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Presented by: Tim Saunders, Director Public Operations

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TAMRMS#: B06

**5.5**

**2025 New Council Term - Office Space and Administrative Support**

Presented by: Tim Saunders, Director Public Operations

**RECOMMENDED MOTION(S)**

1. That Administration proceeds with Option X in the development of a Capital Charter to provide members of Council with office space in support of CM-23-17.

(Notes - Option 2 would require "Operating Business Case" added for partial funding and Option 3 would require replacement of "Capital Charter" with "Operating Business Case".)

2. That Administration develop an Unfunded Operating Business Case for a 1.0 FTE Administrative Assistant (Council administrative support position) for council consideration as part of the 2025 Operating Budget.

**PURPOSE OF REPORT**

The purpose of this report is to provide three alternatives to support office space for City Council members and corresponding support staff transitioning to a full-time role commencing in 2025.

**BACKGROUND AND DISCUSSION**

In June 2023, Council directed that after the next municipal election in 2025, Councillors will be

deemed full-time. In July 2023, Council directed Administration to develop a business case to provide members of Council with office space and a budget for comparable administrative assistant support to what exists in Alberta mid-sized municipalities, for six full-time Councillors for the Council term commencing October 2025.

Administration has benchmarked council space and administrative resources with Alberta mid-sized municipalities. Although additional workload is expected of Council after the transition to full-time following the 2025 municipal election, the extent of that workload and impact on administrative assistant resources requires further analysis. Currently, one Executive Assistant (1.0 Full-Time Equivalent FTE) supports the Mayor and an Administrative Assistant (1.0 FTE) supports six part-time Council members. Benchmarks indicated that those with populations over 100,000 and full time/additional council members had additional resources.

The level of administrative support would also be a point of analysis (what skill/qualifications are necessary to support Council) and impacts the compensation required to acquire and appropriately compensate for this talent. Administration has benchmarked against other Alberta municipalities and has identified variability in number of Councillors, PT vs FT status, and administrative resources. If additional administrative support was needed for 6 full-time Councillors, Administration has assessed it would be at the same classification level as presently exists. A Council business case for the addition of 1 Full-time Administrative Assistant could be made as part of the 2025 budget process.

With respect to office space requirements, three alternatives have been provided to represent themes of opportunities for office space requirements to support the new Council term beginning in 2025. The themes have been developed into options, but are broadly characterized as follows:

1. Utilization of existing City-owned space.
2. Development of non-City-owned space, by way of lease.
3. Development and utilization of "Home-Office" space.

Each of the above themes have been developed into individual options to provide an overview of the scale and magnitude of the theme. Each of the options speaks to the merits of the alternative by way of pros and cons. Consideration of available space, design requirements, construction disruptions and durations has been made in development of the options. For the options presented, individual office space is considered. This provides individual workspace that is always available to the individual Councillor. Further refinement of the options is possible and would require Administration to be directed accordingly.

The following estimates space requirements for six full-time Councillors and the accompanying administrative support consisting of one Executive Assistant and two Administrative Assistants (presumes Council advances a business case for 1 more Administrative Assistant). The following summarizes spacing requirements accordingly.

- 6 offices
- 3 cubicles
- Production area (photocopier)
- Small kitchen/lunchroom
- Boardroom
- Common area (Hallway, general reception, bathrooms etc.)

In consideration of the foregoing, Administration presents three office space alternatives for consideration.

Option 1 - Renovation adjacent to the existing 3<sup>rd</sup> Floor Mayor's Office Space in St. Albert Place.

Option 2 - Lease office space within the downtown core.

Option 3 - Provide a stipend for home office for new full-time positions.

**Option 1. Renovation adjacent to the existing 3rd Floor Mayor's Office Space in St. Albert Place.**

Existing space within City-owned facility is minimal. The third floor of St. Albert Place (SAP) currently houses the Mayor's office and other City of St. Albert staff. Acknowledging that the current layout is fully occupied, the project team currently completing lifecycle work within SAP was engaged and Administration reviewed the existing layout of the 3<sup>rd</sup> floor Mayor's office to look for efficiencies and possible modifications to the existing layout that would create space for the new full-time positions.

A proposed floor plan was developed and creates enough space for the new full-time positions but also retains enough space for existing staff located within the area. The existing Mayor's office is not modified in this alternative. The proposed floor plan will also improve the functionality of the existing space while creating a secure space for all Council members and support staff to meet with residents.

Estimate cost of detailed design - **\$60,000.00.**

Estimated cost of construction (Preliminary +/- 40%) - **\$365,000.00.**

Estimated cost of furnishings - **\$75,000.00.**

**Total Estimated Costs - \$500,000.00.**

This option has an expected construction duration of 10-12 weeks, during which existing staff would need to be relocated. Design, materials procurement, and other miscellaneous activities require an additional 6-8 weeks in advance of the construction start.

Pros:

- Retains all existing staff within the 3rd floor mayor's office moving forward, plus welcomes the new full-time staff required.
- All Executive Leadership (EL) are located centrally within SAP and close to Council chambers.
- Individual space for each Councilor to meet privately with residents without office availability concerns.
- Individual kitchens for Council and City staff.
- Designated boardroom for Councilors and Admin.
- One-time upfront construction cost, with no added operating or leasing costs.

Cons:

- Largest initial cost.
- Relocation of existing staff for construction duration.

