Public Works	259,636	
Environmental Services (Waterworks & Landfill)	<u>-</u>	(71,941)
Capital & Debt		<u>80,059</u>
Net Surplus to Budget		1,978,039
Budgeted Surplus		<u>2,938</u>
2023 Surplus to Budget Realized		1,980,977
Less: Capital Surplus		<u>(80,059)</u>
Operating Surplus		<u>1,900,918</u>

The City's operating surplus is **\$1,900,918**. As can be seen from the above, this is entirely from increased revenue sources, with the net departmental budgets coming in at a small deficit of \$71,941. We will explore the more in depth breakdowns further below.

Highlighted Budget Variance Explanations

1. Tax & Grant Revenue - \$1,969,921 surplus

- Tax growth amounted to about \$135,000, mostly from new commercial builds and renovations. This was slightly higher than what we had budgeted, and is a positive thing – growth should provide increased tax dollars for projects and increasing costs.
- Crown surcharges are another significant win, with revenue over budget by nearly \$320,000. This amount can fluctuate year to year, as it's based on the electricity and natural gas usage from the residents and businesses in town. This is an item we budget last year's amount for, rather than the 5-year average; rates tend to go up which would increase our revenue, though cooler summers or milder winters could result in less usage and thus less revenue.

- Interest and penalties had the largest surplus to budget of nearly \$1,460,000; this was caused mainly by our interest earnings on our short term deposits, with interest rising sharply over the past two years. The budget for interest income was increased by 50% over prior year, but this was offset by the sheer scale of interest earnings as well as deliberate choices to negotiate rates and move cash into higher interest term deposits and accounts with higher than standard interest rates, taking advantage of this likely temporary increase in interest rates.

2. Legislative & Council, Corporate Services and Bylaw - \$21,883 surplus

- Legislative and Council expenses were over budget by \$77,000. All budgeted costs including salaries and other spending were generally on budget, however the exceptions were rebates on youth sports facility rentals which were over budget by nearly \$20,000 due to increased usage, which also has the benefit of higher income in our recreation facilities. The other exception was the costs for the operational review which was completed during the year.
- Corporate Services was slightly under its budget by \$98,000, with savings coming from benefit costs as well as under spending on legal and advisory fees, and delayed software implementation cost.

3. Protective Services - \$151,905 deficit

- Fire salaries were higher than budgeted due overtime pay as well as the hiring of a second deputy fire chief for part of the year, as this was not a position which was budgeted for at the beginning of the year, for a net overage of approximately \$149,000. Higher than anticipated utility costs at the fire hall have been offset by increased revenues of about \$40,000, bringing the net overage to just north of the \$150,000 noted above.
- RCMP costs were net under budget this year by \$60,000; this is a departure from the past few years, which saw steep cost increases. While the contract costs were higher than anticipated still, they were offset by decreased administrative staff costs as there were numerous vacancies throughout the year which offset the contract costs. These savings outstripped the contract costs as they were just north of \$100,000, however lower than anticipated ticket and fine revenue depleted the rest of this. This being said, the resulting net department had a surplus of \$29,000 and this has been put to police reserves, resulting in a balance that equals our budget. The reason to put this money aside is to offset the incoming retroactive contract payment which is due in 2025 of over \$1 million.

4. Recreation and Community Services - \$74,500 deficit

- The Cemetery had a shortfall in its revenue by nearly \$20,000, as this amount can fluctuate year-to-year. However, this was offset by savings on salaries, more than making up the difference to create a small surplus of \$23,000.

- The Library was, however, in a deficit position of \$44,000 to budget; this was due to building costs, which were originally only budgeted for 75% of the year, as well as higher than anticipated maintenance costs.
- Deer Park has a surplus to budget of \$35,000. This was entirely due to increased revenues; season passes, green fees and tournament fees were \$80,000 higher than budgeted which is a big win for the course. Offsetting this, however, were increased costs with relation to insurance on the new building, as well as utility costs and some other purchases related to the new clubhouse.
- Rec Facilities has a significant surplus for a second year in a row, being under budget by nearly \$120,000. Usage fees at the Kinsmen Arena and Gloria Hayden were up by \$60,000 and \$11,000, respectively. Savings in maintenance at both the Gloria Hayden and the Godfrey Dean were also seen, making up the rest of the savings.
- Parks was relatively close to budget with a small deficit of \$58,000. The only significant variances of note were overall parks facility maintenance which was over budget by \$50,000, horticultural services which was under budget by \$25,000 ball diamond maintenance which was over by \$36,000 and other park maintenance being under budget by \$40,000. By and large, these variances were mostly salary related – parks staff get charged out to different areas depending on what they are working on, and if more time is needed on one aspect such as ball diamonds, less time is spent working on other areas and thus lower costs are allocated.
- Transit is showing a large deficit of \$95,000, which can be attributed to higher costs for maintenance – aging access buses are costing significant amounts of money to repair, and acquiring replacement buses is proving far costlier than originally anticipated, if buses are even available. Additionally, the Yorkton Transit buses are now 6 years old with one of them in near constant running, maintenance is starting to add up on these units as well.

