

2023 ANNUAL REPORT

HIGHLIGHTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
CITY OF SPRUCE GROVE, ALBERTA, CANADA



LAND ACKNOWLEDGEMENT

The City of Spruce Grove is honoured to acknowledge the land we work, play, and make our homes on as Treaty 6 territory, and the Métis Nation of Alberta Region 4. This is sacred land that holds the hearts, footsteps and spirits of many First Nation, Métis and Inuit Peoples, and in particular, Paul First Nation, Enoch Cree Nation, Alexis Nakota Sioux Nation, Michel First Nation, Alexander First Nation, and the Lac Ste. Anne Métis. We recognize and acknowledge Indigenous values, traditional teachings, ways of being, contributions, and historical inequities. The City is dedicated to Truth and Reconciliation to help in healing, and learning to build reciprocal and trusted relationships. We commit towards strengthening relations and building bridges with the Indigenous Nations whose traditional territories the City is located within.



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The 2023 Annual Report Highlights provides an executive summary of the City of Spruce Grove's 2023 Annual Report, which can be found on the City's website at sprucegrove.org/AnnualReport. The highlight document contains an overview of statistics, accomplishments for 2023 related to Council's Strategic Plan and financial charts and graphs.

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MAYOR'S MESSAGE

As we look back on 2023, I can't help but think just how fortunate we all are to call this place home.

Spruce Grove is a community of proud, caring, hard-working people who love their city and take care of their neighbours. I see and hear it everywhere I go; in our schools, our businesses, at our community events, and here in our City facilities. I cannot overstate how proud I am to represent the people of Spruce Grove as your mayor.

If 2022 was a year of coming back together...
2023 was a year of hitting the ground running.

We are no longer the quiet little bedroom community west of Edmonton that we once were. Spruce Grove has cemented itself firmly among Alberta's fastest growing mid-size cities and you don't have to look far to see the proof.

This year was chock full of "firsts". The Civic Centre – the largest ever building project in Spruce Grove's history – began rising into the skyline north of Westwind Drive. We witnessed one of the fastest growth rates in Alberta at 3.41 per cent, as our population jumped to nearly 39,000 people. We recorded an impressive 580 new housing starts – more than any other municipality in our region outside of Edmonton. And we set a new development record with \$277 million in building permit values – over \$100 million more than the year previous.

But our growth and maturity as a city is about more than just numbers and statistics. It's about how we support and lift each other up, how we collaborate with our regional neighbours, and how we take care of this beautiful piece of paradise we get to call home.



More than 1,200 people rolled up their sleeves to take part in the new and improved Spruce Up Spruce Grove community clean-up initiative. It was so encouraging to see folks working together and taking such pride and ownership in their neighbourhoods.

2023 also saw several new electric vehicle charging stations installed throughout the community, both for public and City fleet vehicles, and a new way to get around the city during our e-scooter pilot program.

To say the future looks bright is an understatement.

I truly believe that when we set our minds on something and we work together, there's nothing we can't accomplish in Spruce Grove.

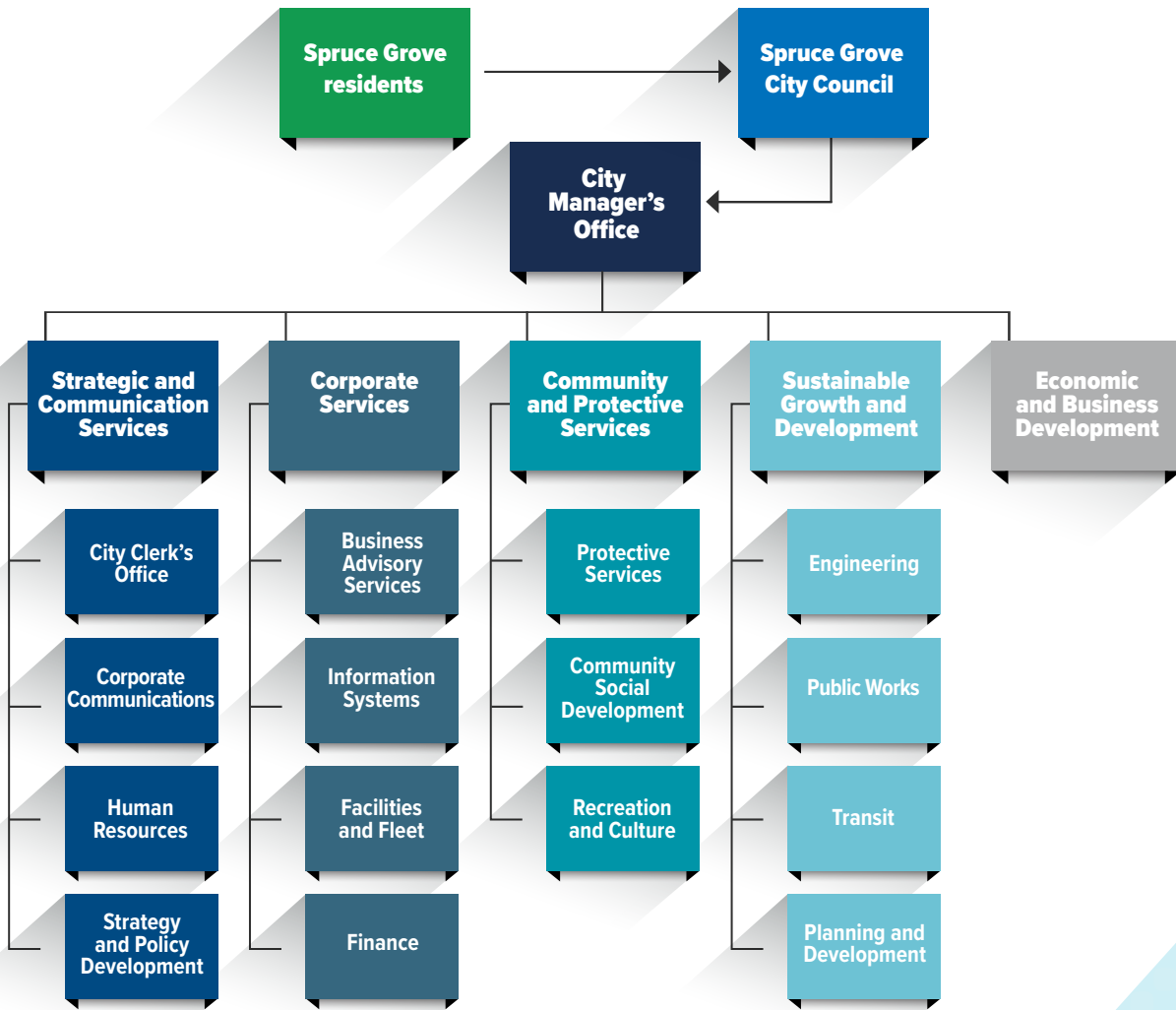
2023 was a busy, productive, and rewarding year, and 2024 is already off to a strong start. I know there are many more exciting times ahead, and I can't wait to stand with you and watch it all unfold.

