1. CALL TO ORDER

2. APPROVAL OF AGENDA

3. ADOPTION OF PREVIOUS NOTES
   3.1 Approval of Notes of the Committee-of-the-Whole Meeting held Monday, May 25, 2020

4. DELEGATIONS & PRESENTATIONS

5. BUSINESS ARISING FROM PRESENTATIONS

6. REPORTS FROM COMMITTEE & ADMINISTRATION
   *6.1 2021-2023 Budget Overview
       (M. Pieters / I. Sasyniuk / D. Melvie / S. Olson / J. Cannon - 1 hour)
       ***Note: Presentation is now attached to the amended agenda.***
       6.1.1 City Manager’s Office and Corporate Services 2021 - 2023 Budget Overview
       17 - 21
       6.1.2 Community and Protective Services 2021 - 2023 Budget Overview
       22 - 25
       6.1.3 Infrastructure and Planning 2021 - 2023 Budget Overview
       26 - 27

7. INFORMATION ITEMS
   *7.1 50th Avenue Concrete
       (S. Olson - 5 minutes)
       ***NOTE: A presentation is now attached to the amended agenda.***
8. CLOSED SESSION

8.1 Organizational Review Facilitation - Update for June 2020

FOIP s. 24

(M. Hay - 10 minutes)

8.2 Business Update

FOIP s. 16, 24 and 25

(Mayor B. Young - 10 minutes)

*8.3 Airport Vicinity Protection Area Approaches Update

FOIP s. 24 and 25

(S. Losier - 30 minutes)

9. RISE AND REPORT FROM CLOSED SESSION

10. ADJOURNMENT
NOTES OF THE CITY OF LEDUC
COMMITTEE-OF-THE-WHOLE MEETING

Monday, May 25, 2020

Present: Mayor B. Young, Councillor B. Beckett, Councillor G. Finstad, Councillor B. Hamilton, Councillor L. Hansen, Councillor T. Lazowski, Councillor L. Tillack

Also Present: M. Pieters, Acting City Manager, S. Davis, City Clerk

1. CALL TO ORDER
   Mayor B. Young called the meeting to order at 5:02 pm.

2. APPROVAL OF AGENDA
   MOVED by Councillor L. Hansen
   That the Committee-of-the-Whole approve the agenda as presented.
   Motion Carried Unanimously

3. ADOPTION OF PREVIOUS NOTES
   3.1 Approval of Notes of the Committee-of-the-Whole Meeting held Monday, May 11, 2020
   MOVED by Councillor B. Beckett
   That the notes of the Committee-of-the-Whole meeting held on Monday, May 11, 2020 be approved as presented.
   Motion Carried Unanimously

4. DELEGATIONS & PRESENTATIONS
   There were no delegations or presentations.
5. BUSINESS ARISING FROM PRESENTATIONS

6. REPORTS FROM COMMITTEE & ADMINISTRATION

6.1 2020 - 2022 City of Leduc Strategic Action Plan

M. Hay, Director, Government Relations and Corporate Planning Strategy, and C. Bole, Manager, Corporate Planning and Performance, made a verbal presentation on the 2020-2022 Strategic Action Plan. In particular, Council reviewed items that were deferred or were to be brought forward for further discussions as set out in the report.

C. Bole, M. Pieters, A/City Manager, and D. Melvie, General Manager, Community and Protective Services, answered the Committee's questions.

6.2 Grants to Organizations – Ongoing Community Support Funding COVID-19

D. Brock, Director, Community and Social Development, made a verbal presentation on the grants to organizations and the effect of COVID-19. Administration was requested to speak to organizations that received grant funding for 2020 and ascertain which ones require the funds for this year. If funds are required for 2020, Committee members agreed that the organizations will not be requested to refund the grant funds received.

7. INFORMATION ITEMS

7.1 COVID-19 Update for May 25, 2020

M. Pieters, A/City Manager, made a verbal presentation, advising of the successful re-opening opportunities.

7.1.1 Economic Support and Recovery Task Force

Councillor T. Lazowski, Chair, made a verbal presentation updating the Committee members on the following:

- communication with the businesses;
- Hotel operators advise that this time has been very difficult on them. There may be opportunities for hotel operators to expand hotel uses, for example housing for the homeless;
- The business rent deferral program came into effect on May 25, 2020, and the Task Force is looking at ensuring the program is taken advantage of;
- Councillor G. Finstad advised that the $40,000 loan to small businesses is to be extended to cover business that do not qualify for other programs;
- M. Pieters advised that some funds may be redirected to assist Landlords with the process to apply for relief.

