

Prioritized 2022/2023 Business Plan and Budget Capital Options

ISSUE

Members of the Governance and Priorities Committee (GPC) have prioritized the capital options individually, and this report brings forward the results of that process. These results will be the starting point for discussion and debate at GPC at the 2022/2023 Business Plan and Budget Review meeting in November 2021. Funding from the Reserve for Capital Expenditures (RCE), which also includes the reallocation of Canada Community Building funds and, if approved, Investing in Canada Infrastructure Program (ICIP) funds will be used to fund the capital options.

RECOMMENDATION

That the Governance and Priorities Committee recommend to City Council that the following strategy be approved in principle for the use of Investing in Canada Program funds reallocated from Utility projects:

1. That \$23,868,300 be held in contingency to offset the COVID-19 financial risk in the 2022 and 2023 fiscal years; and
2. That \$6,963,400 be transferred to the Reserve for Capital Expenditures.

BACKGROUND

At its meeting on April 26, 2021, when considering a report regarding the Canada Community Building Fund (formerly the Federal Gas Tax program), City Council resolved:

“That the following strategy be approved in principle for use of future Canada Community Building Funds:

1. That 25% of the expected funds be held in contingency to offset the financial risk in the 2021 fiscal year;
2. That 25% of the expected funds be transferred to the Fiscal Stabilization Reserve; and
3. That 50% of the expected funds be transferred to the Reserve for Capital Expenditures.”

At its meeting on May 31, 2021 when considering a report on the Investing in Infrastructure Program, City Council resolved, in part:

- “6. That the Wastewater Utility reallocate \$30,831,700 to a reallocation pool that can be used to fund prioritization projects during the 2022/2023 Business Plan and Budget Review.”

At its meeting on June 21, 2021, GPC was presented with a decision report on setting the 2022 and 2023 Indicative Budget. This report detailed the potential COVID-19 impact within the budgets of \$16,825,600 for 2022 and \$10,022,400 for 2023. The

impact was not included in the indicative rate, but instead one-time funding will be needed in each year to fund these amounts. The Administration continues to work with federal and provincial orders of government to obtain additional support to help offset these fiscal impacts.

On August 23, 2021, GPC received an information report with the 2022/23 Business Plan and Budget Options.

DISCUSSION/ANALYSIS

Operating Budget Options

Since the August 23 GPC meeting, there have been some minor adjustments to the Operating Budget Options as follows:

1. Industrial, Commercial, and Institutional (ICI) Sector Waste Diversion Regulation – Operations and Sustainment was changed from \$284,400 in 2022 to \$159,400 in 2022 and \$125,000 in 2023 as there is capital funding available in 2022 that could be used to reduce the operating budget request in 2022.
2. A Business Continuity Manager within the Emergency Management Organization (EMO) was added with a funding request in 2022. This position is included in the 2023 indicative budget for City Council consideration; however, adding the position in 2022 will help to start on this important work that was identified through the Business Continuity Audit. If operating funding is allocated in 2022, the 2023 budget increase can be reduced by this amount.
3. At its meeting on August 23, 2021, GPC resolved “That the options (two additional fire bylaw inspector positions and the Community Relations Coordinator position) presented in the report of the Fire Chief dated August 23, 2021, be forwarded to the 2022/2023 Business Plan and Budget process.”

These changes are reflected in Appendix 1 which details the full list of operating options. This revised Appendix 1 will be forwarded to the 2022/2023 Business Plan and Budget Review meeting for City Council consideration.

Capital Budget Options

Since the June GPC meeting, the Administration has adjusted the expected impact of COVID-19 in 2022 from \$16,825,600 million to \$13,845,900 million mostly due to the Municipal Revenue Sharing revenue expected in 2022. The Administration is recommending that \$23,868,300 from the ICIP reallocated funding be held in contingency to offset the expected COVID-19 impacts in 2022 and 2023. If additional funding is received from other orders of government and if any portion of these funds are not required, the Administration will report back to City Council on the potential use of these funds on further capital projects. This approach allows \$6,963,400 in reallocated funding to be added to RCE for a total of \$17,169,500 in RCE funding available for allocation during the 2022/2023 Business Plan and Budget Review meeting. These funds can be used to advance Capital initiatives.