A handwritten signature in blue ink, appearing to read "Jeff Acker".

**JEFF
ACKER**
MAYOR



ORGANIZATIONAL STRUCTURE



SPRUCE GROVE CITY COUNCIL

SERVING THE COMMUNITY OF CHOICE



From left to right: Councillor Stuart Houston, Councillor Dave Oldham, Councillor Danielle Carter, Mayor Jeff Acker, Councillor Erin Stevenson, Councillor Jan Gillett, Councillor Reid MacDonald

The City of Spruce Grove is governed by an elected council of a mayor and six councillors. Spruce Grove City Council is responsible for identifying the overall vision for the community and developing a strategic plan for the city. Council sets policy direction by reviewing and approving new or amended policies and bylaws, and approves the annual Corporate Plan, which is the City's principal guiding document for providing residents with a high quality of life at an affordable rate, while also staying the strategic course of municipal economic sustainability.



Mayor and Council – 780-962-7604



council@sprucegrove.org

City Council's Strategic Focus

The City's 2022-2025 Strategic Plan outlines Spruce Grove City Council's vision for the future of Spruce Grove as outlined in their commitment statement. It sets the goals and priorities for the course of Council's term (2021-2025) and contains four main themes:



Community Connections – A clear priority of Council is investing in our community to ensure a sustainable, long-term approach to creating and supporting these community connections. We are working towards building a thriving community where residents feel a sense of belonging, diversity is celebrated, and opportunities to connect are created.



Environmental Sustainability – As a City, we have a responsibility to both care for our environment and commit to fostering an environmentally sustainable community. Growing forward together in harmony with nature means that our natural areas are enhanced, the urban forest, park and trail system is healthy and growing, and the urban canopy is sustained.



Economic Prosperity – Investing in our City Centre, supporting the small business community, and enabling businesses to succeed are all key priorities that will drive local investment and employment opportunities for residents. Ultimately, the goal is for Spruce Grove's local economy to continue to grow and diversify, demonstrating long-term sustainability in a thriving community.



Governance in Action – In order to best serve the community in a meaningful way, Council must ensure its governance processes represent the community and are effective and transparent. Council will also support regional strategies that will position the City for success.

Each year, Council reviews the plan to ensure it continues to reflect the priorities they have heard from the community. This results in necessary adjustments to the strategic plan, referred to as “amendments.”

At a retreat in February 2023, Council and Administration discussed proposed amendments and priorities, following which, Council made minor amendments to the 2022-2025 Strategic Plan which were approved in March 2023. Further amendments were made in February 2024 and will be reported on in next year's Annual Report. The 2024 amendments were integrated with the 2023 amendments and have been released as the second edition of the 2022-2025 Strategic Plan, which can be viewed online at sprucegrove.org/StrategicPlan.

Progress report

Since the 2022-2025 Strategic Plan was originally approved, significant progress has been made in moving Council's priorities forward. As of December 31, 2023, 42 per cent of actions in the plan have been completed and, in some cases, integrated into everyday business. All actions from 2022 and 2023 were completed or reprioritized by Council in the second edition.





CORPORATE STRATEGIC PLAN HIGHLIGHTS



Community Connections



- The City welcomed Skydancer Indigenous Cultural Center and Art Gallery to Spruce Grove. Skydancer is an active partner and community leader on many important Indigenous-led events in the region.
- The Community Outreach Team was launched to provide in-person support for those who are experiencing multiple barriers to well-being, including those living without shelter or at risk of becoming unsheltered.
- The City continued its support of the Winter Emergency Response, an emergency, cold weather response intended to mitigate risk for individuals living without shelter. The program was expanded in 2023 to include daytime warming centres at rotating locations in Spruce Grove and Stony Plain.
- Three elite athletes were inducted into the City's Awards of Excellence program: Brendan Bottcher (international curling), Justin Lawrence (CFL football), and Reid Schaefer (NHL/AHL hockey).
- Spruce Grove Fire Services responded to 3,688 calls for service and welcomed a new pumper truck to its fleet. A social media contest was used to choose a name for the truck with "Ruby" coming out on top. Spruce Grove Enforcement Services responded to 4,197 calls for service.
- The City's website recorded more than 1 million visits, and there was growth in followers on all four corporate social media platforms (Facebook, X – formerly Twitter, Instagram, and LinkedIn). Additionally, the Protective Services Facebook page added more than 800 new followers.
- The Liberty Swing, a new, accessible play feature for people who use a wheelchair or require extra support, was installed at Jubilee Park. This swing, and an identical one in Stony Plain, were purchased by Cohesive Communities.
- Planning for the Re-imagined Central Park revitalization project continued as the City hosted public engagement sessions with residents and community groups. Construction will begin in the spring of 2024 and continue through 2025.
- The Civic Centre project, which is the single largest infrastructure project ever undertaken by the City, continued to take shape. It will include a spectator arena, a community arena, a new branch of the Spruce Grove Public Library, a black box theatre, an art gallery and program space, a community walking area located on the shared concourse of the spectator arena, and the co-located Spruce Grove Transit Centre.
- The City and the Spruce Grove Saints announced they had reached an agreement in principle for the Junior "A" hockey club to play out of the Civic Centre's spectator arena. As part of the agreement, both the Saints and the City will make significant investments in the facility, supporting the needs of the hockey club as well as the community.





CORPORATE STRATEGIC PLAN HIGHLIGHTS



- Two new pieces of public art were unveiled: a mural on the west wall of the Agrena which illustrates the importance and progression of agriculture in Spruce Grove, and a mural of mountain and prairie landscapes, painted on the sides of a portable shipping container.
- The E-scooter Pilot Program offered residents a new way to get around the city. Between May and November, over 18,000 rides were recorded for a total distance of more than 68,000 kilometres.
- Horizon Stage celebrated its 40th anniversary with the return of several fan favourite artists who have performed on the stage over the past four decades. A Storm the Stage Concert Series was also held at Horizon Stage with free tickets, thanks to a Government of Canada grant.
- Several City-led events were held, including the popular Canada Day Celebration, Alberta Day, and the annual Light Up event in Central Park.
- Two new programs for teens were introduced – Teen Retreat as part of the Summer in the City programming, and Teen Takeover, which was a fun night out with exclusive access to the TransAlta Tri Leisure Centre.
- Community block parties were held throughout Spruce Grove with 41 parties hosted between May and September, ranging in size from 15 people to over 100.