### 7.1.2 Community and Social Services Task Force

Councillor L. Hansen, Chair, made a verbal presentation updating the Committee members on the following:

- the Task Force has began contacting not-for-profit groups ("groups") to ascertain what supports they may need;
- a survey went out to bench-mark what the groups need;
- there is a new section on the City website with information to assist not-for-profits;
- the Task Force is working on a Leduc specific check list tool kit to assist in recovery phases;
- starting in June there will be a webinar series which will target specific topics; and
- groups have been advised that they can amend their grant applications in the summer and Administration will be available to assist.

### 7.1.3 Civic Operations and Service Delivery Task Force

I. Sasyniuk, General Manager, Corporate Services, and D. Melvie, General Manager, Community and Protective Services, provided an overview of the City of Leduc Recovery Plan Framework. The Framework has been circulated to extended leadership and provides an understanding of the requirements necessary to move forward with Stage 2, including health and safety guidelines.

League practice and play may return in Stage 2. Mayor B. Young advised that the province has stated that clearer expectations on league play will be provide by the end of this week.

I. Sasyniuk and D. Melvie answered the Committee’s questions.

### 7.1.4 2020 Budget Update

J. Cannon, Director, Finance, made a PowerPoint presentation (attached to the Amended Agenda) providing an update relative to the effects of COVID-19 on the 2020 budget. J. Cannon also spoke about the initiatives and enhanced communications put forward by Finance.
J. Cannon answered the Committee's questions.

8. CLOSED SESSION
   There were no Closed Session items.

9. RISE AND REPORT FROM CLOSED SESSION

10. ADJOURNMENT
   The meeting adjourned at 6:28 pm.

_________________________
B. YOUNG, Mayor

_________________________
S. DAVIS, City Clerk
Delta Presentation

2021 to 2023 Budget Overview

Presented by:
Mike Pieters, Acting City Manager
Irene Sasyniuk, General Manager, Corporate Services
Darrell Melvie, General Manager, Community & Protective Services
Government Relations & Corporate Planning

- New Service Level – to conduct regular reviews of services

Office of the City Clerk

- Annual Municipal Census – decrease of $60K
### Corporate Services

#### Finance and HR
- Integrated Finance and HR System

#### Human Resources & OH&S
- Psychological Health & Safety – Impact Group
- Working from Home Policy
- Corporate Training
- IAFF Negotiations
- WCB Rebate Projection - $117K
Corporate Services

Communications & Marketing Services
- Replacement of City’s intranet
- Development of Communications Strategic Plan

Corporate Information Technology Services
- Microsoft Cloud Services licensing fees from $100K - $150K/year
- Remote Meeting Capability
RCMP and Enforcement Services

- Leduc County Shared Positions
  - Detachment Clerk – increase of $40K
  - Crime Analyst – increase of $41K

- Traffic Proceeds - $155K decrease

Recreation

- LRC Lease and Sponsorship Revenue
  - Leduc Arts Foundry lease – decrease to LRC revenue
  - Sponsorship agreements – decrease of $60K

- Fees & Charges
  - Recreation Fees & Charges Strategy – potential revenue decrease from $11K to $34K
Community and Social Development

- **Maclab Fee Structure**
  - Reassessment of fee structure – decrease TBD

- **Canadian Energy Museum** – GTO grant increase from $50K to $60K

- **Grain Elevator** – GTO increase from $18K to $45K

- **Recreation Access Program** – increase of $20K

- **Homelessness Initiative** – potential increase from $50K to $90K

- **Heritage Coordinator Position**
  - Continue or make permanent – increase of $80K
2021 Projected Budget Changes

Infrastructure & Planning

Facilities & Properties Services

- **Electricity** – decrease $31K in 2021, $63k 2022 onward
- **Natural Gas Carbon Tax** – increase of $38K

Public Services

- **Corinthia Skate Park** – increase of $35K
- **Mainline Valve Exercise Program** – increase of $40K
- **2020 Road Work Deferral** – increase of $40K
EXECUTIVE SUMMARY

This report is focusing on changes to the operating budgets for the City Manager/Legal Services and Corporate Services departments. Other, non-department specific, corporate-wide adjustments will be reviewed with Council at a future date. As well, the first draft of the revised 10 Year Capital Plan is scheduled for review with Council on June 15th, 2020.