5. Water Park & Gallagher Centre - \$176,830 deficit

- The Access Communications Waterpark was over budget by approximately \$67,000. While revenues were higher than in previous year, the growth in revenues we've seen since the pandemic ended have also appeared to end. Program revenue was higher by \$25,000, however waterpark rentals and admissions were short to budget by \$86,000.
- With lower revenues there were also generally lower staffing costs at the waterpark, with savings of nearly \$30,000. This was, however, offset by our bi-annual shutdown costs; while this costs us nearly \$50,000 of extra materials and supplies such as tile for maintenance, it also would have negatively impacted the revenues to some extent while the pool was closed.
- Gallagher Centre revenue was about \$80,000 lower than budget. Convention center revenues were down, however ice revenues were a little higher than anticipated which is positive.

- Gallagher operating expenses were relatively on budget with slight variances in various areas, with a net over budget amount of only \$28,000.
- Convention center and curling rink costs were down, but grounds and industrial building costs were up – overall the Gallagher Centre is looking good from a costing standpoint, with expenses being well controlled and generally kept in line.
- The net deficit to budget for the Gallagher Centre (aside from the waterpark) is caused in large part on the revenue side of the equation, resulting in a net deficit of **\$110,000**; this is actually comparatively small to the total expense budget of \$2.8 million, an under 4% variance.

6. Engineering & Asset Management – \$80,687 deficit

- Engineering itself was on budget, with no significant variances to note.
- Traffic & Street Lighting was over budget by \$64,000 due to electricity price increases and increased costs of maintenance which have risen sharply for new light posts and bulbs. The budget for this has been adjusted for next year to hopefully catch up to the increased costs we have seen over the last several years.
- Facilities has a small variance to budget of \$19,101 over. Once again, utility costs continue to creep upwards with the increasing carbon tax, as well as costs of maintenance and supplies.
- Fleet services (not shown, as the department is a net zero) had lower expenses in 2023 by nearly \$120,000, which was caused by lower utilization of equipment, thus resulting in lower fuel costs. The lower fuel costs were eaten into by higher supply costs, which appears to be the trend over the last few years due to inflation. Lower revenues were also generated, again by decreased usage and thus decreased charges to other departments for equipment use.

7. Planning, Building & Development - \$130,462 surplus – Recommend deposit \$46,000 to airport reserves and \$20,000 to planning reserves

- Planning & Building Services had a surplus of \$130,000; much of this was due to partial vacancies in positions, with several maternity leaves causing vacancies throughout the year, showing savings in Economic Development. Further, there was reduced training and travel expenses, and lower spending on consulting.
- Airport had a surplus to budget of approximately \$46,000, and while revenue was higher than budget due to grants, there were cost overruns happening because of contracted services. It is recommended to use the whole surplus to reserves here to offset capital costs.

8. Public Works - \$259,636 surplus – recommend \$130,000 to reserves

- Public Works operational budgets fluctuate with some areas being over and some under, as resources are allocated on a best estimate in the budget but actual conditions and work may vary.
- Road resurfacing, curb & sidewalks were under budget by approximately \$300,000 – the vast majority of this budget went towards phase 2 of the Smith Street resurfacing work, which ultimately came in less than the annual budget. There is not much in the way of road reserves, so we would recommend half the reserve amount (\$65,000) be placed here.
- Snow removal and ice control came in over budget by nearly \$110,000, which was a carryover of the heavy 2022 / 2023 winter which saw lots of early snow. It is fortuitous that the 2023 / 2024 saw very little early snow. As the snow reserves are depleted, recommending that half the reserve amount (\$65,000) be placed here.