- A wide range of community-led events happened in 2023 including the annual Grove Rotary Ribfest, several City Centre Markets, and the Agra Fair.
- More than 1,250 residents, community groups, schools, teams and businesses took part in the Spruce Up Spruce Grove initiative aimed at removing garbage from parks, trails, and green spaces.
- The City continued working to update the Municipal Development Plan, Shaping our Community. Significant community consultation was completed in 2023, gathering feedback from residents, businesses, associations, clubs, and other community organizations.



Environmental Sustainability

- The City completed a project to encourage community collective action towards climate resilience in Spruce Grove, which included updated website content, an infographic and printable worksheets/flash cards, social media content and a water conservation workshop.
- Seventeen new electric vehicle charging stations were installed in Spruce Grove in 2023. Twelve are available for public use and located at Fuhr Sports Park, the Agrena, and City Hall, while the other five are available only for City fleet vehicles.





CORPORATE STRATEGIC PLAN HIGHLIGHTS

- The City collaborated with the Town of Stony Plain and Parkland County to establish a single, on-demand local transit system.
- Youth and student riders started using the Arc system in 2023, a regional electronic fare payment system.
- Ten new bus stop pads were constructed, making it more accessible for individuals to get on and off the bus.
- Development of a new Transit Centre with a heated shelter started last year and is co-located at the Civic Centre site. There will be 600 parking stalls available for Park & Ride users.
- In 2023, there were 116,090 rides on the City's commuter transit service, and 48,639 on the on-demand local transit service.



- Spruce Grove's Eco Centre had 29,276 visitors in 2023 and collected 38.09 tonnes of blue recycling bags, 91.72 tonnes of cardboard, 277.97 tonnes of metal, 273.64 tonnes of organics, and 604.14 tonnes of waste.
- The City's curbside waste collection program gathered 277 kg of average household organics, 87 kg of average household recycling and 643 kg of average household waste. The program diverted 4,298 tonnes of total waste from the landfill at a rate of 36.2 per cent.

- Extra organics collection events were introduced last year and are held twice in the spring and twice in the fall. In 2023, 47.08 tonnes of extra organics were collected during the events.
- The Trim Your Trash app was well used with 40,139 items viewed, 664 reminders created, and 21,403 first-time visitors.



Economic Prosperity



- The first stage of the City Centre Area Redevelopment Plan was substantially completed in 2023, making a significant milestone in the revitalization of the City's urban core. This stage was a streetscape revitalization project that included both above and below ground rehabilitation.
- There were several major development and expansion projects in Spruce Grove's industrial area including the BeeMaid Honey production facility and TC Energy.





CORPORATE STRATEGIC PLAN HIGHLIGHTS

- Over in the Spruce Grove Ballpark District, construction continued on a new ballpark stadium by Spruce Gold Partnership and major commercial development as part of the district is underway.
- The City developed the 18-acre Century Close Industrial Park to make additional industrial land available in Spruce Grove.
- A new high load corridor was created on Campsite Road/Jennifer Heil Way last summer to connect Spruce Grove's industrial area to Highway 16, allowing local businesses to transport large pieces of equipment and fabricated components safely and cost-effectively.
- Several construction projects were completed last year, including surface improvement work on Jespersen Avenue, Creekside Way, and Stoneshire Manor; resurfacing on Highway 16A; and replacement of the playground at Longview Park.



Governance in Action



- A census was conducted in the spring of 2023, which revealed a population of 38,985 – an increase of 1,340 residents since 2021. Spruce Grove has had an annual average population growth rate of 3.41 per cent over the past decade.
- The City began developing a Community Standards Bylaw started in 2023, which will be a tool for ensuring a safe, healthy and inviting community. A public survey was used to gather feedback on the proposed bylaw and received more than 1,200 responses.



- Spruce Grove Mayor Jeff Acker was elected to the position of Vice Chair of the Edmonton Metropolitan Region Board, and continued to share a collaborative relationship with fellow tri region mayors.
- A new Reporting Dashboard was added to the City's website to display trends and statistics about the community and the City's programs and services. Data is tracked over time, showing what the City is doing well, and where more focus or attention may be needed.
- Work began on an integrated Transportation Master Plan, which is a long-term plan for the City's transportation network that will set priorities and guide investment choices for roads, sidewalks, trails, transit, and other transportation infrastructure.
- Based on a recommendation from a Spruce Grove Roadway Speed Limit Study, new school zones were added at École Broxton Park School, St. Joseph Catholic School and Copperhaven School.





ECONOMIC OVERVIEW

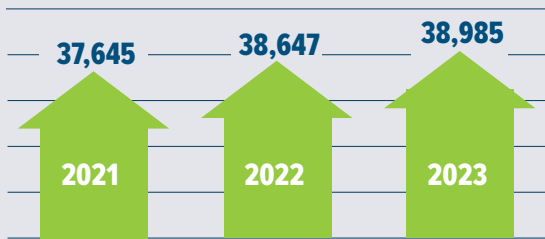


The City of Spruce Grove is a vibrant, dynamic community of nearly 39,000 people.

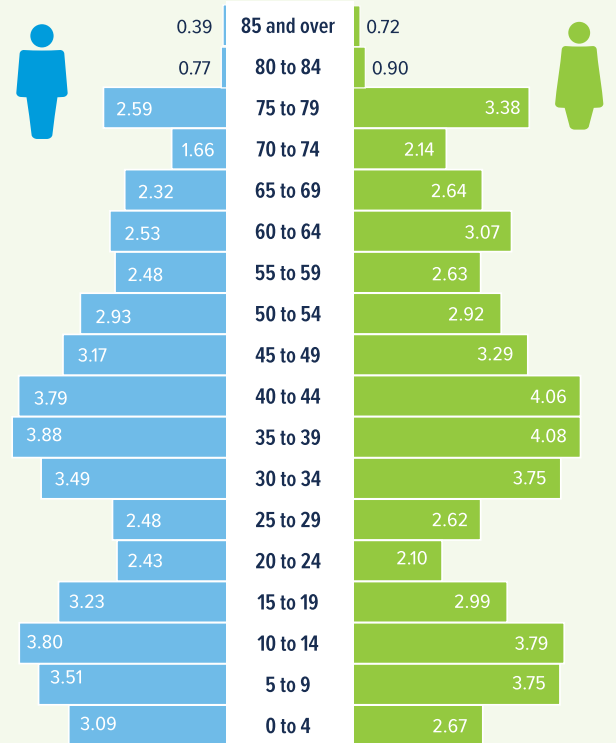
Located just 11 kilometres west of Edmonton, the City offers a variety of housing options, excellent schools, sports, culture and recreation facilities, and a mix of businesses ranging from national retailers, shops, locally owned and chain restaurants, and professional services.

