

## **SREDA Funding Agreement Amendment**

### **ISSUE**

The current Funding Agreement between the City of Saskatoon (City) and the Saskatoon Regional Economic Development Authority (SREDA) expires on December 31, 2020. SREDA has requested a one-year extension under the same terms and conditions as 2020.

### **RECOMMENDATION**

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

1. That the term of the Funding Agreement with SREDA be amended to end December 31, 2021;
2. That the payment to SREDA be amended to add 2021 at \$885,500; and
3. That His Worship the Mayor and the City Clerk be authorized to execute the amending agreement.

### **BACKGROUND**

At its 2017 Preliminary Business Plan and Budget meeting on November 30, 2016, City Council approved the current Funding Agreement between the City and SREDA for 2017-2020.

At its meeting on September 14, 2020, the Standing Policy Committee on Finance received a presentation from Alex Fallon, SREDA's President and Chief Executive Officer, which included a request for a one-year extension of the existing Funding Agreement.

### **DISCUSSION/ANALYSIS**

The agreement between the City and SREDA contains terms and conditions for items such as provision of services and information that the City shall access from SREDA, as well as annual payments to SREDA for performing tasks as outlined in the Funding Agreement. SREDA has requested that the term of the agreement be extended until December 31, 2021, with the same payment to SREDA being made as in 2020.

The Administration is recommending an amendment to the term of the agreement and the payment to SREDA. The current term of the agreement commences January 1, 2017 and ends December 31, 2020. The recommended change will amend the end date in the agreement to December 31, 2021. In addition, payments to SREDA for performing tasks as set out in the agreement are identified for each year of the agreement. The amendment will add an annual payment for 2021 with the same payment as identified for 2020 which is \$885,500. All other terms and conditions of the agreement will remain the same.

### **FINANCIAL IMPLICATIONS**

A one-year extension of the agreement at the same rate as 2020 will be \$885,500 for 2021. This amount is already included in the 2021 Operating Budget. Additionally, as

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per the agreement, the City shall provide a bonus payment of up to \$125,000 annually based on the successful achievement of agreed upon annual performance measure targets.

### **OTHER IMPLICATIONS**

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

### **NEXT STEPS**

In 2021, the Administration will work with SREDA on the terms and conditions of a new Funding Agreement for 2022 and beyond.

### **REPORT APPROVAL**

Written by: Kari Smith, Director of Finance

Approved by: Kerry Tarasoff, Chief Financial Officer

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