

## 2024 – 2035 Major Capital Funding Source Overview

This Appendix provides an overview of typical funding sources for the City's funding plans, their current status as well as projected availability from 2024 to 2035.

### Neighbour Land Development Fund (NLDF)

Allocations from the NLDF are an important source of funding for many City initiatives and priorities. Since 2007, \$139.12 million of investment returns have been declared and allocated from the NLDF. The next \$20 million in allocations are required to contribute to existing funding plans. Specifically, \$10 million to Chief Mistawasis Bridge and North Commuter Parkway Project, \$6.2 million to Property Realized Reserve and \$3.9 million for the Bus Rapid Transit Funding Plan.

The availability of allocations fluctuates with the land development market and the associated profits of Saskatoon Land. It is currently forecasted that it will take several years to generate the \$20 million in allocations owed to existing funding plans and may not be until 2030 until additional allocations could be made to contribute to new capital priorities. As such it is anticipated that approximately \$20 million could be added to a new 2024 – 2035 funding plan.

### Community Building Fund (formally known as the Gas Tax Funding)

Currently the City receives approximately \$15.3 million in annual funding from the Community Building Fund. This contribution is expected to continue to increase due to inflation and growth in Saskatoon's population over time. Contributions up until 2025 are currently fully allocated to existing approved funding plans, other than a small portion retained for contingency.

Following 2025, \$7.4 million of the \$15.3 million is allocated to the Civic Operations Centre, Chief Mistawasis and Traffic Bridge P3 projects as part of their approved funding plan. \$6.4 million will be allocated annually until 2048 and \$1.0 million annually until 2035. This leaves \$7.9 million in annual funding from 2024 – 2035 as unallocated or \$79.0 million over the 10-year period.

### Expiring Debt Payments

As debts are retired the budgeted repayments are typically reinvested into new debt payments for new capital projects. Currently are the following debt payments coming available that are not currently allocated:

<b>Year Available</b>	<b>Base Funding Becoming Available</b>	<b>Estimated Loan Amount at 5% interest over 20 years</b>
2024	\$ 456,310	\$ 5,700,000
2025	\$2,412,961	\$30,400,000
2026	\$ 839,836	\$10,600,000
2032	\$2,751,314	\$34,700,000
2033	\$ 917,314	\$11,500,000
<b>TOTALS</b>	<b>\$7,377,735</b>	<b>\$92,900,000</b>

Assuming a 5% interest rate and 20-year repayment period, these repayments could support an estimated total of \$92.9 million in capital debt financing over the course of the next decade as outlined in the table above.

Government Funding

Funding from other levels of government can expand the City’s capacity to complete key projects. For example, \$100 million of City funding might be stretched to \$200 million of total projects if a funding program becomes available that splits the costs 50/50 between City and other levels of governments.

Recently there has been a significant amount of government funding from Safe Restart Fund, Municipal Economic Enhancement Program, temporary doubling of the Community Building Fund and the Investing in Canada Infrastructure Program (ICIP). Future funding plans will need to incorporate known and potential government funding as a key funding source as it has historically been utilized to advance key projects and enhance the impact of stand-alone City funding.

Operating Budget Phase-ins

The final option which has been utilized in previous funding plans is operating budget phase-ins. As previously outlined in the report, there are operating phase-ins required for the existing Game Plan and Bus Rapid Transit Funding Plan as reiterated below:

<b>Funding Plan</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Game Plan	-	\$250,000	\$250,000	\$250,000
Bus Rapid Transit	-	\$460,000	\$460,000	\$650,000

Committee has the option to phase in additional funds which would be used as cash contributions to capital projects as well as repayments of potential debt. As a reference for every \$500,000 that Council was to phase into the operating budget an additional \$6.0 million in debt could be utilized assuming a 5% interest rate and 20-year repayment period.

Overall Funding Available

Overall, there is an estimated total of \$191.9 million in unallocated funding available from 2024 – 2035 with no operating phase ins required as outlined below.

<b>Funding Source</b>	<b>2024 – 2035 Available Capital Funding Estimate</b>
NLDF	\$20,000,000
Community Building Fund	\$79,000,000
Debt Financed through expiring debt payments	\$92,900,000
<b>TOTAL Estimated Funding Available</b>	<b>\$191,900,000</b>

As indicated in the report Council’s willingness to phase-in operating contributions as well as Federal or Provincial funding contributions could increase this amount of available funding significantly.