POPULATION (last 3 years)

Spruce Grove has an average annual growth rate of 3.41 over the past decade, making it one of the fastest growing municipalities in Alberta.



POPULATION BY AGE AND GENDER (%)



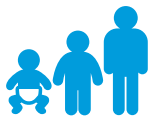
HOUSEHOLD STATISTICS



2.57
RESIDENTS
PER HOUSEHOLD



\$106K
MEDIAN
HOUSEHOLD
INCOME (2020)



39.2
AVERAGE
AGE

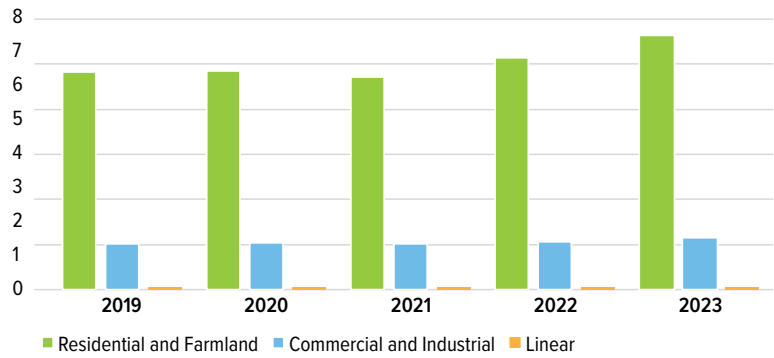


75.43%
OWNED
(HOME OWNERSHIP)

RESIDENTIAL ASSESSMENTS

A significant driver of City revenue is economic activity, which affects the number of taxable properties, influences construction activity and impacts the demand for City services. An economic indicator considered by the City is the growth in assessment values which results from physical changes to properties in the municipality including new construction and renovation.

ASSESSMENT VALUES (Millions)



580

HOUSING STARTS IN 2023



2.9%
RETAIL
VACANCY RATE



6.2%
OFFICE
VACANCY RATE

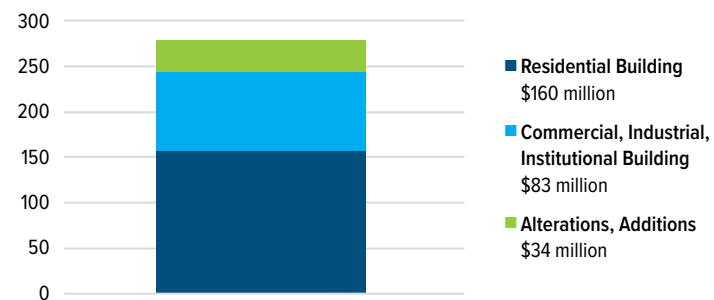


1.7%
INDUSTRIAL
VACANCY RATE

BUILDING PERMITS

2023 year was a record-setting year for development in Spruce Grove! The total construction value of building permits reached a record \$277 million, surpassing the previous year by \$101 million. Additionally, the number of building permits approved in 2023 was 1,174, indicating a 50% increase compared to the previous year.

BUILDING PERMIT VALUES (Millions)



TOTAL BUILDING PERMIT VALUE: \$277 million (RECORD SETTING VALUE)



FINANCIAL HIGHLIGHTS

Understanding the City of Spruce Grove's Financial Information

Annually, the City of Spruce Grove's Audited Consolidated Financial Statements are prepared in accordance with provisions set out in the Municipal Government Act (MGA) and must comply with Canadian public sector accounting standards, which provides guidance for financial and other information reported by public sectors.

The condensed financial information presented on the following pages has been collected from the City of Spruce Grove's comprehensive 2023 Annual Report available online at sprucegrove.org/AnnualReport.

Definitions

Financial assets: Assets the city owns that are fairly liquid, such as cash, cash equivalents, investments, and accounts receivable (money owed to the City). Financial assets can be used to pay existing liabilities or finance future operations.

Liabilities: Financial obligations the City has to others, such as loans, deferred revenue, and accounts payable (money owed to others). Liabilities arise from past transactions or events and are expected to be settled in the future.

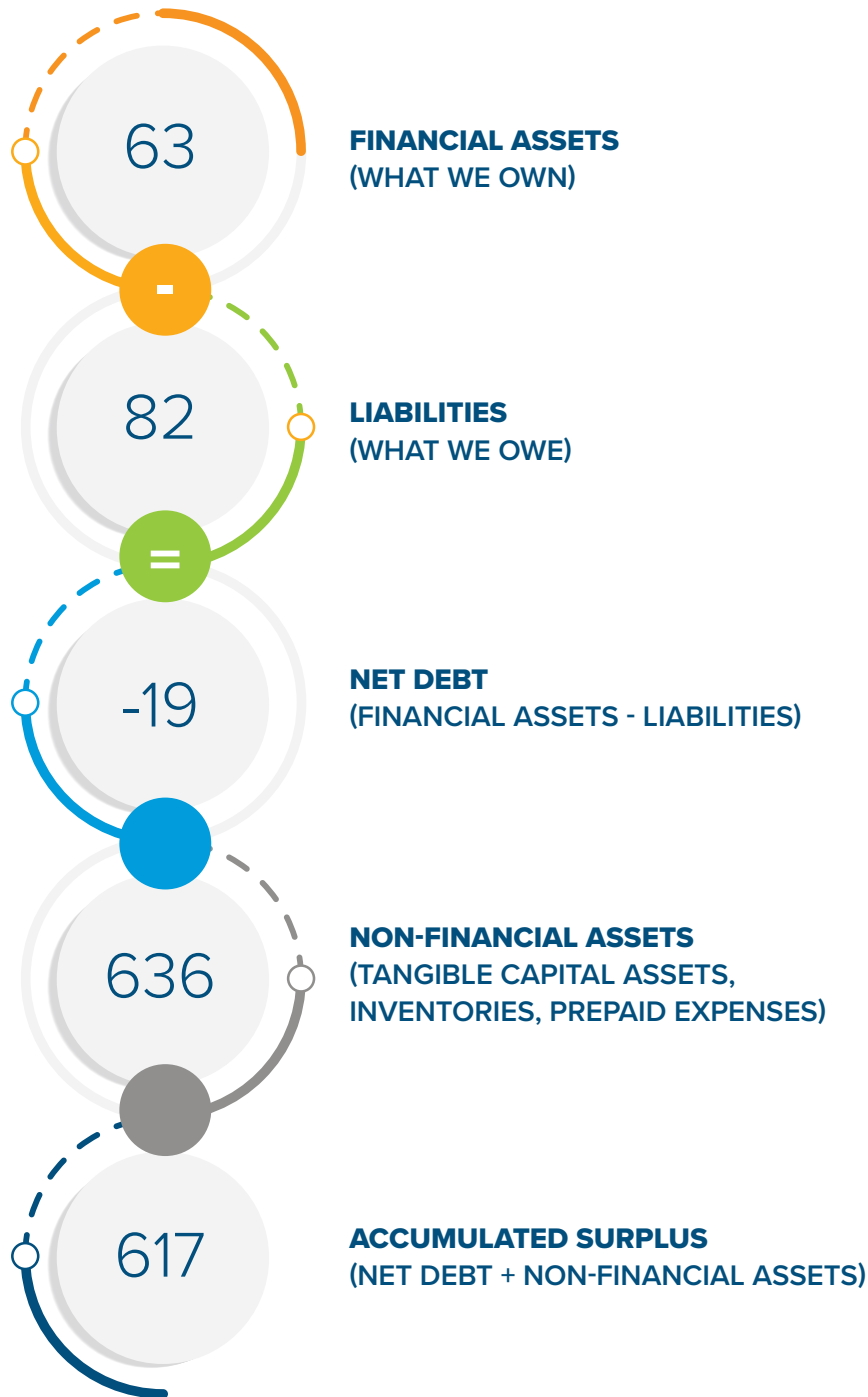
Net debt: The number resulting from subtracting liabilities from financial assets.