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Since its August 23, 2021 meeting, GPC members have reviewed and prioritized the list of Capital initiatives that were presented. The Committee members ranked each initiative, and Table 1 summarizes the projects in the prioritized order. Table 1 lists the top ranked projects to utilize the majority of the \$17,169,500 in available RCE funding. It is important to note that initiatives marked with an “*” beside the project name in each of Appendix 1 and 2 are projects that City Council could choose to fund lesser amounts than the amount shown and parts of the initiative could continue.

Although Table 1 includes the prioritized initiatives, City Council will debate these projects and can choose to modify the amounts for some projects, add additional projects, or remove projects at the November 2022/2023 Business Plan and Budget Review meeting. Table 2 shows the prioritized order of the remaining projects that are below the funding cut-off.

Table 1 – Prioritized Projects Within Funding Cut-Off

Project	2022 Amount	2023 Amount
Saskatoon Tribal Council – Saweyihtotan	\$100,000	\$0
Farmers’ Market Building Renewal Project	1,100,000	0
Meewasin Trail Expansion/Upgrades	500,000	187,500
Deep Energy Civic Building Retrofit: P1 Strategy Development	65,000	160,000
Regional Plan Implementation (Capital Project 2605)	0	66,000
Downtown Event and Entertainment District, Arena, and Convention Centre Project	2,000,000	0
Reconciliation Action and Measurement Pilot Project	117,700	16,700
CRM - Customer Relationship Management Project	625,000	0
Natural Areas Management - Pilots and Policy Development	595,000	405,000
Integrated Civic Energy Management Program with Performance Standards for Existing Buildings	245,000	290,000
Electric Vehicle Adoption Roadmap	175,000	0
Corporate Climate Adaptation Implementation	60,000	0
Wintercity YXE	60,000	60,000
City of Saskatoon & U of S Research Partnership	50,000	50,000
Greenhouse Gas Management Platform Pilot	165,000	0
Corporate Asset Management Capacity	140,000	140,000
Industrial, Commercial, and Institutional (ICI) Energy Efficiency & Energy Generation - Program Design and Pilot	375,000	0
Residential Energy Efficiency & Energy Generation Program	0	250,000
Identifying and Addressing Systemic Barriers - Motions	150,000	0
Comprehensive Review of the Zoning Bylaw - Additional Funding	400,000	0
Solar Administration Review: Photovoltaic Approvals on Existing Buildings	90,000	100,000
Office of the Representative of the Matriarchs and IWG2S Women's Centre	325,000	400,000
Anti-Racism Engagement and Strategy Implementation	87,000	0
Industrial-Residential Interface Study	150,000	150,000
Corporate Equity, Diversity, and Inclusion: Legacy Review	375,000	0
Green Teams 2.0 Implementation	0	220,000

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Project	2022 Amount	2023 Amount
Next Generation 9-1-1	1,175,000	1,150,000
Growth and Infill Communications and Engagement Strategy	175,000	0
14 th Street Parklet	80,000	0
Indigenous Initiatives: Cultural Resource Liaison	119,000	119,000
Vaccine and Infectious Disease Organization and its Pandemic Research Centre Proposal	250,000	0
SUBTOTAL	\$9,748,700	\$3,764,200
Total Initiatives for 2022/23 Combined		13,512,900
RCE Funding Available		(17,169,500)
RCE Funding Remaining		\$3,656,600

