

Natural Infrastructure Fund Budget Adjustment

ISSUE

The Administration is requesting City Council approval to enter into a Contribution Agreement with the Federal Government to obtain Natural Infrastructure Fund (NIF) funding for eligible City of Saskatoon (City) projects. A budget adjustment is required to add NIF funding to the Capital Projects receiving funding from the program. In addition, the Administration is requesting City Council approval to enter into an Ultimate Recipient Agreement with Meewasin, who also has an eligible project for funding under the program.

RECOMMENDATION

1. That the Capital projects outlined in this report be increased to include funding from the Natural Infrastructure Fund;
2. That the Mayor and City Clerk be authorized to execute the agreement from the Natural Infrastructure Fund under the Corporate Seal; and
3. That the City Solicitor be requested to prepare an Ultimate Recipient Agreement with Meewasin and that the Mayor and City Clerk be authorized to execute the agreement under the Corporate Seal.

BACKGROUND

At its regular business meeting on [November 22, 2021](#) City Council received a report on NIF. The NIF is a new grants and contributions program announced in June 2021. Through the Large Project Stream, six major cities with innovative natural infrastructure strategies are invited to apply for funding of up to \$20 million each. Eligible projects involve the creation, expansion, restoration, improvement, or enhancement of tangible natural infrastructure or hybrid infrastructure that is primarily for public use or benefit. The Government of Canada is providing \$200 million in funding over the next three years, with \$120 million allocated to the Large Project Stream. The objective of the NIF is to:

- Increase the uptake/use of natural infrastructure which delivers multiple community services and benefits across the country; and,
- Build community awareness of the value and opportunities offered by natural infrastructure.

The application involved the creation, expansion, restoration, improvement, or enhancement of tangible natural infrastructure or hybrid infrastructure which is primarily for public use or benefit.

Projects under the NIF program must be substantially complete by December 31, 2024.

DISCUSSION/ANALYSIS

Budget Adjustments

Adequate funding exists within each of the projects to cover the City’s portion of eligible and ineligible costs; however, a budget adjustment is required for each project in Table 1 to add the NIF contribution to allow for full funding within each project. Under NIF funding, the program covers 60% of eligible costs and the City is required to cover the remaining 40% and any ineligible costs.

Table 1 summarizes the budget adjustments required to fully fund the capital projects under the NIF program with full details found in Appendix 1.

Table 1 – Capital Project NIF Funding

Capital Project	NIF Funding
Capital Project P.01411 Land Development – Aspen Ridge	\$ 2,794,200
Capital Project P.01574 Park Development – Aspen Ridge	\$ 1,014,100
Capital Project P.01407 Land Development - Kensington	\$ 560,700
Capital Project P.01576 Park Development – Brighton	\$ 500,100
Capital Project P.02390 Green Infrastructure Strategy	\$ 841,500
Capital Project P.00901 Park Upgrades, Enhancements & Repairs	\$ 5,814,900
Capital Project P.02197 WTR - Water & Energy Conservation Initiatives	\$ 970,500
Capital Project P.01955 Utility Solar Scale Energy Implementation	\$ 120,000
Capital Project P.01619 Storm Sewer Trunk and Collection	\$ 3,864,000
Capital Project P.01971 Regional Fire Training Facility	\$ 600,000
Capital Project P.02162 Urban Design – BIDS	\$ 2,280,000
Capital Project P.00668 Park Development-Boulevard Development	\$ 36,000
Capital Project P.01669 Psyllid Impacted Tree Removal/Replanting	\$ 120,000
Capital Project P.01057 Industrial Tree Planting Program	\$ 16,900
Capital Project P.10042 Indigenous Initiatives	\$ 217,800
Total	\$19,750,700

Operating Programs

Table 2 summarizes the projects receiving NIF funding the City is funding through operating budgets. Each cost centre has sufficient budget to absorb the City portion of costs on the projects:

Table 2 – Operating Programs

Project	Cost Centre	NIF Funding
Urban Reforestation	Parks Urban Forestry	\$ 50,600
Plant by Request	Parks Urban Forestry	\$138,700

Meewasin

As part of the City’s application, the City will receive funds that will be flowed through to the Meewasin for projects the Meewasin will manage. Meewasin is performing restoration work in the Northeast Swale and dry pond as well as valley wide plantings of native grass/forbs, trees, and shrubs. The other benefits of this project include storm water management and improving human access to nature. Meewasin projects total

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\$100,000 in eligible costs and are receiving \$60,000 of NIF funding and contributing \$40,000 of funds to cover their portion of the eligible costs.

The Administration is required by the Contribution Agreement to enter into an Ultimate Recipient Agreement with Meewasin that sets out the conditions of the flow through funding. The Ultimate Recipient (Meewasin) will report to the Recipient (City of Saskatoon) with the terms of The Ultimate Recipient Agreement to match the Contribution Agreement between the City and the Federal Government. Key Terms of the Ultimate Recipient Agreement will include:

1. Commitment by the Ultimate Recipient – Includes responsibilities in complete project as outlined in the project details and for costs.
2. Ultimate Recipient Representations and Warranties – Includes the confirmation that the recipient has the capacity and authority to enter into the agreement and is in good standing under the laws of the jurisdiction they reside.
3. Contract Procedures – Outlines the requirement that all contracts are to be issued in a fair, transparent and competitive manner.
4. Reporting – Outlines the responsibilities for reporting on the projects back to NIF.
5. Communications – Outlines the requirements and procedures required for any project signage and public announcements.
6. Default – Outlines the events that constitute default under the agreement.

FINANCIAL IMPLICATIONS

The financial implications have been outlined within the report and Appendix 1.

LEGAL IMPLICATIONS

Under the terms of the Contribution Agreement, the City is to enter into an Ultimate Recipient Agreement with the Meewasin in order to provide flow through funding. The Administration is requesting the City Solicitor prepare required agreement.

OTHER IMPLICATIONS

There are no privacy, social or environmental implications identified.

NEXT STEPS

Upon budget adjustments and final approval of the NIF application, Administration will proceed to execute the projects.

APPENDICES

1. Natural Infrastructure Fund Project Outlines

REPORT APPROVAL

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