Non-financial assets: What the city owns that are used to deliver services, such as roads, buildings and equipment, also referred to as tangible capital assets. Non-financial assets may also include inventory and prepaid expenses.

Accumulated surplus: The number resulting from adding net debt and non-financial assets. It indicates the net assets of the City.

Summary of Financial Position

(in \$ millions)

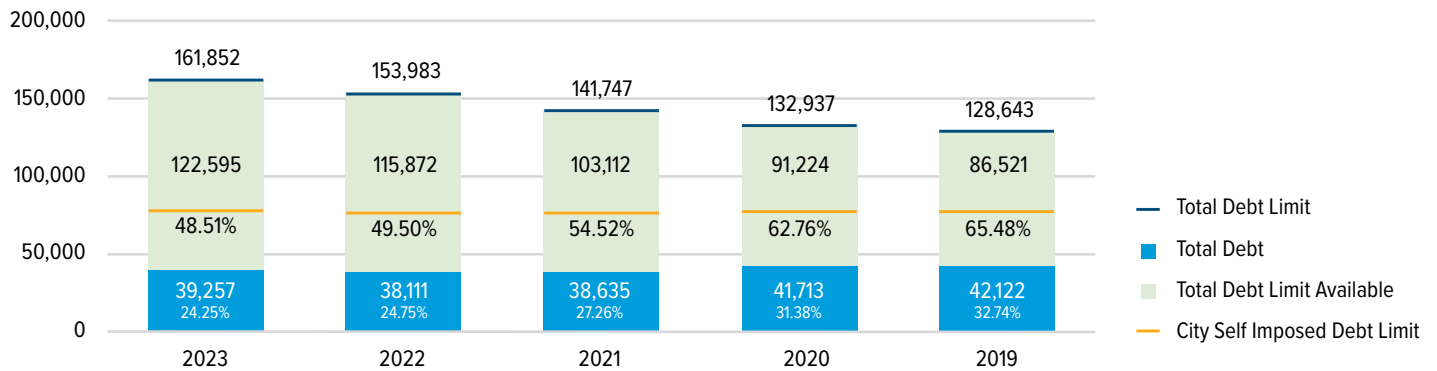


At the end of 2023, future revenues of \$19.1 million were required to pay for past transactions or events. Surplus funds have accumulated over the history of the City to \$617 million. Virtually all surplus funds of \$597 million have been used to acquire or construct roadways, underground utilities, facilities, and other tangible capital assets used to deliver municipal services.

Long-Term Debt

The actual long-term debt of the municipality is \$39.3 million in 2023, up from \$38.1 million in 2022. The allowable provincial limit of long-term debt under section 276(2) of the Municipal Government Act for the City of Spruce Grove is \$161.9 million. By City policy, a self-imposed debt limit of 50 per cent of the provincial limit exists, at \$80.9 million. The City’s 2023 borrowing balance of \$39.3 million is currently below both limits. Actual borrowing represents 24.3% of the provincial limit and 48.5% of the City’s self-imposed limit.

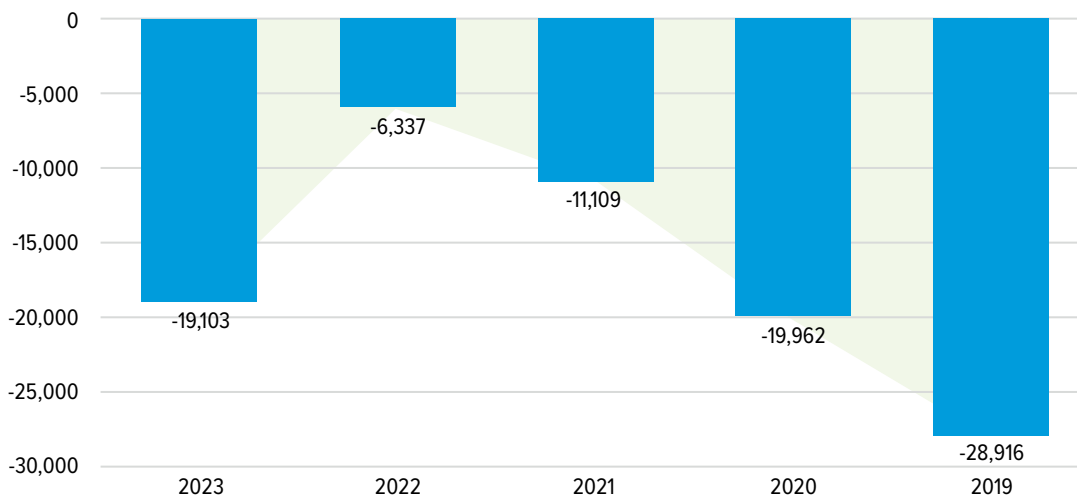
Debt Limits (Thousands)



Net Debt

The City of Spruce Grove’s overall net debt position increased from the prior year-end. Net debt was \$6.3 million at the end of 2022 compared to \$19.1 million by the end of 2023. However, the year-end results came in better than the 2023 projected net debt of \$49.9 million, primarily attributed to lower than planned capital asset acquisitions in 2023.

