

Post-Budget Deliberations Funding Plans Update

ISSUE

This report provides an update and is requesting City Council approval for the Civic Facilities Funding Plan (Facilities Funding Plan), Recreation Game Plan Funding Plan, Bus Rapid Transit Funding Plan (BRT Plan) and Federal Gas Tax Allocation Plan, based on updated projects from the 2020/2021 Approved Budget and estimates available.

RECOMMENDATION

That the updated Civic Facilities Funding Plan, Recreation Game Plan Funding Plan, Bus Rapid Transit Funding Plan and Federal Gas Tax Allocation Plan be approved.

BACKGROUND

The purpose of the funding plans and the Federal Gas Tax Allocation Plan is to strategically plan for major projects that leverage a variety of sources of funding. These plans provide some flexibility in the way that groups of similar projects can be planned and funded as needed.

At its 2020/2021 Business Plan and Budget Review (Budget Deliberations) meeting on November 25, 2019, when considering the Funding Plans Update report, City Council resolved:

“That the Administration report back to City Council at its meeting on December 16, 2019 on revised funding plans for approval based on decisions made during the 2020 and 2021 Budget Deliberations.”

DISCUSSION/ANALYSIS

Civic Facilities Funding Plan

The purpose of the Facilities Funding Plan is to fund a number of major projects for civic facilities, most recently:

- Construction of fire halls (land, design and construction);
- Remai Modern Art Gallery (additional capital requirements);
- Children’s Discovery Museum (asbestos removal); and
- Civic office space renovations/expansion.

Appendix 1 is a summary of the projects and funding sources included within the Facilities Funding Plan, as well as the cash flow requirements up to and including the year 2025.

All of the completed or in-progress projects have been approved by City Council through the annual capital budgets up to 2019.

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One project included in the 2020/2021 Preliminary Capital Budget received approval for funding from the Civic Facilities Funding Plan. That project and one other major initiative requires funding beyond 2021 which are subject to City Council approval through future capital budgets:

Project	2020	2021	Beyond 2021
1949 – Civic Accommodation	\$5.0M	\$2.0M	\$2.00M
Fire capital needs such as fire halls and/or training centre			\$11.28M

In addition, the Civic Facilities Funding Plan holds contingencies in the amount of \$3.13M; \$3.0M for the over-expenditure on the Remai Modern Art Gallery project and \$0.13M for general contingency for potential increases in other projects.

Mill rate funding phase-ins are still required for future debt repayments for the plan as well as future Fire operating costs as follows:

	2020	2021	2022
Phase-ins	\$889,000	\$690,000*	\$750,000

*Note: \$100,000 of this amount is for phase-in of future Fire operating costs.

Recreation Game Plan Funding Plan

Appendix 2 is a summary of the projects and funding sources included within the Recreation Game Plan Funding Plan. The purpose of this Plan is to fund prioritized recreation and parks amenities, including consideration of partnership project opportunities. The Plan includes recreation-related projects such as Merlis Belsher Place, Gordie Howe Sports Complex Master Plan and the Children's Discovery Museum.

All of the completed or in-progress projects have been approved by City Council through the annual capital budgets up to 2019.

Five projects were approved for funding from the Recreation Game Plan Funding Plan in 2020/2021. Two of these projects as well as three other projects require funding beyond 2021 which are subject to City Council approval through future capital budgets:

Project	2020	2021	Beyond 2021
2048 – Forestry Farm & Zoo Master Plan	\$0.75M	\$0.60M	
2469 – Permanent Washrooms – Shakespeare on the Saskatchewan	\$0.75M	--	
2352 – Boat Launch/River Access	--	\$0.10M	\$0.40M
2114 – Festival Sites and Venues	\$0.45M	\$0.40M	\$0.33M
Optimist Park Operating Contribution	\$0.025M	\$0.025M	
2660 – Indoor Pools Accessibility Upgrades	--	--	\$1.00M
1578 – Softball Diamond Complex #1	--	--	\$1.88M
2607 – Outdoor and Paddling Pools Accessibility and Amenities	--	--	\$0.40M

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Mill rate funding phase-ins that are required to support the plan are as follows:

	2020	2021	2022	2023
Phase-ins	\$25,000	\$--	\$275,000	\$300,000

Major Transportation Infrastructure Funding (MTIF) Plan

The MTIF Plan was originally established and approved in principle by City Council in 2015 and set out the funding plan for the Chief Mistawasis, North Commuter Parkway and Traffic Bridge Project, Boychuk Drive and Highway 16 Interchange, contributions towards Bus Rapid Transit (BRT), and gravel street upgrades. With the exception of the BRT project, all of these projects have been fully approved and/or completed. The BRT component has been split into its own plan; therefore, there are no projects to approve for the future MTIF Plan and there is nothing to report for this Plan until future interchanges are contemplated.

Bus Rapid Transit Funding Plan

The BRT components of the MTIF Plan are shown separately under this new funding plan in Appendix 3. The BRT Plan includes Transit and Access Transit bus purchases, Intelligent Transportation Systems, sidewalks, bus [ads, park and ride, and station and stop upgrades, which are all related to the implementation of the BRT. It is expected that future funding will be received through the Investing in Canada Infrastructure Plan from the federal and provincial governments. Also included in this Plan is \$5.00M for costs that will not be eligible for government funding, such as internal salaries.