Overall, the City Manager/Legal Services and Corporate Services operational budgets will maintain the 2020 budget levels with the exception of a placeholder in 2022 for increased costs related to migrating to Microsoft Office 365.

BACKGROUND

Changes (increases or decreases) to the City’s base budget are typically triggered by the following factors:

- Strategic and Corporate priorities
- Growth pressures
- Change in legislation
- Ratepayer expectations
- Inflation
- Enhanced efficiencies
- Regional Initiatives
- Other, i.e. contractual obligations, organizational needs, transferring responsibilities from other levels of government, regional requirements, etc.

CITY MANAGER’S OFFICE (CMO)

The City Manager’s office (CMO) is a unique department in that, its primary focus is to support and facilitate the council-administrative interface. As such, each of the functions and service levels within the CMO is predominantly knowledge-based, focused on meeting legislative requirements and providing advisory and strategic services to Council, the executive team and, where necessary, to other business units. This considered, the financial impacts have been handled within existing budgets with resourcing added or moved within the organization as a need has arisen. The CMO continues to deliver on its service levels with no significant projected increases in 2021.

GOVERNMENT RELATIONS & CORPORATE PLANNING

New Service Level
A business case for consideration in the 2021 budget is planned following direction within the 2019-2022 City of Leduc Strategic Action Plan and builds on sentiments from the previous strategic plan (2014-2018) to conduct a regular review of selected services for efficiency and effectiveness. The business case would contemplate the costs and implications of this new service level including what is required to develop the overall framework, implementation and ongoing operationalization. It will also consider a range of options for service delivery. A program of this nature promotes accountability and transparency for our rate payers and Council and contributes to the organizational value of continuous improvement. At this point in time, there is no order of magnitude.

OFFICE OF THE CITY CLERK

The Office of the City Clerk is a service provider to Council, Administration and residents. One project, the annual census, will require direction from Council:

Annual Municipal Census

A municipal census can provide valuable demographic information that helps municipalities shape their service offerings. However, with the decision of the Provincial Government to no longer use municipal census information for grant funding, and the slowing of growth the City of Leduc is currently experiencing, Council directed the cancellation of Census 2020. For the same reasons, plus an acknowledgement of the resource strain that typically accompanies a municipal election, Council may choose to forego holding a municipal census in 2021, and possibly beyond. That decision would result in 2021 savings of approximately $60,000.

LEGAL SERVICES

Overall, Legal Services is maintaining 2020 budget levels.

CORPORATE SERVICES

Integrated Finance and HR System

Although this report is focused primarily on operational budgets, it is important to note that this project has a significant requirement for existing staff time and expertise throughout the project. Replacing the City’s Financial and Human Resource software platforms is one of the largest projects undertaken by Administration in many years. This transformative project has been initiated in 2019 and will be a multi-year change management project affecting the entire organization. Administration released a request for Information (RFI) at the end of May in order to identify the budget required for software acquisition and implementation for 2021 and beyond. This budget will include software costs, vendor professional services as well as costs to provide backfill City resources so that the right staff can be provided for software implementation and change management.
COMMUNICATIONS & MARKETING SERVICES (CMS)

CMS is holding the line on all expenses and has reduced some line accounts to better align with actual expenditures and changing priorities.

Significant communications projects that will be undertaken in 2021 include the replacement of the City’s intranet (internal website) with the objective of enhancing internal communications and engagement and replacing the current technology which is well beyond its lifespan. The project will be initiated in 2020 as the funds for this are included in the 2020 capital budget. As well, a Communications Strategic Plan will be developed to enhance alignment between Council’s strategic goals as well as the organization’s priorities and business objectives. As part of this work, Communications and Marketing Services will be defining service levels, as well as gaps and opportunities that exist within our current service delivery. No additional funding has been added to the budget as this project will be primarily completed by internal resources.

HUMAN RESOURCES & OH&S

Overall, the Human Resource and OH&S budget will not increase over 2020. The following are some notable organizational effectiveness and wellness projects underway at the current time and to continue into 2021:

Psychological Health and Safety (Impact Group)
In 2019, an application was submitted to participate in the Psychological Health Impact Group. This group will provide municipal guidance through coaching and training with AMHSA, Howatt HR and other municipalities over three years to develop a psychological health and safety foundation with strategic supports, which include benchmarking, coaching and implementation.

Working from Home Policy
As a proactive response to COVID-19 a Working from Home Policy has been drafted. This policy addresses the option of ongoing remote working arrangements where operationally feasible, and ensure longer-term sustainability of current City of Leduc facilities and designated workspaces. Other efficiencies include enhanced employee productivity, enhanced employee work/life balance, decrease in vehicle transmissions and time associated with commuting.