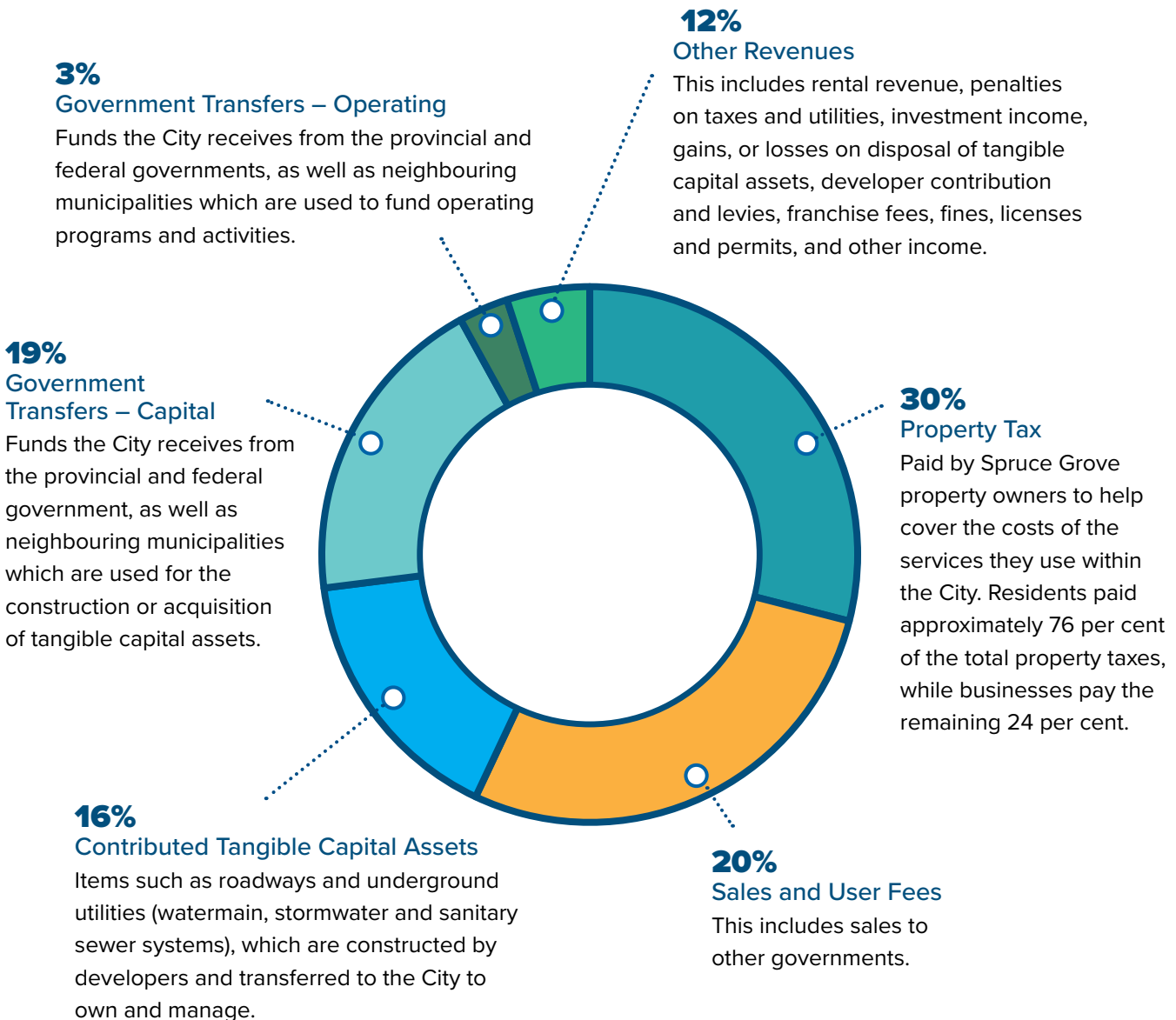
Net Debt (Thousands)



Effective January 1, 2023, the City adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations, and applied the standard using the modified retroactive approach with restatement of prior year (2022) comparative information.

Revenue Sources

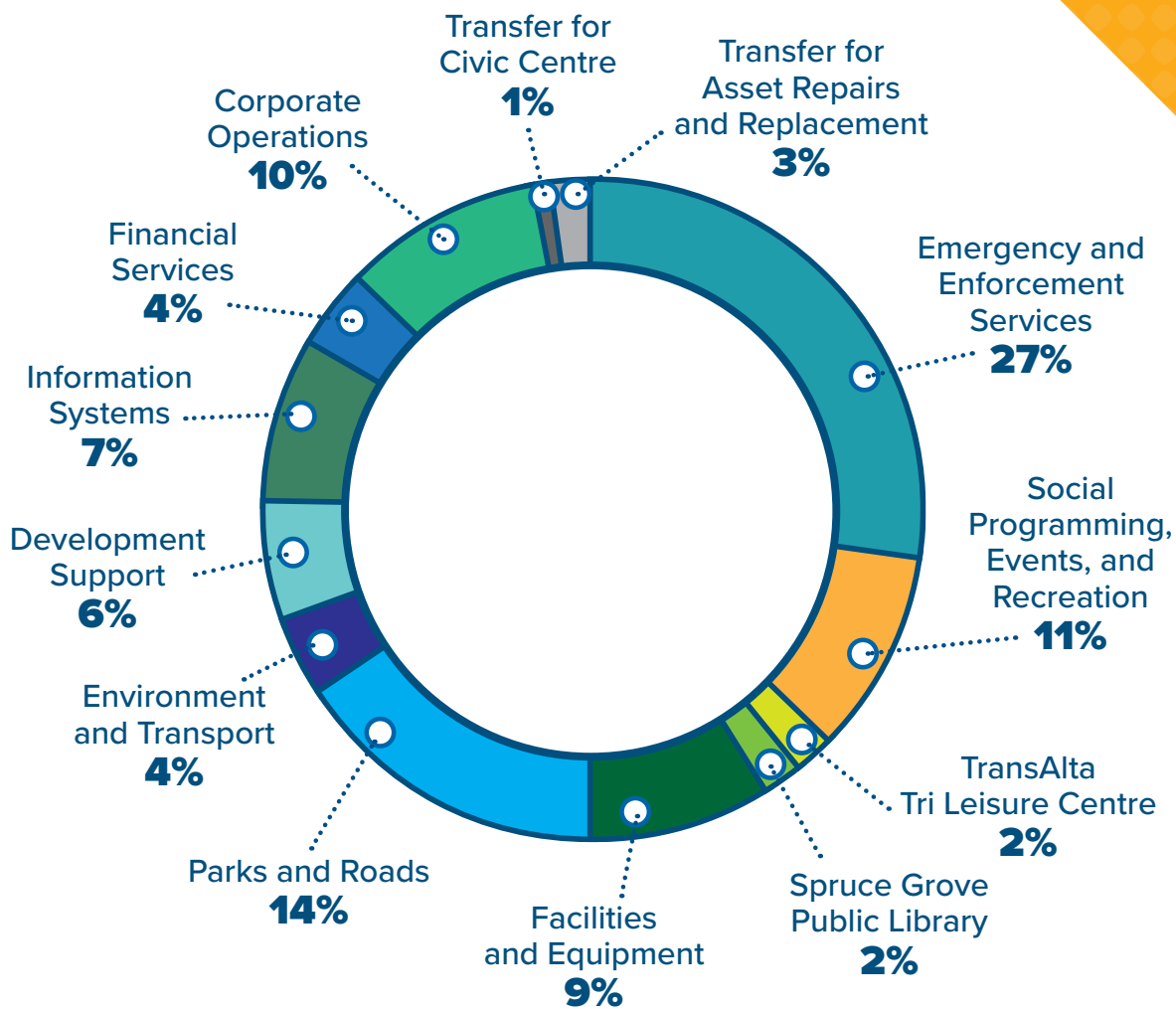
The City of Spruce Grove's 2023 revenue of \$167 million includes all revenue including property tax, sales and user fees, government transfers (operating and capital), contributed tangible capital assets, as well as other revenues such as investment income and gains or losses on the disposal of capital assets. Revenue sources are detailed below.



