

Request for Budget Adjustment – Capital Project #2266 – Highway 16 and 71st Street Intersection Upgrades

ISSUE

This report provides information on the Administration's final review of Capital Project #2266 – Highway 16 and 71st Street Intersection Upgrades (Capital Project #2266) which resulted in a funding shortfall. The Administration is seeking approval for a budget adjustment of \$829,374.24.

RECOMMENDATION

That the Standing Policy Committee on Transportation recommend to City Council:

1. That \$224,000 of funding be returned to the reallocation pool from Capital Project #2405 – Idylwyld Drive and Circle Drive Interchange;
2. That \$260,000 of funding be returned to the Transportation Infrastructure Expansion Reserve from Capital Project #2428 – Functional Planning Studies; and
3. That the total of \$829,374.24 be allocated to Capital Project #2266 – Highway 16 and 71st Street Intersection Upgrades as follows:
 - a) \$44,374.24 from the Transportation Infrastructure Reserve;
 - b) \$455,000.00 from the Transportation Infrastructure Expansion Reserve;
 - c) \$106,000.00 from the Traffic Safety Reserve; and
 - d) \$224,000.00 from the Reallocation Funding Pool.

BACKGROUND

As part of the boundary alteration proposal approved by City Council, at its meeting held on June 23, 2014, the City of Saskatoon (City) took over responsibility for the intersection of Highway 16 and 71st Street including the RM of Corman Park's financial responsibility for improvements. City Council, at its meeting held on September 29, 2014, approved that the City enter into an agreement with the Ministry of Highways and Infrastructure to take over operational jurisdiction of Highway 16 from the current city limits up to and including the intersection of 71st Street. The project has previously received funding totalling \$5,670,000 to complete the improvements.

Construction was declared substantially complete in late May 2018. It was understood by the Administration that several partners were to participate in funding the project and every effort to collect was undertaken; however, the project has resulted in a deficit funding position of \$829,374.24.

DISCUSSION/ANALYSIS

The Administration has completed a comprehensive review of existing capital projects in order to identify projects that can have funding returned to source in order to offset the current deficit in Capital Project #2266. Approximately \$345,375 has been returned to

original source reserves as these projects have been completed and were in surplus positions.

In addition, the Administration has identified and recommended that Capital Project #2405 and #2428 return \$484,000 of funding to source to reallocate towards Capital Project #2266 deficit position. As these returns could be interpreted as a change in scope under Council Policy C03-036, Multi-Year Business Plan and Budget, City Council approval is being sought. An overview of the projects requiring City Council approval are outlined below.

Capital Project #2405 – Idylwyld Drive and Circle Drive Interchange

This project addressed anticipated adjustments of the Idylwyld Drive and Circle Drive interchange required due to completion of the Circle Drive South project. In 2011-2012, \$290,000 was provided from the Reallocation Pool and \$33,000 was provided from the Urban Connector Program. A functional planning study for this interchange was completed in 2012. This study indicated no immediate interim improvements were required; however, the Administration plans to review this interchange location again in consideration of a future interchange at Circle Drive and Airport Trail, and with a change in traffic patterns due to the existing Chief Mistawasis Bridge and future Saskatoon Freeway. This future review is planned in 2022 and would be funded by a future capital project.

Administration recommends that funding of \$224,000 be returned to the Reallocation Funding Pool (RFP) and the project closed.

Capital Project #2428 – Functional Planning Studies

This project is for ongoing identification of future transportation needs and the preparation of functional planning studies. In 2017, funding of \$200,000 was provided to complete the functional planning study of the Highway 16 and Highway 11 cloverleaf interchange. In 2018, funding of \$200,000 was provided to complete the functional planning study of Circle Drive between Clancy Drive and Laurier Drive. This work is ongoing and will be completed in late 2019. In 2019, funding of \$200,000 was provided with the intent of completing a functional planning study of Circle Drive from north of Laurier Drive to north of Airport Drive; however, this work will not start in 2019 due to staff capacity limits. The Administration plans on including \$200,000 for this project in the 2020 and 2021 budget; therefore, the Circle Drive from north of Laurier Drive to north of Airport Drive functional planning study will be completed in 2020.

Administration recommends that funding of \$260,000 be returned to the Transportation Infrastructure Expansion Reserve (TIER).

Capital Project #2266 – Highway 16 and 71st Street Intersection Upgrades

This capital project has a deficit funding position of \$829,374.24.

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Administration recommends that:

1. Funding of \$44,374.24 be allocated from the Transportation Infrastructure Reserve (TIR);
2. Funding of \$455,000 be allocated from TIER;
3. Funding of \$106,000 be allocated from the Traffic Safety Reserve (TSR); and
4. Funding of \$224,000 be allocated from RFP to allow for closure of this project.

IMPLICATIONS

There is no overall net financial implication as the funding returned to source and recommended to be returned to source are equivalent to the allocation to Capital Project #2266 to cover the current shortfall. A summary of the financial implications are summarized in the table below:

Capital Project #	Details	Action	Amount
n/a	Existing Funding in TIR	n/a	(\$44,374.24)
n/a	Existing Funding in TIER	n/a	(\$195,000.00)
n/a	Existing Funding in TSR	n/a	(\$106,000.00)
2405	Idylwyld Drive and Circle Drive Interchange	Return to RFP	(\$224,000.00)
2428	Functional Planning Studies	Return to TIER	(\$260,000.00)
2266	Highway 16 and 71st Street Intersection Upgrades	Re-Allocate from TIR	\$44,374.24
		Re-Allocate from TIER	\$455,000.00
		Re-Allocate from TSR	\$106,000.00
		Re-Allocate from RFP	\$224,000.00
Resulting financial impact to programs or reserves			\$0.00

NEXT STEPS

Upon approval, the Administration will proceed with the transfer of funds and close the project.

Report Approval

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Approved by: Terry Schmidt, General Manager, Transportation & Construction Department

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