Corporate Training
The City has been successfully exploring virtual training opportunities, both for OHS programs and for various other educational and training programs for staff. Given the nature of the current environment, the City will continue to explore these opportunities and enhance the corporate training program. For example, in 2019, the City began offering on-line training for the extended leadership team through Harvard Manage Mentor (HMM). During COVID-19, a COVID-19 Resource Centre was developed, which contained a variety of information relative to COVID-19. HMM provided access to those resources for all employees. The Corporate Training budget will be revised once more information is obtained regarding virtual training opportunities that align with the City’s training program.

IAFF Negotiations
The City will exchange proposals with the IAFF late in 2020 (between September 1 and October 31). It is anticipated this will be an unprecedented environment in which to bargain, given both the COVID-19 and economic conditions and impacts.
WCB Rebate Projection

As a Large Employer, the City has the ability to fluctuate +/- 45% due to performance. In 2020, the City of Leduc experienced a 3.93% surcharge. However, due to our COR Audit a 5% rebate from PIR for $22,308.44 was received.

In 2021, the projected WCB Rebate of $117,000 is projected based on current costs and data that has the potential to be impacted by our performance throughout the remainder of 2020.

In 2017, the City of Leduc was trending towards poor performance surcharges due to consecutive years with increased claim costs. Therefore, steps needed to be taken in order to effectively manage costs now and in the future. Over the last 2+ years, the OHSW Branch has implemented a number of preventative measures which include:

- Created access to emergency assistance after hours for all employees
- Created a Return to Work Standard
  - Offer for Modified Work
- Created Physical Demand Analysis (PDA) and Cognitive Demand Analysis (CDA)
- Created employee/employer injury packages
- Incorporated online reporting
- Signed up for access to the Occupational Injury Service Clinic

As a result of these preventative measures the City of Leduc has decreased claim costs and is projected to achieve an experience rating rebate for ‘Improving Your Performance (IYP)’ or Maintaining Industry Leadership (MILR)’.

CORPORATE INFORMATION TECHNOLOGY (CIT) SERVICES

Since the primary function of information technology is to enable business strategies and objectives, significant changes in the CIT budget are primarily driven by the initiatives in the Corporate Business Plan and the projects in the 10 Year Capital Plan.

Microsoft Cloud Services (Office 365)

The Enterprise Agreement with Microsoft expires in December 2021. At this time, it is uncertain whether Microsoft will allow this agreement to be renewed. If it cannot be renewed, a full migration to Office 365 will be required at the end of 2021.

Since Microsoft has been extending the deadline for on premise licensing (what we have now), this deadline may be extended. The 2022 budget currently includes a net increase of $115,000 as a placeholder if the organization is required to migrate MS Office and Exchange services to the cloud. However, since Microsoft cloud services and fees are frequently changing, a full migration to the Microsoft Cloud could be $100,000 – $150,000 per year in licensing fees. CIT is currently implementing a very limited number each license level in order to determine the minimum cost to deliver the services that are needed. This pilot was delayed due to the COVID-19 pandemic response but has now been reactivated.

Remote Meeting Capability

In response to the COVID-19 pandemic, CIT enabled the organization to move to a remote operating model. A significant part of this transformation was implementing an organizational license for GoTo Meeting for conducting remote meetings. Since remote meetings have been beneficial for many business areas, it is anticipated that licenses for GoTo Meeting or an equivalent product will be required on an ongoing basis. Depending on the demand and the product selected, this could
COMMITTEE-OF-THE-WHOLE

result in an additional $9,000-15,000 per year in license costs as well as additional costs for audio-visual enhancements for meeting rooms.

NEXT STEPS
N/A

ATTACHMENTS
N/A
EXECUTIVE SUMMARY
This report provides a high-level overview of some of the proposed changes to the 2021-2023 Community and Protective Services operation budget.

BACKGROUND
Changes (increases or decreases) to the City’s base budget are typically triggered by the following factors:

- Strategic and Corporate priorities
- Growth pressures
- Change in legislation
- Inflation
- Enhanced efficiencies
- Regional Initiatives
- Other, i.e.: contractual obligations, organization needs, transferring responsibilities form other levels of government, regional requirements, etc.