**Option 2. Lease Office Space within the downtown core**

Lease per year = \$30 per sq ft. \* 2,847 sq ft = **\$85,410.00** (based on Commercial lease rates in St.

Albert downtown as of May 2023 are running at \$30 per sq ft.)

Operating per year = \$3.67 per sq ft. \* 2,847 sq ft = **\$10,450.00** (Based on the City's leases in the downtown area as a reference point, Administration estimates the operating costs would be \$3.67 per sq ft.)

Up Front Costs:

Initial Furniture/Set up: \$5000 per office \* 6 offices: **\$30,000.00**

Initial Furniture Set up \$5000 per cubicle \* 3 cubicles: **\$15,000.00**

Initial Technology/Equipment: **\$33,750.00**

Tenancy Improvement **\$45,000.00 to 75,000.00**

**Total Up Front Cost: \$123,750.00 to \$153,750.00**

The total costs for a leasable space in the downtown core are expected to be **\$95,860.00 per year**, plus an additional up-front cost of **\$123,750.00 to \$153,750.00**.

Pros:

- Lower initial cost than Option 1.
- Centralize all Councilors close to downtown core.
- Flexibility of moving locations, should new Council choose, is only limited to leasing agreement.
- No disruption to staff currently located within 3rd floor Mayor's office.

Cons:

- Separate location for Council and EL
- Not directly located within SAP.
- No long-term security with leased space availability.
- Unknown increases to operating and ongoing leasing costs leading to expected highest total cost of option.

**Option 3. Provide a stipend for home office for new full-time positions**

An option of home office stipend is provided for consideration. The home office is the lowest cost option. Home office furniture costs are estimated to be less than the alternate options as Councilors may have furniture/home office that is already acceptable for utilization. The actual expenses for a home office can be lower if a simple writing desk and ergonomic chair are all that is needed. If Council was to select this option, a stipend would be provided to cover costs for each member up to a maximum of \$1,000 per council term.

This option does not bring Council and their administrative team together to a centralized location. Additionally, a designated place to meet with residents is not provided with this alternative and does not provide for a place to work within SAP during Council meeting days.

Pros:

- Lowest initial cost.
- Allows for future cost saving to implement a different plan in the future.

Cons:

- No centralized space to meet with residents.
- No support staff located within their workspace.
- Council has no designated meeting space to meet outside of Council chambers.

**Summary of Costs for Three Options**

<u>Expense Type</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
Construction & Design Cost	\$425,000	\$45,000 - \$75,000	\$0
Furniture & Technology Cost	\$75,000	\$78,750	\$6,000
<b>Total Upfront Cost</b>	<b>\$500,000</b>	<b>\$123,750 - \$153,750</b>	<b>\$6,000</b>
Yearly Lease Cost	\$0	\$85,410	\$0
Yearly Operating Cost	\$0	\$10,450	\$0 - staff provided T2200 and claim expenses as part of tax filing
Total Cost @ 4 Years*	\$500,000	\$512,980 - \$542,980	\$6,000
Total Cost @ 8 Years*	\$500,000	\$932,260 - \$962,260	\$12,000
Total Cost @ 12 Years*	\$500,000	\$1,154,689 - \$1,184,689	\$18,000

\*Assumes a yearly increase of 2% year after year on yearly Operating and Lease costs, and the yearly stipend in option 3 would be set at \$1,000 per council term per member

Upon selection of a desired office space option, Administration requests to be directed by Council Motion to prepare a Capital Growth Charter for inclusion in the 2025 Municipal Growth Capital budget.

**STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT**

N/A

**IMPACTS OF RECOMMENDATION(S)**

Financial:

A financial comparison of the three proposed options has been completed. Currently no funds exist to accommodate any of the three options and a new growth charter needs to be created and included in future budget planning to accommodate any of the options. If option 1 or 2 was selected, the Upfront Costs would be funded from the capital reserve, as these are capital costs.

The operating costs for option 2 and the yearly stipend cost for option 3 would be funded through the annual operating budget.

Compliance & Legal:

N/A

Program or Service:

Not pursuing one of the proposed three options will prevent the full-time positions from having a designated workstation within the City. This will further prevent the Councilors from being able to meet with residents within a City space as needed.

Organizational:

N/A

Risks

N/A

**ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN**

Council Strategic Plan (2022-2025):

Strategic Priority: N/A

Strategy: N/A

Corporate Business Plan (2022-2025)

Strategy: N/A

**ALIGNMENT TO LEVELS OF SERVICE DELIVERY**

Service: N/A

**ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION**

On July 4, 2023, Council passed the following motion:

CM-23-17

That Administration develop a business case to provide members of Council with office space and a budget for comparable Administrative Assistant support to what exists in similar Alberta mid-sized municipalities, for six full-time Councilors, for the Council term commencing October 2025. That this business case be prepared and presented to the Standing Committee of the Whole by October 2024.

On June 6, 2023, Council passed the following motion:

CM-23-18

That effective after the next municipal election in 2025, councillors will be deemed full-time and compensated at an annual salary of \$86,000.

**IMPACTS OF ALTERNATIVES CONSIDERED**

The impact of not making a recommendation is the new full-time Councilors in 2025 will not have a City working space to complete their duties.

Financial:

N/A

Compliance & Legal:

N/A

Program or Service:

N/A

Organizational:

N/A

Risks

N/A

Report Date: June 11, 2024

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