9. Environmental Services - \$0 – Self-sufficient operations

- **Landfill** – Revenues exceeded budget by about \$492,000, which is due in part to additional usage coming from commercial compost and contaminated soil and concrete. Industrial/commercial users do fluctuate in volume as their processes evolve (including when they have shutdown and clean up procedures), this year lead to more compost usage, but this varies year over year.

Overall costs were up due to this volume, but it resulted in a net \$1,050,000 of profit going to reserves, which is about \$400,000 higher than budgeted. It is crucial that these amounts go to the landfill reserve, as future costs of new landfill cells will increase, with the last one costing nearly \$5 million and the next one likely substantially higher, as well as reserves for future cleanup of landfill sites as legislated.

- **Garbage Collection/Recycling** – Garbage collection was nearly on budget, with no significant variances. Garbage operates on a cost recovery basis, with the net profit (approx. \$68,000) going to reserves. Recycling had increased grant revenue once again, which resulted in nearly \$70,000 of additional revenue. Expenses were also slightly under budget, with savings on the collection contract of nearly \$40,000, with a net surplus going to reserve of \$240,000. This amount is also required to offset equipment spending, as well as to begin saving for future upgrades to processing equipment and facility upgrades
- **Water & Sewer**
 - Total water/sewer revenues were higher than budget by nearly \$1,083,000. This increase is in large part due to higher than anticipated water use from residential customers, as well as due to the practice of enforcing sewer surcharges to industrial users who exceed the bylaw parameters for sewer discharge volumes, both of which accounted for half the increase.

- Work on the distribution system, including water main breaks, water and sewer main replacement and sanitary sewer breaks were relatively on budget this year, exceeding by only about \$35,000. Breaks and replacement projects have been an area of focus for the last few years, with the budget having to rise to meet the increasing costs.
- The water treatment and wastewater treatment plants were over budget by nearly \$100,000; this is due to cost increases in utilities beyond what was budgeted but also vastly increased costs of maintenance at the wastewater treatment plant. Costs here continue to rise as the building ages, but these costs at both plants were offset somewhat by savings on salaries due to less than a full crew operating at each plant due to turnover.
- Water and sewer put their net “profit” to reserves at the end of the year resulting in \$1.5 million going towards reserves to save for the upcoming Wastewater Treatment Plant and about \$1,250,000 to water reserve to help fund upcoming capital projects including various water well improvements and water tower repairs, and work on the distribution system.

In previous years, we would typically recommend to transfer 50% of any departmental surpluses to reserves, depending upon which departments had net savings. We would conversely recommend that any departments that had deficits do the reverse – pull 50% of the deficit from reserves, if those reserves are available. The purpose of this strategy is to encourage accountability for all departments, ultimately trying to avoid the “use it or lose it” mentality by incentivizing positive outcomes to budget and allowing departments to utilize savings towards future projects.

Our recommendations for these transfers are including in the department comments above. Given that there are a few departments without significant reserves remaining, the recommendations to pull any departmental deficits from reserves are fewer this year; with the surplus on the interest income, these relatively minor amounts can be absorbed by this. The remainder is an amount that is available that we would typically deposit into “Rainy Day” reserves, which has traditionally covered non-budgeted projects such as the grant to the Brick Mill or other such things.

For estimation purposes, as of the date of this report and based on the above recommended amounts, we are forecasting the following transfers:

Estimated Net Departmental Surplus	1,900,918
<u>Deposit to reserves:</u>	
Airport	(46,000)
Planning & Building Services	(20,000)
Public Works	<u>(130,000)</u>
Net deposit to “Rainy Day” reserves	1,704,918

The 2023 year is a unique year – the City has never seen a surplus this big in my tenure here. The overall surplus / deficit from departmental operations was remarkably close to budget, and one big item has provided us with the overall surplus. This also will not be indicative of long-term financial status – the interest rate has already begun to decrease, with financial analysts anticipating more to come. This will, however, help the City with our upcoming borrowing which has its benefits.

The question for the remainder of the year will be “what to do with our surplus?” This can either come back to Council at a strategic planning session, or be part of next year’s budget deliberations.

FINANCIAL IMPLICATIONS

The beginning balance in the “Rainy Day” fund is \$816,630 net of projects allocated. By depositing this surplus to “Rainy Day” reserves, we will have a new total of \$2,521,548.