The City also collects levies on behalf of the provincial government for education and on behalf of the Meridian Foundation for local seniors housing. The City does not use this funding for operations and passes it directly on to the Province of Alberta and Meridian Housing Foundation. The City also does not set or control the amount of these levies.

Where Your Tax Dollars Go

The municipal portion of your property taxes is based on the City’s budgeted revenue requirements. This portion is retained by the City and is used to pay for amenities and services for residents and the community as a whole, such as roadways, public transit, public safety, parks and open spaces, programming, and much more! The distribution of tax dollars is illustrated in this chart.



Expense Overview By Function

The City of Spruce Grove’s 2023 expenses of \$113.4 million by function are:

4%

Development Services

Comprised of the functional areas identified below. Planning and Development manages long-term land-use planning, current land-use planning and subdivisions, development permits and safety code disciplines. Economic and Business Development is responsible for facilitating programs and services intended to help local businesses prosper and grow and attract new business and investment to the City.

27%

Transportation and Roadway Services

Responsible for the planning, development, and maintenance of roadway systems. This function is comprised of the following areas: Engineering, Facilities and Fleet Management, Public Works, and Transit.

14%

Community Services

Provide recreation and culture services, deliver programs which promote the health and wellbeing of citizens, and engage in activities related to parks and cemetery maintenance and operation. This function is comprised of the following areas: Community Social Development and Recreation and Culture.

21%

Utilities

Responsible for the construction, operation and maintenance of networks and facilities to support utility services in the following areas: Water, Sanitary Sewer, Stormwater, and Solid Waste.

15%

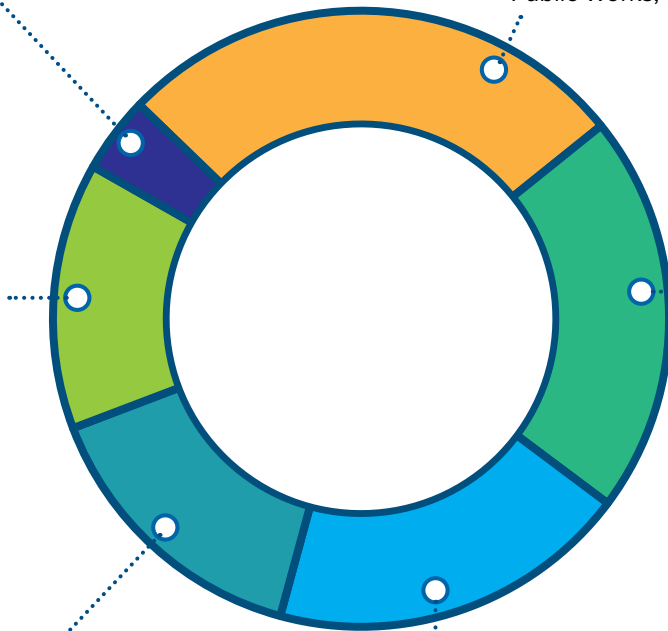
General Government

Comprised of City Council and General Administration. Council makes service delivery decisions that balance the needs and wants of residents in a fiscally responsible manner. General Administration is responsible for the administration of the municipality and includes the City Manager’s Office, City Clerk’s Office, Corporate Communications, Human Resources, Strategy and Policy Development, Business Advisory Services, Finance and Information Systems.

