

Municipal Economic Enhancement Program 2020

ISSUE

As a response to the COVID-19 recovery, the Government of Saskatchewan created a new, conditional municipal grant program called the Municipal Economic Enhancement Program (MEEP). MEEP is allocating approximately \$35.53 million to the City of Saskatoon (City). Recipient funding is to be directed to capital infrastructure projects and City Council approval is required for project submission.

RECOMMENDATION

That the Governance and Priorities Committee recommend to City Council:

1. That the projects listed in the Table 1 – MEEP Project Plan be approved for application to the Municipal Economic Enhancement Program;
2. That \$15.00 million be reallocated from the Paved Roadway Infrastructure Reserve and held to offset potential future reductions to reserves; and
3. That \$12.13 million be reallocated from the Paved Roadway Infrastructure Reserve and be used for the projects on the Reallocation Prioritization List.

BACKGROUND

On May 6, 2020, the Government of Saskatchewan unveiled a two-year capital infrastructure program as part of its response plan to the COVID-19 recovery. The announcement included a \$2 billion funding increase over the estimates tabled by the Province on March 18, 2020.

Contained within this additional \$2 billion package is the MEEP, which allocates almost \$150 million on a per capita basis to all Saskatchewan municipalities. The City will thus receive an estimated \$35.5 million to spend on eligible capital infrastructure projects.

At its meeting on May 25, 2020, when considering the Strategy on MEEP Funding report, City Council resolved that the Administration apply the strategy for MEEP funding as described in the report. The first part of this strategy provides an immediate injection into the City's capital program for use over the next two years. The second part of this strategy allocates MEEP funding to already-funded capital projects and the original civic funding would be returned to a reallocation pool to be used to help offset potential reductions to reserves that will be required to offset the expected operating deficit as well as other capital projects.

DISCUSSION/ANALYSIS

The Administration is recommending to apply directly for the projects as shown in Table 1 for the MEEP funding. It is expected that City Council will consider and adjust all proposed allocations. The recommendations in this report are proposed as a starting point.

Table 1 – MEEP Project Plan

	Project Name	Total Eligible Costs (in millions)
1.1	Neighbourhood Traffic Reviews & Traffic Safety – Permanent Installations	\$ 3.325
1.2	Sidewalk Rehabilitation (Existing Sidewalks)	0.575
1.3	Downtown Festival Site	2.000
1.4	Roadside Safety Improvements	2.500
1.5	Paved Roadways Preservation	27.130
	TOTAL	\$35.530

All of the projects in Table 1 are eligible in accordance with Appendix 1 – MEEP Eligible Project Categories and can be completed prior to March 31, 2022. The projects in Table 1 are also adjustable, meaning if less (or more) funding is allocated to the project then the work can be adjusted to fit the funding that is given. For a description of each project in Table 1, refer to Appendix 2 – MEEP Project Descriptions.

Capital Project 2270 – Paved Roadways and Sidewalks is currently funded through the Paved Roadways Infrastructure Reserve. All of the MEEP funds received for this project will be applied directly to the eligible work to be completed within this capital project. As a result, a reallocation of the \$27.13 million from the Paved Roadway Infrastructure Reserve will be moved into a reallocation pool.

In terms of the \$27.13 million, \$15.00 million will be held in the reallocation pool for the potential offset to reserve reductions. The remaining \$12.13 million can be allocated to other projects as City Council sees fit. The Administration has reviewed the previous Business Plan and Budget documents and considered known City Council priorities, and has developed a starting point list shown below as Table 2 – Reallocation List.

Table 2 – Reallocation List

	Project Name	Total Eligible Costs (in millions)	Description
2.1	Vehicle Noise Study*	\$0.05	Study for vehicle noise mitigation
2.2	Caswell Hill Site Redevelopment*	\$2.00	Prior transit site redevelopment
2.3	Fire Hall No. 5*	\$8.80	This project is funded through the Civic Facilities Funding Plan. Reallocating funds to this project will avoid borrowing for this project and will save approximately \$1 million per year in principal and interest payments for a 10-year term.