Table 2 – Prioritized Projects Outside Funding Cut-Off

Project	2022 Amount	2023 Amount
Civic Conservatory Repair/Replacement	\$5,250,000	\$0
Transit and Access Transit Bus Replacement (Transit Asset Management Plan)	9,000,000	10,500,000
Civic Operations Short Term (COST) Initiative	1,500,000	0
Sustainable Food Pilots 2.0 - Food Forest, Food Waste Reduction Education & Food Waste Reclamation	55,000	145,000
Gravel Street Upgrades	5,200,000	0
Albert Community Centre Capital Renewal	1,700,000	2,200,000
Civic Operations Long-Term (COLT) Planning	50,000	50,000
Southeast Snow and Materials Management Facility	0	500,000
Watermain, Roadway, and Sidewalk Improvements to facilitate Redevelopment of former Saskatoon Transit Sites - Caswell Neighbourhood	2,700,000	0
FTE for Mental Wellness Consultant	105,900	105,900
Grey to Green	175,000	175,000
Dudley Street Corridor Improvements	2,700,000	0
West End Fire Service Model Restructure - Preliminary Design Work	0	1,600,000
Corporate Fuel Management Strategy	1,850,000	0
14 th Street Corridor Improvements	975,000	0
Growing Community	165,000	415,000
Environmental Sensor Stations (ESS)	250,000	0
Victoria Avenue Corridor Improvements Detailed Design	630,000	0
Technical Standards and Specifications Office	252,400	150,000
Sector Plan Amendment Advancement (New Capital Project)	0	123,500
31 st Street Corridor Improvements	3,700,000	0

As with the operating options, there have been some changes to the capital options since the August 23, 2021 report, which are reflected in Appendix 2 and are as follows:

1. The initiative for the Vaccine and Infectious Disease Organization and its Pandemic Research Centre was not included in the August report for GPC's

prioritization, but the Administration has added it to both Appendix 2 and Table 1 due to City Council approval of this funding ([Item 8.5.2](#)) at its February 22, 2021 meeting.

2. Corporate Climate Adaptation Implementation was changed from requiring \$60,000 in both years to only requiring \$60,000 total.
3. Electric Vehicle Adoption Roadmap was reduced from \$395,000 to \$175,000 as other capital funding can be allocated to this project.
4. Farmers' Market Building Renewal Project was reduced from \$1,250,000 to \$1,100,000 as RCE funding was provided in 2021 which reduced the 2022 amount required.
5. Next Generation 9-1-1 Project description was changed to reflect ongoing operating costs will not be required in 2022, but \$225,000 will be required in 2023 and \$250,000 will be required in 2024 if this project is approved. This project must proceed in 2022 as the technology is mandated from the National Fire Protection Association and the Canadian Radio Television and Telecommunications Commission.
6. The name of the Implementation of Recommendations of the Office of the Treaty Commissioner project has changed to Reconciliation Action and Measurement Pilot Project.
7. The Downtown Event and Entertainment District, Arena and Convention Centre Project Development was provided as information as it was not expected that the City of Saskatoon (City) would be required to contribute to this phase of the project. After exploring the amounts expected from both SaskTel Centre and TCU Place, it is now expected that the project will require funding between \$862,000 to \$3,100,000 from the City for this phase of the project. The Administration has added an approximate mid-range of \$2,000,000 to Table 1 using the ranking supplied by many Committee members.

FINANCIAL IMPLICATIONS

The financial implications of each option are shown in Appendices 1 and 2.

OTHER IMPLICATIONS

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

NEXT STEPS

Operating Budget Options

The revised information within Appendix 1 will be forwarded to the 2022/2023 Business Plan and Budget Review. City Council can choose to add or phase-in any initiative on the list or any other priority initiative to the 2022/2023 Budget.

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Capital Budget Options

This report and the revised information within Appendix 2 will be forwarded to the 2022/2023 Business Plan and Budget Review where City Council can deliberate on the prioritized list as well as any other capital initiatives that City Council wishes to add to the budget.

APPENDICES

1. 2022/2023 Business Plan and Budget Operating Options
2. 2022/2023 Capital Expenditure Options

REPORT APPROVAL

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