

Funding Plans Update – 2022/2023 Business Plan and Budget

ISSUE

This report provides an update 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 and estimates available.

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.

CURRENT STATUS

The Administration prepares funding plans for larger corporate projects and those funding plans are updated periodically as further information is known or timing of the projects changes.

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 2021.

There are no current projects included in the 2022/2023 Preliminary Capital Budget that will require funding from the Civic Facilities Funding Plan, while one other major initiative will require funding beyond 2023 subject to City Council approval through future capital budgets:

Project	2022	2023	Beyond 2023
Fire capital needs such as fire halls and/or training centre	--	--	\$6.28M

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.

There are no mill rate funding phase-ins required for future debt repayments for the plan at this time.

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 2021.

There are five projects that require funding from the Recreation Game Plan Funding Plan in 2022/2023, while three of these projects, as well as one other project, require funding beyond 2023, subject to City Council approval through future capital budgets:

Project	2022	2023	Beyond 2023
1578 – Softball Diamond Complex #1	\$1.88M	--	
2114 – Festival Sites and Venues	--	--	\$0.33M
2352 – Boat Launch/River Access	--	\$0.20M	\$0.20M
2607 – Outdoor and Paddling Pools Accessibility and Amenities	\$0.20M	\$0.10M	\$0.10M
2660 – Indoor Pools Accessibility Upgrades	\$0.50M	\$0.25M	\$0.25M
10011 – BMX/Skateboards/Bike Skills Park	\$0.75M	--	--

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

	2022	2023	2024	2025
Phase-ins	\$0	\$0	\$250,000	\$250,000

Major Transportation Infrastructure Funding Plan

The Major Transportation Infrastructure Funding Plan (MTIF) 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. Except for 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 Bus Rapid Transit (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 pads, 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 (ICIP) from the federal and provincial governments and this plan will not have sufficient funding without the ICIP funding. Also included in this Plan is \$5.00M for costs that will not be eligible for government funding, such as internal salaries.

There is one project included in the 2022/2023 Preliminary Capital Budget that requires funding from the BRT Plan as well as future funding.

Project	2022	2023	Beyond 2023
2328 – Transit Implementation Plan	\$10.50M	\$46.25M	\$196.85M

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

	2022	2023	2024	2025	2026
Phase-ins	\$0	\$0	\$460,000	\$460,000	\$650,000

Federal Gas Tax Allocation Plan

The City of Saskatoon (City) currently receives an annual amount of about \$15.27M from the Federal Canada Community Building funds (formerly Gas Tax Fund). 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:

- 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.

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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 2021.

There are no projects included in the 2022/2023 Preliminary Capital Budget that requires funding from the Federal Gas Tax Fund. There are two other projects/initiatives that require funding beyond 2023 subject to City Council approval through future capital budgets:

Project	2022	2023	Beyond 2023
Fire Capital needs such as fire halls and/or training centre	--	--	\$ 2.09M*
BRT Funding Plan	--	--	\$24.80M*

*Reallocated Gas Tax funds

A contingency amount of \$1.93M 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.

The Federal Gas Tax Allocation Plan does not include the items from the 2022/2023 Business Plan and Budget Capital Prioritization Process report. The Plan will be updated to reflect the decisions made at the 2022/2023 Budget Deliberations on the allocation of the \$7.4M additional allocated Federal Gas Tax added to the Reserve for Capital Expenditures in consideration of the capital options.

FINANCIAL IMPLICATIONS

The financial implications for the 2022/2023 Preliminary Capital Budget are as follows:

Project	2022	2023	Total
1578 – Softball Diamond Complex #1	\$1.88M	--	\$1.88M
2328 – Transit Implementation Plan	\$10.5M	\$46.25M	\$56.25M
2352 – Boat Launch/River Access	--	\$0.20M	\$0.20M
2607 – Outdoor and Paddling Pools Accessibility and Amenities	\$0.20M	\$0.10	\$0.30
2660 – Indoor Pools Accessibility Upgrades	\$0.50M	\$0.25M	\$0.75M
10011 – BMX/Skateboard/Bike Skills Park	\$0.75M	--	\$0.75

There are no mill rate funding phase-ins required in the 2022/2023 Preliminary Operating Budget.

OTHER IMPLICATIONS

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

NEXT STEPS

The Administration will bring a report forward in the first quarter of 2022 to approve the funding plans in principle based on the approved 2022/2023 Business Plan and Budget. 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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