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2.4	Active Transportation – Sidewalk Expansion*	\$3.00	Expansion of sidewalks into neighbourhoods where existing sidewalks do not exist
2.5	Bridges & Structures Asset Management Plan	\$6.50	Underfunded amount from Bridges Asset Management Plan
2.6	Parks Asset Management Plan	\$2.40	Underfunded amount from Parks Asset Management Plan
2.7	Asset & Structural Assessment - Water & Wastewater Plants	\$0.80	Asset and structural assessments are required at both the Water and Wastewater Plants. The work will be required to accurately produce Long-Term Capital Plans as well as prepare for the upcoming transition of clean data into Fusion.
2.8	West Central Multi-Use Corridor	\$2.03	This project involves the design and construction of a multi-use pathway to extend from Idylwyld Drive to Avenue W, to be located adjacent to the railway corridor. The project currently has \$313,000 in reserve funding and \$156,000 in funding from the Federal Rail Safety Improvement Program, however, the rest remains unfunded.
2.9	22nd Street West Corridor Growth Water and Sanitary System Capacity Upgrades	\$9.10	These upgrades will enable growth to occur along this corridor. Currently, this system (sanitary in particular) has no capacity to accommodate additional growth and development, and no program yet exists to fund required infrastructure upgrades to support infill (to be developed as part of Corridor Planning program).
2.10	Rec & Parks Game Plan	\$5.04	Construction of sports fields
2.11	Fire Training Facility	\$5.00	Funding for construction of Fire Training Facility
2.12	NW Fire Hall	\$5.41	Funding for construction of additional Fire Hall
2.13	Automated Irrigation System	\$0.45	Add components to fully deploy Advanced Irrigation Management Systems and evapotranspiration-based watering in City parks enabling significant reductions in potable water use (approximately 120 million litres per year) and attendant reductions in water-treatment/energy-related GHG emissions
2.14	PW Satellite Yards	\$6.08	Funding for planning and construction of satellite yards

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2.15	Snow Management Facility	\$7.78	The project involves design and construction of a new engineered Snow Management Facility on the east side of Saskatoon to replace the existing snow dump located within the Small Swale off old Central Avenue, north of the Silverspring neighbourhood.
2.16	Cyber Security Phase 1	\$1.10	Security awareness training, upgrade firewalls, Enable automated monitoring tools
2.17	Public WiFi Pilot	\$0.25	Implement a city-wide WiFi for citizens to access information
2.18	Data Governance Phase 1	\$1.00	Build strategy and roadmap as well as implement required framework
2.19	Network Connectivity	\$0.75	Upgrade and implement network infrastructure for civic facilities that will support projects such as Fusion and BRT; implement network components to support work from home.
2.20	Controlled Corporation and Board Projects	\$0.80	See Table 3
2.21	Contingency		Any amount could be held in contingency for future unforeseen projects or one-time expenditures

*The projects identified with an asterisk are those that the Administration is recommending for approval.

For a description of each project in Table 2, refer to Appendix 3 - MEEP Reallocation Descriptions.

The Administration is requesting the Governance and Priorities Committee (Committee) to prioritize and determine the projects that will use the \$12.13 million in the reallocation pool. Other than project 2.1, all other projects listed in Table 2 could be allocated an amount less than that requested; however, in some cases this would mean finding other sources of funding to supplement the amounts allocated through this process.

Appendix 4 - Reallocation Methodology contains a suggested process that could be used to prioritize, vote, and finalize the projects listed in Table 2 or to add additional projects that are determined a priority by Committee.

The three controlled corporations (Remai Modern, TCU Place, and SaskTel Centre) and one statutory board (Saskatoon Police Service) have also submitted projects for consideration under this process. The Administration did not adjudicate any of the projects as listed in Appendix 1 to these bodies, as it would be difficult to prioritize these in relation to all other projects. However, the Committee could allocate funding from the reallocation pool to each of the noted controlled corporations or the one statutory board

in an effort to provide some one-time funding that can assist with their respective capital programs.

For example, an allocation of \$200,000 to each listed body that has submitted projects for consideration would mean an allocation of \$800,000 from the reallocation pool. Each controlled corporation would then be able to allocate this funding to their priority project(s) which are shown in Table 3.

Table 3 – Controlled Corporation and Board Projects

	Project Name	Total Cost (in millions)
3.1	SaskTel WiFi Replacement	\$0.80
3.2	SaskTel Point of Sales System	\$0.46
3.3	TCU Building Operations & A/C Maintenance	\$0.06
3.4	TCU WiFi Upgrade	\$0.25
3.5	Remai Outdoor Sculpture Garden	\$0.50
3.6	Remai Upgrade to Kitchen	\$0.25
3.7	Saskatoon Police In-car Camera Replacement	\$0.91
3.8	Saskatoon Police In-car Notebook Replacement	\$0.76
3.9	Saskatoon Police Indoor Range Replacement	\$0.14
3.10	Saskatoon Police Hard Body Armor	\$0.08
3.11	Saskatoon Police Conducted Energy Weapon Replacement	\$0.29

FINANCIAL IMPLICATIONS

The City will receive approximately \$35.53 million to be spent on the projects as outlined in this report.

OTHER IMPLICATIONS

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

NEXT STEPS

An agreement between the City and the Government of Saskatchewan will be finalized reflecting the projects as listed in Table 1. If a project does not already exist for any of the approved projects, a new project will be created for the funding as approved in this report.

APPENDICES

1. MEEP Eligible Project Categories
2. MEEP Project Descriptions
3. MEEP Reallocation Descriptions
4. Reallocation Methodology

REPORT APPROVAL

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