RCMP and ENFORCEMENT SERVICES
Loss of County Revenue from Shared Positions

Leduc County has informed the City that beginning in 2021, they likely will not be funding their 0.5 FTE Detachment Clerk position and their 40% share of the cost for the shared City / County Detachment Crime Analyst. The 0.5 FTE detachment Clerk position was previously a County employee but was converted to a County funded Municipal position at the County’s request last year. The lost revenue amounts to approximately $41,000 for the Crime Analyst position if the City were to move to fully fund the position, and approximately $40,000 if the City chooses to maintain the 0.5 FTE Detachment Clerk position.

The County is not funding these positions due to the recent decision by the Province to make Rural municipalities pay for partial policing costs.
Traffic Proceeds

Over the last few years, based on changes in the provision of Automated Traffic Enforcement and the Province increasing their share of fine revenue, there has been a decrease in overall traffic fine proceeds. The current pilot program initiated for Intersection Safety Devices (ISD) has been discontinued, however revenue had been budgeted for the use of these devices in 2021. As a result of the termination of the ISD program, there will be a reduction in enforcement proceeds. This will have an unfavourable impact of approximately $155,000 in 2021.

RECREATION

LRC Lease and Sponsorship Revenue

Council has directed Administration to enter into an agreement with the Leduc Arts foundry for space that had been used as commercial lease space at the LRC. It is anticipated that there will be a reduction of $50,000 - $75,000 to the LRC’s lease revenue for the duration of this lease. This can be offset with funding that was included in the 2021 budget for partnership with the Leduc Arts Foundry, however there will be a reduction in revenue for the LRC space.

The existing sponsorship agreements for the performance arena, west twin arena, aquatic centre and several smaller spaces totalling more than $60,000 in budgeted revenue with no new sponsor in place. Given the current economic climate there is the strong likelihood that sponsorship revenue will need to be reduced within budget.

Recreation Fees & Charges

The implementation of the Recreation Fees & Charges Strategy may result in changes to budgeted revenue lines. Administration will be providing Council a summary of options with decreases in some fee categories and potential increases in others. If Council chooses to proceed with only fee reductions and not increase fees in some categories, such as outdoor fields, there could be a revenue reduction of $11,000 to $34,000.

COMMUNITY AND SOCIAL DEVELOPMENT

Maclab Fee Structure

Council requested the fee structure for community organizations be reassessed and a proposed structure provided that would reduce costs to Leduc organizations using the Maclab Theatre. This would be a financial impact to the City which is yet to be determined. Current budgeted rental revenue at the theatre is $70,000 per year.

Canadian Energy Museum (Leduc No.1)

Representative of the Canadian Energy Museum met with mayors and administration of City of Leduc, Leduc County, and Devon to discuss ongoing support and funding opportunities. Each municipality requested a three-year plan for sustainability and budget be developed and presented to the municipalities for consideration.

Canadian Energy Museum was receiving $30,000 through Grants to Organizations (GTO) and chose to not reapply for the year 2020. It is anticipated their request for funding from the City of Leduc would be
approximately $50,000-$60,000 annually for three years. The three municipalities agreed to discuss a possible per capita funding formula that would have Devon contributing less and the City/County contributing more.

Grain Elevator – Capital and GTO Request

Administration has been working with Alberta Legacy Development Society to determine an operational budget and 10-year capital plan. Due to challenges with their document tracking, it has been challenging to determine a budget that would accurately reflect the needs for operating this heritage site.

It is anticipated a request to receive equal support and service as experienced by Dr. Woods Museum will be received which would result in an increase in the GTO request from $18,000 to $45,000 along with a significant capital request. This could potentially be partially mitigated if an amalgamation of the two Societies were to occur.

Recreation Access Program and Creative Culture Connections

The Recreation Assistance Program (RAP) has a $40,000 budget. Council requested the approach to RAP be changed so there is no requirement for qualified residents to pay 20% and for those in dire need, a full membership may be provided at the discretion of FCSS. As of March 9, 2020 the program had already served 259 individuals and in 2019 a total of 455 were served.

Creative Culture Connections (CCC) has only been funded through donated dollars which have now been completely allocated ($4,000) with no funding remaining.

For 2021, it is requested a budget be allocated to both subsidies and it is anticipated the amount will need to increase – RAP by an additional $20,000; CCC relying on donated dollars to an allocated budget of $10,000.

Homelessness Initiative

City Council received a request from the Leduc Hub for assistance in meeting requirements for the provision of an overnight winter shelter that was located at one of the local churches. Subsequent to that Council asked that Administration come back with options to deal with homelessness in the community over the long term. Options will be vetted through the FCSS Board over the next couple months and their recommendation will be coming to Council once that deliberation has taken place. It is anticipated these costs could be $50,000 to $90,000 annually.