OPTIONS & RECOMMENDATION

1. That Council authorize Administration to make the 2023 year-end transfers to reserves in conjunction with net departmental results depicted as follows:

Estimated Net Departmental Surplus	1,900,918
<u>Deposit to reserves:</u>	
Airport	(46,000)
Planning & Building Services	(20,000)
Public Works	<u>(130,000)</u>
Net deposit to “Rainy Day” reserves	1,704,918

And further that Administration bring a final report back to Council noting the transfers and the remaining surplus for Council’s consideration in conjunction with the year-end audit results and financial statements.

2. Other direction as Council deems appropriate.

RECOMMENDATION

1. That Council authorize Administration to make the 2023 year-end transfers to reserves in conjunction with net departmental results depicted as follows:

Estimated Net Departmental Surplus	1,900,918
<u>Deposit to reserves:</u>	
Airport	(46,000)

Planning & Building Services	(20,000)
Public Works	<u>(130,000)</u>
Net deposit to “Rainy Day” reserves	1,704,918

And further that Administration bring a final report back to Council noting the transfers and the remaining surplus for Council’s consideration in conjunction with the year-end audit results and financial statements.

December 31, 2023 Exceptions to Budget

Attachment 1

	Actual 2023	Budget 2023	Difference surplus (deficit)
Revenue			
Taxes including GIL properties	27,999,212	27,866,027	133,185
YBID Levy & Grant	(111,389)	(113,000)	1,611
Crown Surcharges - Incentives	3,517,916	3,200,000	317,916
Interest and Penalties	1,941,083	482,075	1,459,008
Municipal Operating Grant	3,345,201	3,287,000	58,201
Other	-	-	-
Total Tax & Grant Revenue	36,692,023	34,722,102	1,969,921

	Actual 2023	Budget 2023	Difference surplus (deficit)
Department General			
Legislative/Council	899,994	823,352	(76,642)
Corporate Services	3,355,741	3,453,921	98,180
Bylaw	283,875	284,220	345
Subtotal	4,539,610	4,561,493	21,883

Protective Services			
Fire	2,945,116	2,793,211	(151,905)
RCMP	5,375,393	5,375,393	-
Subtotal	8,320,509	8,168,604	(151,905)

Recreation and Community Services			
Cemetery	13,202	36,527	23,325
Deer Park	252,770	287,750	34,980
Library	571,681	527,442	(44,239)
Recreation Admin & Programs	592,193	538,360	(53,833)
Recreation Facilities	312,628	431,178	118,551
Recreation Outdoor & Parks	1,795,523	1,737,519	(58,004)
Transit	481,160	385,880	(95,280)
Subtotal	4,019,156	3,944,656	(74,500)

WaterPark	783,396	716,510	(66,886)
Gallagher Centre	1,568,824	1,458,880	(109,944)
Subtotal	2,352,220	2,175,390	(176,830)

Engineering			
Engineering & Asset Mgmt	774,827	777,015	2,188
Facilities	136,177	117,076	(19,101)
Traffic & Street Lighting	738,408	674,635	(63,773)
Subtotal	1,649,413	1,568,726	(80,687)

Planning, Building & Development			
Planning & Building Services	351,913	359,734	7,821
Economic Development	328,744	405,099	76,355
Airport	150,380	196,666	46,286
Subtotal	831,037	961,499	130,462

Public Works	4,472,275	4,731,911	259,636
Subtotal	4,472,275	4,731,911	259,636

Environmental Services			
Landfill/Garbage	-	-	-
Refuse Collecion	-	-	-
Water	-	-	-
Subtotal	-	-	-

TOTAL ALL DEPARTMENTS	26,184,220	26,112,279	(71,941)
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NET BEFORE DEBT/CAPITAL	10,507,803	8,609,823	1,897,980
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Debt			
Gallagher Centre Debt	1,151,254	1,151,254	-
Fire Hall Debt	637,659	648,789	11,130
Dracup Debt	695,610	696,198	588

Capital & Reserves			
All Other Capital & Reserves	4,910,000	4,910,000	-
City Operations Center	1,476,523	1,476,523	-
To Reserves	705,000	705,000	-
Grants - New Deal	(1,049,221)	(980,879)	68,341.60
TOTAL DEBT/CAPITAL	8,526,826	8,606,885	80,059

NET SURPLUS/(DEFICIT)	1,980,977	2,938	1,978,039
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