19%

Protective Services

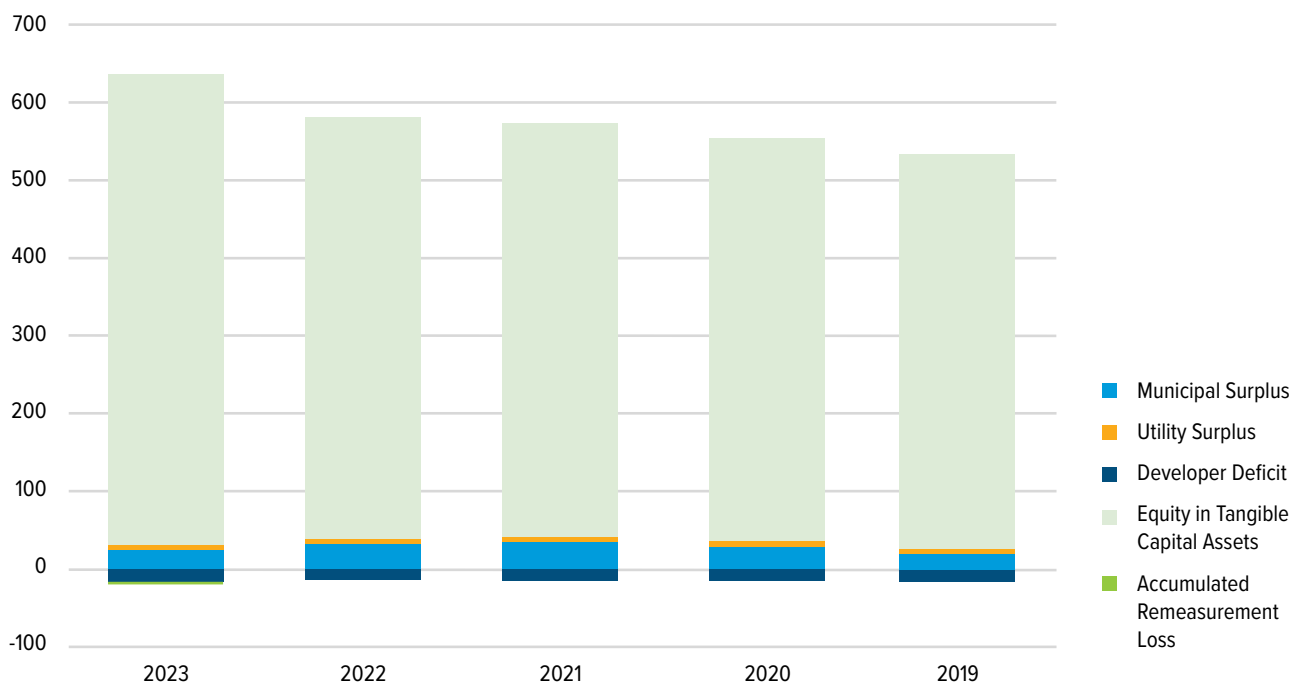
Exists to provide safety, security, peace of mind and wellbeing for residents, businesses and visitors. The team excels in emergency response, consistently performing well in national safety comparisons. Key focuses include building a diverse workforce, community involvement, regional cooperation and staff training. This function includes Spruce Grove Fire Services, Enforcement Services, and Safe City.



Accumulated Surplus

The accumulated surplus of the City is \$616.5 million of which the investment in tangible capital assets represents \$597.1 million. The financial surplus position of the City is \$22 million or 3.6 per cent of overall accumulated surplus. The financial surplus position has decreased from 2022 to 2023, however the City’s financial position remains within the Government Financial Officers Association recommended cash flow management and emergency preparedness range of two to three months of expenses (\$18.9 to \$28.4 million). The current financial surplus position of \$22 million is made up of municipal surplus of \$28.7 million (2022 – \$35.1 million), utility surplus of \$7.5 million (2022 – \$7.6 million) and developer deficit of \$14.2 million (2022 - \$12.6 million).

Accumulated Surplus (Millions)



Operating Results

Operating results in 2023 show a deficit of \$6.1 million before other capital items, however it was significantly less than the budgeted deficit of \$14.4 million. This was mainly due to higher than anticipated revenues for increased licenses and permits revenue for building, development, and electrical permit activity and sales of city lands. As well expenditures were lower mainly due to decreased contracted services requirements, particularly in transportation and roadway services for road repairs, lifecycle replacements and transit services.

Looking Forward

In 2024, the City will continue on the journey of building a fiscal stewardship framework and evolving City processes, programs and services to support our growing city. The fiscal stewardship work involves the creation and review of necessary financial policies. As part of this work, Administration is currently in the process of updating the City's investments and reserve policy, which will be brought forth to Council for consideration in 2024. The City is dedicated to investing in and serving our community.

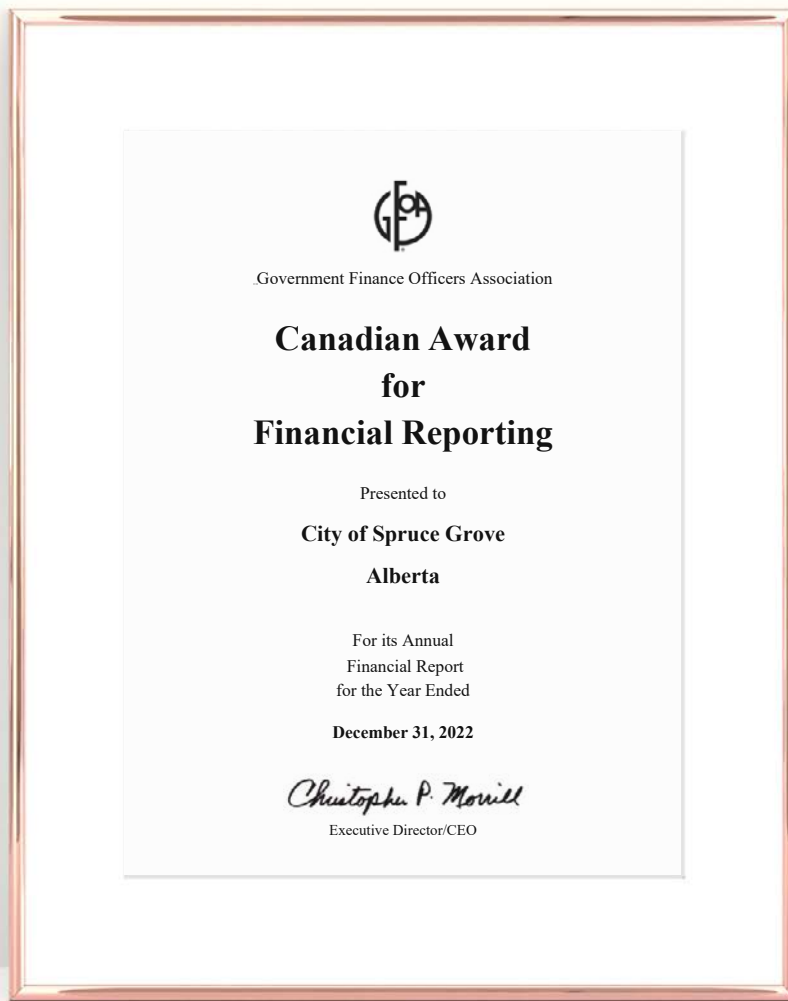
Letter of Transmittal of the Annual Financial Report

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Spruce Grove for its annual financial report for the fiscal year ended December 31, 2022. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial

report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we will be submitting it to GFOA to determine its eligibility for another award.







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[@CityofSpruceGrove](https://www.youtube.com/c/CityofSpruceGrove)

City Hall

315 Jespersen Ave. T7X 3E8

Phone: 780-962-2611

Monday to Friday 8:30 a.m. – 4:30 p.m.

sprucegrove.org