Heritage Coordinator

Over the last couple years, Council has provided funding to support a Heritage Coordinator position whose primary duties have been to liaise with heritage organizations, the Leduc Public Library, and members of the community to archive Leduc’s heritage and determine options to further enhance heritage support in the community. Council has expressed interest in continuing this position for a longer or permanent term. This allocation is not currently in the 2021 budget and the current term is completed December 31, 2020. To add this position into the base budget would require approximately $80,000 annually.
COMMITTEE-OF-THE-WHOLE

NEXT STEPS
NA

ATTACHMENTS
NA
EXECUTIVE SUMMARY
This report provides a high-level overview of some of the anticipated changes for the 2021 to 2023 Infrastructure & Planning operational budget:

BACKGROUND

Planning & Economic Development
Planning and Economic Development operating budget expenditures are currently projected to be similar to the previous year. However, there are a few minor adjustments to increase operational efficiency and to reduce costs, such as a $5,000 decrease to account for less public notifications. On the revenue side, there is a high degree of uncertainty for builders and developers, leading to uncertainty over the anticipated revenues for permitting activities and levies for 2021.

Engineering
The Engineering 2021 - 2023 operating budget will largely be in line with previous operational budgets with the exception of a decrease of $14,000 in Engineering Special Projects for chloride monitoring at the old shop and LRC. The budget was higher in 2020 due to installation of new piezometers, however as the focus in 2021 will be on monitoring existing wells, costs are expected to be lower.

Facilities & Properties Services
Changes to the Facilities operating budget are primarily driven by inflation. There are some other significant changes as outlined below:

- The cost of electricity will decrease from year to year, starting in 2021 at approximately $55 per megawatt down to $48 per megawatt in 2026.
- In 2021, the carbon tax will increase costs for natural gas by $38,105. In 2022, it will increase an additional $38,105.

Public Services
Changes to the Public Services operating budget are primarily driven by inflation in order to maintain service levels. There are some significant changes/notes as outlined below:

- Associated Engineering recently completed a condition review of the Corinthia Skate Park. One of the recommendations is to conduct an annual maintenance program at an estimated cost of $24,500.
Fuel costs continue to be volatile as they are heavily impacted by world markets, Federal carbon pricing and City variable usage, such as snow removal operations. Increases will be required for 2021-2023 as shown in the following table:

<table>
<thead>
<tr>
<th>Type</th>
<th>April 1, 2020 to March 31, 2021</th>
<th>April 1, 2021 to March 31, 2022</th>
<th>Beginning April 1, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td>$0.0663 per litre</td>
<td>$0.0884 per litre</td>
<td>$0.1105 per litre</td>
</tr>
<tr>
<td>Diesel</td>
<td>$0.0956 per litre</td>
<td>$0.1275 per litre</td>
<td>$0.1593 per litre</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>$1.5763 per GJ</td>
<td>$2.1026 per GJ</td>
<td>$2.6289 per GJ</td>
</tr>
</tbody>
</table>

*Note: The resulting impact to operational budgets are still being calculated.*

The water maintenance contracted services budget will increase by $40k in 2021 and then decrease by $60k in 2022. The budget fluctuations are part of the Utility Department’s mainline valve exercise program where the City’s older infrastructure (Downtown and surrounding area) is exercised and repaired prior to the newer outlying subdivisions. It was assumed that the newer areas would have less deficiencies than the older infrastructure, hence the reduction in the 2022 repair budget. An assessment of the newer valve infrastructure is ongoing and could impact the proposed budget reduction in 2022, depending on the results.

Non-essential road work that has been deferred due to resource availability during the pandemic will have to be performed in 2021 and beyond. An example includes temporary (4-6 months lifespan) painted road markings that were substituted for more permanent MMA applied road markings (4-7 years lifespan). The change in road marking methodology was necessitated due to separating individual crew members as much as possible for 2020. It is estimated that this change could result in an additional $30-40K needed in 2021 to catch up on substituted MMA road marking work.

**Public Transportation**

Changes to the operational and capital budget for Public Transportation are difficult to gauge at this time as the Regional Transit Services Commission is currently being developed and may impact the budget in the future. A separate report on the impacts of Leduc County’s motion to exit the Joint Venture and the cost impacts related to the Regional Transit Services Commission will be identified in separate reports to council.