

Regional Fire Training Facility – Natural Infrastructure Fund – Budget Adjustment Request

ISSUE

The cost of the naturalization component of work under Capital Project P.01971 – Fire Training Facility has increased from \$1.0 million to \$1.4 million. This portion of the project was approved for Natural Infrastructure Fund (NIF) funding with 60% of the project cost being paid by the NIF program. City Council approval is required to transfer \$240,000 of existing funds within Capital Project P.00901 – Park Upgrades, Enhancement and Repairs, which contains unallocated NIF funds, resulting from project refinements since submission of the application. Adequate funding remains in the Capital Project P.01971 – Fire Training Facility to cover the 40% or \$160,000 of increased project costs.

RECOMMENDATION

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council:

That Capital Project P.01971 – Fire Training Facility be increased by \$240,000, to be funded by an increase in the allocation of the NIF funding, available through contingency NIF funds.

BACKGROUND

In December 2021, the City of Saskatoon (City) applied for \$20 million to the NIF to support 26 activities that involve creating, expanding, restoring, improving, or enhancing tangible natural infrastructure or hybrid infrastructure primarily for public use or benefit. The NIF funds 60% of eligible costs, with the City contributing 40% of the eligible costs plus all ineligible costs. Activities under the NIF program must be substantially complete by December 31, 2024.

At its Regular Business Meeting [on April 26, 2023](#), during the consideration of the Natural Infrastructure Fund Budget Adjustment report, City Council approved:

“1. That the Capital projects outlined in this report be increased to include funding from the Natural Infrastructure Fund;”

Since the application, the activities have been refined regarding scope and budget. As a result, approximately \$1 million in funding is currently available in NIF contingency, that has yet to be allocated to a specific activity. To enable transfers between NIF activities, the unallocated NIF funding is being held in Capital Project P.00901 Park Upgrades, Enhancements and Repairs, as per the approved Natural Infrastructure Fund Budget Adjustment report, with the intent that this funding would be transferred to other NIF activities as projects are finalized.

In the original application, NIF Activity Number 3.3.1 of the Fire Training Facility sought \$600,000 in funding from the NIF, with \$400,000 in matching contributions from the City, that resulted in the total approved eligible costs to \$1 million. Due to construction cost escalation and adding new eligible elements outside the original estimate, the project's NIF eligible costs are anticipated to come in higher than the original budget. The new estimated total for the NIF contribution is \$840,000, and the City contribution is \$560,000, resulting in the updated eligible NIF cost estimate of \$1.4 million.

DISCUSSION/ANALYSIS

In the original application, NIF Activity Number 3.3.1 of the Fire Training Facility estimated the total eligible NIF costs to be \$1 million, which included a naturalization retention pond, drainage ditches, a bioswale, and a related stormwater management system. Sixty percent of the eligible cost (\$600,000) is funded from the NIF. The balance of \$400,000 in matching contributions from the City, and any ineligible costs, are included within the approved budget of Capital Project P.01971 Fire Training Facility.

As the project proceeded through the design, permit approval, and construction phase, it became apparent that the projected NIF eligible costs would exceed the original budget by approximately \$400,000 mainly due to:

- Design and construction cost escalations,
- Increased eligible item quantities during the permit approval process for the naturalization water structures/storm water management system, and
- