

Government Funding Budget Adjustment

ISSUE

As announced by the Government of Canada, the City of Saskatoon (City) was conditionally approved for Harry Bailey Aquatic Centre (HBAC) and Albert Community Centre (ACC) retrofits under the Green and Inclusive Community Building (GICB) program. A budget adjustment is required to fund these projects.

RECOMMENDATION

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

1. That Capital Project P.10014 Harry Bailey Aquatic Centre Accessibility Upgrades & Pool Rehabilitation be increased by \$10,032,700 funded from Federal Government Funding;
2. That Capital Project P.10046 Albert Community Centre Capital Renewal be increased by \$6,507,300 funded from Federal Government Funding;
3. That a one-time exception to Bylaw No. 6774, *The Capital Reserve Bylaw* be approved to allow for an additional increase to Capital Project P.10046 Albert Community Centre Capital Renewal by \$1,626,800 from the Civic Buildings Comprehensive Maintenance Reserve;
4. That the City Solicitor's Office be instructed to prepare the appropriate bylaw to permit the exception to Bylaw No. 6774, *The Capital Reserve Bylaw*; and
5. That the Mayor and the City Clerk be authorized to execute the agreement from GICB under the corporate seal.

BACKGROUND

At its Regular Business meeting on June 28, 2021, City Council directed the Administration to submit applications for Federal Government Funding on the following projects:

- a. Harry Bailey Aquatic Center Major Retrofit
- b. Civic Conservatory Renewal
- c. Albert Community Center Retrofit
- d. Farmers' Market Building Redevelopment.

The HBAC and the ACC are both identified as ideal candidates for a comprehensive upgrade of building systems. The Facilities Management Department (Facilities) has completed condition assessments of both buildings and identified significant need for capital renewal work. The buildings could be improved to better meet the needs of their users, including accessibility upgrades.

HBAC was originally built in 1976 and includes both a competition and leisure pool. The HBAC has the highest energy use intensity (energy use per square meter) of all City of

Saskatoon (City) recreation facilities. ACC opened as Albert School in 1912 and was later repurposed as a community centre beginning in 1984. It has been designated as a Municipal Heritage Property. Renewal work in the building would allow it to be eligible for inclusion under the Civic Building Comprehensive Maintenance Reserve (CBCM Reserve).

The Administration estimated costs for the HBAC project as \$13.4 million and cost for the ACC project as \$8.1 million. The projects fit within the scope of a funding program being delivered by the Federal Government. Harry Bailey Aquatic Centre Renewal, Expansion and Upgrades & Albert Community Centre Renewal and Upgrades project applications were submitted to the program in 2021.

The Government of Canada announced that through the [Green and Inclusive Community Building program](#), they were investing over \$68 million towards ten projects in Saskatchewan which are listed within the announcement.

DISCUSSION/ANALYSIS

In May 2022 the Administration was informed that both the HBAC and ACC applications were successful.

Capital Project P.10014 HBAC Accessibility Upgrades & Pool Rehabilitation was originally approved for \$3.5 million funded by the CBCM Reserve for improvements to the facility. Since the application was approved a larger scope of improvements can be completed at the facility to significantly improve energy and water efficiency and safety. The total project value is \$13.4 million of which \$10.0 million will be provided by the Federal Government and \$3.4 million is required to be funded by the City. It is recommended that the project be increased by \$10.0 million to accommodate the Federal Funding and that the City portion be funded by the original project contribution.

The ACC project application has been approved for \$8.1 million, of which \$6.5 million will be covered by the Federal Government and \$1.6 million will need to be funded by the City. Currently ACC is not an eligible facility under Bylaw No. 6774, *The Capital Reserve Bylaw*, and therefore is not eligible to receive funding from the CBCM Reserve. However, with the opportunity received from the successful application and 80% of eligible costs covered, Administration is recommending the use of CBCM as the funding source for the City's portion of the project. City Council direction is required to access the CBCM Reserve for ACC as this would be an exception to Bylaw No. 6774. The retrofits being undertaken at the facility will make it eligible for CBCM going forward, should it contribute to the reserve annually at 1.2% of the buildings value. The Administration is recommending that a one-time exception to Bylaw No. 6774 be granted to allow the CBCM Reserve to fund this program. Given the additional Federal Funding which would offset work that would have been completed from the CBCM for the HBAC, the Administration does not feel that this one-time funding would have a detrimental effect on future work required from the CBCM Reserve. Exceptions to a bylaw are required to be carried out by bylaw and therefore instructions for the City Solicitor's Office to draft the appropriate bylaw are being sought.

FINANCIAL IMPLICATIONS

The Federal Government Funding Program covers 80% of eligible costs up to a maximum of \$9.99 million. Eligible costs above \$10.0 million are covered at 60%.

Capital Project P.10014 Harry Bailey Aquatic Centre Accessibility Upgrades & Pool Rehabilitation has total projected cost of \$13,387,900, and as announced by the Federal Government, \$10,032,700 will be funded through the GICB and the remaining \$3,500,000 funding by the CBCM Reserve.

Capital Project P.10046 Albert Community Centre Capital Renewal has total projected costs of \$8,134,100, and as announced by the Federal Government, \$6,507,300 will be funded through the GICB and the remaining \$1,626,800 funded by the CBCM Reserve.

OTHER IMPLICATIONS

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

NEXT STEPS

The HBAC project is looking to tender for construction at the end of October with an estimated construction end date of October 2024.

The ACC project is going to begin detailed design in March 2023, and an estimated construction start date of March 2024 and completion in March of 2026.

REPORT APPROVAL

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