

2022-2023 Business Plan and Budget – Operating and Capital Options

ISSUE

There is currently \$17,169,500 in available funding to advance City Council priority capital projects in 2022 and 2023. This report summarizes the results of the prioritization process undertaken by the Governance and Priorities Committee (Committee) and associated recommendations.

RECOMMENDATION

That the capital projects as identified in Table 1 in the report of the Chief Financial Officer dated November 29, 2021 be approved.

BACKGROUND

At its meeting on October 18, 2021, Committee received a report, attached as Appendix 1, on the Operating Options and a Capital Prioritization List of Initiatives. This report formalizes the next steps within the October 18th report to forward both the operating and capital options to the 2022-2023 Budget Review meeting.

DISCUSSION/ANALYSIS

Operating Options

The operating initiatives as shown in Appendix 1A from the October 18, 2021 meeting are for City Council's consideration. These initiatives are not included within the 2022-2023 Business Plan and Budget as presented. City Council can choose to include or phase-in any of the identified initiatives which would have an impact to the property tax rate.

Capital Options

Currently, there is a total of \$17,169,500 in available capital funding for 2022 and 2023. This amount is comprised of the following:

- \$7,422,200 due to reallocation of the Canada Community Building Fund;
- \$2,783,900 million in available Reserve for Capital Expenditure (RCE) funding in 2022 and 2023; and
- \$6,963,400 due to reallocation of the Investing in Canada Infrastructure Program (ICIP).

City Council has the option to allocate these funds based on the prioritization results as outlined in the following section of this report or retain any amount of the funds in reserve in anticipation of future pressures or initiatives that have not yet been identified.

Committee undertook a prioritization to determine how to utilize the current available funding in the 2022-2023 Business Plan and Budget. A voting exercise was

administered to Committee where each member ranked all initiatives, and the collective ranking was reported back to Committee. Table 1 lists the prioritized capital initiatives that fit within the available funding. Details of each initiative can be found in Appendix 1B.

Although the Transit and Access Transit Asset Management Plan did not get prioritized by committee to be within the available funding, the Administration has moved \$2,640,000 from this projects' requested funding into Table 1 and reduced the amount in Table 2 by the same. In the Saskatoon Transit Asset Management Plan as presented at the August 9, 2021 Standing Policy Committee on Transportation meeting, Saskatoon Transit has not had the capital available to purchase fixed route transit buses since 2018. While the ICIP has a funding allocation that could be used for purchasing transit buses, and Capital Project P2328 includes \$10,000,000 in each of 2022 and 2023, the ICIP funds have not been released or made available to date. Without the ICIP funding bus purchases cannot happen in 2022 or 2023. The absence of new fleet assets has seen the fleet average age rise from 7.2 years in 2018, to 9.5 years in 2021, and it will rise to 10.5 years in 2022, without the addition of new buses in the fleet.

Table 1: Prioritized Capital Initiatives

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*	862,000	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

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Project	2022 Amount	2023 Amount
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
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
Transit and Access Transit Bus Replacement	2,640,000	0
SUBTOTAL	\$11,250,700	\$3,764,200
Total Initiatives for 2022/23 Combined		15,014,900
RCE Funding Available		(17,169,500)
RCE Funding Remaining		\$2,154,600

* Downtown Event and Entertainment District, Arena, and Convention Centre Project is expected to receive \$2.7 million from each of SaskTel Centre and TCU Place leaving \$862,000 requirement for City funding, for a total project amount of \$6.26 million.

FINANCIAL IMPLICATIONS

In addition to the initiatives above, the Administration is recommending that \$2,154,600 of available funds remain unallocated to be utilized for future contingency or other emerging issues and initiatives over the next several years.

City Council has the option to recommend any additional initiatives to be funded either by removing or reducing current initiatives from the list or utilizing the recommended contingency. Table 2 shows the prioritized order of the remaining projects that are below the funding cut-off. There has been one addition made to Table 2 since the October 18, 2021 Committee meeting as per the recommendation for Item 7.3.1 [Resolution](#) of the November 1, 2021 Standing Policy Committee (SPC) Transportation that the report be forwarded to the 2022/2023 Multi-Year Budget Review for consideration of RCE funding. Although this item for School Zones and Playground Zones was not prioritized, the Administration has included it at the bottom of Table 2.

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)	6,360,000	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

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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
School Zones & Playground Zones (Item 7.3.1 Resolution – November 1, 2021 SPC Transportation)	710,000	

OTHER IMPLICATIONS

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

NEXT STEPS

City Council can approve the list as recommended by the Administration or reprioritize the projects within the available funding at the 2022-2023 Business Plan and Budget Review meeting.

If City Council chooses to reprioritize the capital projects, the Administration would recommend the following process which worked well during the 2020-2021 Budget process:

1. Begin the process with the two tables proposed by the Administration in this report. The Funded (Table 1) and Unfunded Tables (Table 2);
2. Consider the Unfunded Table first by going through each individual project to determine if there is a desire to move this to the Funded Table for consideration of funding. If a motion is made and passes by a majority vote, this project would then move to the Funded Table for consideration in step 3; and
3. Once the Unfunded Table is considered, City Council should transition to the revised Funded Table which will now include the originally recommended projects as well as any projects that have been added. City Council will once again go through project by project to vote on whether they will be approved. This process

will continue until every project has been considered or funding runs out, whichever comes first. Once this step is completed, the projects that have passed by a majority vote will be considered approved.

APPENDICES

1. Prioritized 2022 and 2023 Business Plan and Budget Capital Options – October 18, 2021
 - 1A. 2022-2023 Business Plan and Budget Operating Options
 - 1B. 2022-2023 Capital Expenditures Options

REPORT APPROVAL

Written by: Kari Smith, Director of Finance
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