

2020/2021 Business Plan and Budget Options – Capital Projects

ISSUE

There is currently \$19.0 million in available funding to advance City Council priority projects in 2020 and 2021. 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 25, 2019, be approved.

BACKGROUND

At its meeting on September 23, 2019, Committee received a Capital Prioritization List of Initiatives (Appendix 1).

At its meeting on October 21, 2019, when considering a report from the Interim Chief Financial Officer regarding the prioritization results of the capital projects, Committee resolved that the report be forwarded to City Council's Preliminary Business Plan and Budget meeting. This report formalizes Administration's recommendation from the October 21, 2019 report and includes that full report (Appendix 2).

DISCUSSION/ANALYSIS

Available Funding

Currently, there is a total of approximately \$19.0 million in available funding for 2020 and 2021. This amount is comprised of the following:

- \$14.1 million as a result of a one-time doubling of the Federal Gas Tax in 2019;
- \$4.4 million in available Reserve for Capital Expenditure (RCE) funding in 2020 and 2021; and
- \$453,000 in funding from the Multi-Material Stewardship Western (MMSW) Program in 2020.

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.

Prioritization Results

As previously reported, Committee undertook a prioritization in order to determine how to utilize the current available funding in the 2020/2021 Business Plan and Budget. A

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voting exercise was administered to Committee where each member had 15 total votes to allocate to initiatives.

In addition to the prioritization process, Administration has taken other factors into consideration, such as regulatory requirements, past commitments and corporate risk in developing the recommended projects as shown below.

Table 1: Capital Projects and Funding Sources

Project	Gas Tax	2020 RCE	2021 RCE	MMSW	% of Committee Votes
Growth Plan Implementation and Corridor Planning/Infill Development	\$1,400,000	\$800,000	\$800,000	-	70% – 80%
Cottony Ash Psyllid/Pest Management Reserve	-	\$340,000	\$340,000	-	60% – 70%
City-Wide Solar Strategy	-	-	-	\$180,000	60% - 70%
Curbside Organics Bin Purchase	\$10,000,000	-	-	-	60% - 70%
Utility Solar Scale Solar Energy Project Implementation Parcel M	\$750,000	-	-	-	50% - 60%
Sidewalk Asset Management	-	\$200,000	\$200,000	-	50% - 60%
Regional Planning (P4G) Requirements	-	-	\$406,000	-	50% - 60%
Arena and Convention Centre Business Case Development	-	\$100,000	-	-	50% - 60%
Property Assessed Clean Energy (PACE) Financing Program	-	-	-	\$80,000	40% - 50%
Waste Reduction – Industrial, Commercial, and Institutional (ICI) and Multi-Unit	\$609,000	-	\$54,000	\$108,000	40% - 50%
High Performance Civic Building Policy – New Building Phase I	-	-	-	\$85,000	40% - 50%
Parks Asset Management Plan	\$150,000	\$100,000	-	-	40% - 50%
Community Electrical Vehicle (EV) Adoption Strategy and Charging Infrastructure	\$100,000	-	-	-	30% – 40%
Triple Bottom Line Implementation Support	-	\$260,000	-	-	30% - 40%
Zoning Bylaw Update	-	\$400,000	\$400,000	-	10% - 20%
Research Grant Program	\$100,000				
Total Allocated	\$13,109,000	\$2,200,000	\$2,200,000	\$453,000	-
Total Available	\$14,100,000	\$2,200,000	\$2,200,000	\$453,000	-
Remaining Amount Unallocated	\$991,000	-	-	-	-

FINANCIAL IMPLICATIONS

In addition to the recommended initiatives above, the Administration is recommending that \$991,000 of Gas Tax funds remain unallocated in order to be utilized for future contingency or other emerging issues and initiatives over the next several years.

It is important to note that all initiatives that received over 40% of Committee’s support are included in the recommended list. In addition, the Administration is recommending that the following four initiatives be funded, even though they received less than 40% of Committee’s votes:

1. Triple Bottom Line Implementation Support - \$260,000
2. Zoning Bylaw Update Completion - \$400,000 in each of 2020 and 2021.
3. The Administration has been working with community partners regarding a pilot project for Community Electric Vehicles Adoption that would include:
 - a. One to three Level 2 charging stations downtown with free on-street parking; and
 - b. An education exhibit that focuses on the advantages and breaks down barriers (such as cold climates) for electric vehicles in Saskatchewan.
4. The Research Grant Program was originally identified as a \$300,000 initiative as part of the prioritization process; however, this estimate has been revised to \$50,000 per year in 2020 and 2021 to support research projects that provide tangible benefits to Saskatoon.

Committee has the option to recommend any additional initiatives to be funded either by removing current initiatives from the list or utilizing the recommended contingency. The following initiatives that received the next highest rankings with 30% to 40% of Committee's votes as part of the prioritization process were:

- Corporate Adaptation Strategy Implementation (\$400,000);
- Civic Conservatory Replacement (\$12.0 million);
- Transportation System Strategic Plan Implementation (\$500,000);
- Roadside Safety Improvements (\$7.5 million); and
- Decorative Lighting Replacement (\$200,000).

All other initiatives received less than 30% of Committee's votes.

OTHER IMPLICATIONS

The financial implications are included in the body of the report. There are no legal, social, or environmental implication identified.

NEXT STEPS

City Council can approve the list as recommended by the Administration or reprioritize the projects within the available funding at the 2020/2021 Business Plan and Budget Review meeting. It is recommended that City Council focus on the prioritization of the projects and after the list is finalized, the Administration will allocate funding from the available source categories and report back, if necessary, on the final allocations.

APPENDICES

1. Report – Capital Prioritization Process Update – September 23, 2019
- 1A. Consolidated Prioritization Process List of Initiatives
2. Report – 2020/2021 Business Plan and Budget Capital Prioritization Process – October 21, 2019

REPORT APPROVAL

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