One project received approval during Budget Deliberations for funding from the BRT Plan. This project and two other projects require funding beyond 2021 which are subject to City Council approval through future capital budgets:

Project	2020	2021	Beyond 2021
2328 – Transit Implementation Plan	\$0.45M	\$0.45M	\$194.10M
0583 – Bus Replacement			\$57.10M
2095 – Access Transit Bus Replacement			\$2.90M

Mill rate funding phase-ins that are required to support the plan are as follows:

	2020	2021	2022	2023	2024
Phase-ins	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000

Federal Gas Tax Allocation Plan

The City of Saskatoon (City) currently receives an annual amount of about \$13.9M from the Federal Gas Tax Fund. In 2019, the City received an additional \$14.1M. These funds are either allocated directly to eligible capital projects such as public transit, water and wastewater infrastructure, and local roads and bridges, or used for ongoing payments (such as P3 projects). The City has applied these funds for eligible projects such as:

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- Odour Abatement at the Wastewater Treatment Plant;
- Relining of Cells at the Wastewater Treatment Plant;
- Pumping and Electrical Upgrades at the Wastewater Treatment Plant;
- Lift Station Upgrades; and
- Sid Buckwold Bridge and Ramp Rehabilitation.

Some of these projects are traditionally funded and planned through utility rates; therefore, Gas Tax funds that are applied to these projects free-up reserve funding that was planned and/or collected through these rates. As a result, an equivalent amount of the funds can be transferred from these reserves to a reallocation pool to fund other projects.

Appendix 4 summarizes the projects that have received or are expected to receive Gas Tax or reallocation of Gas Tax funds up to and including 2024.

All of the completed or in-progress projects have been approved by City Council through the annual capital budgets up to 2019.

There are 14 projects that received approval for funding from the Federal Gas Tax Fund and/or the reallocation of these funds during Budget Deliberations through the capital prioritization process. There are two other projects/initiatives that require funding beyond 2021 and are subject to City Council approval through future capital budgets:

Project	2020	Beyond 2021
2599 – Curbside Organics Program	\$10.0M	
2541 – Growth Plan Implementation	\$1.40M	
2313 – Utility Solar Scale Solar Energy	\$0.50M	
2627 – Arena & Convention Centre Business Case Development	\$0.10M	
1964 – Waste Reduction - ICI & Multi-Unit	\$0.53M	
901 – Parks Asset Management Plan	\$0.15M	
New Project – Community Electric Vehicle Adoption Strategy & Charging Infrastructure	\$0.10M	
2648 – Triple Bottom Line Implementation Support	\$0.04M	
2625 – Research Grant Program	\$0.10M	
2166 – Central Ave Streetscaping Project	\$0.50M	
1509 – Decorative Lighting Replacement Program	\$0.20M	
New Project - Downtown Stimulus Strategy	\$0.15M	
2448 – Intelligent Transportation System	\$0.18M	
2390 – Green Infrastructure Implementation	\$0.15M	
Fire Capital needs such as fire halls and/or training centre		\$3.75M
BRT Funding Plan		\$24.80M

A contingency amount of \$7.05M is being held in the Plan. These are unallocated Gas Tax funds that are deemed to be available over the period but not yet totally received.

IMPLICATIONS

The financial implications for the 2020/2021 Approved Budget are as follows:

Project	2020	2021	Total
Optimist Park – Operating Budget	\$0.025M	\$0.025M	\$0.05M
1949 – Civic Accommodation Project	\$5.00M	\$2.00M	\$7.00M
2048 – Forestry Farm & Zoo Master Plan	\$0.75M	\$0.60M	\$1.35M
2352 – Boat Launch/River Access	--	\$0.10M	\$0.10M
2114 – Festival Sites and Venues	\$0.45M	\$0.40M	\$0.85M
2469 – Permanent Washrooms – Shakespeare on the Saskatchewan	\$0.75M		\$0.75M
2328 – Transit Implementation Plan	\$0.45M	\$0.45M	\$0.90M
2599 – Curbside Organics Program	\$10.0M		\$10.0M
2541 – Growth Plan Implementation	\$1.40M		\$1.40M
2313 – Utility Solar Scale Solar Energy	\$0.50M		\$0.50M
2627 – Arena & Convention Centre Business Case Development	\$0.10M		\$0.10M
1964 – Waste Reduction – ICI & Multi-Unit	\$0.53M		\$0.53M
901 – Parks Asset Management Plan	\$0.15M		\$0.15M
1957 – Community Electric Vehicle Adoption Strategy & Charging Infrastructure	\$0.10M		\$0.10M
2648 – Triple Bottom Line Implementation Support	\$0.04M		\$0.04M
2625 – Research Grant Program	\$0.10M		\$0.10M
2166 – Central Ave Streetscaping Project	\$0.50M		\$0.50M
1509 – Decorative Lighting Replacement Program	\$0.20M		\$0.20M
N2630- Downtown Stimulus Strategy	\$0.15M		\$0.15M
2448 – Intelligent Transportation System	\$0.18M		\$0.18M
2390 – Green Infrastructure Implementation	\$0.15M		\$0.15M

Mill rate funding phase-ins approved at Budget Deliberations are as follows:

Funding Plan	2020	2021	Total
Facilities Funding Plan	\$889,000	\$690,000	\$1.579M
Recreation Game Plan Funding Plan	\$25,000		
BRT Plan	\$750,000	\$750,000	\$1.50M

OTHER IMPLICATIONS

There are no privacy, legal, social, or environmental implications identified.

NEXT STEPS

As projects are finalized and updated estimates for future projects are obtained, the funding plans will be reviewed and updated as required and reported to City Council.

APPENDICES

1. Civic Facilities Funding Plan – Costs and Funding Sources Summary
2. Recreation Game Plan Funding Plan – Costs and Funding Sources Summary
3. Bus Rapid Transit Funding Plan Summary – Costs and Funding Sources Summary
4. Federal Gas Tax Allocation Plan Summary – Only to 2024

REPORT APPROVAL

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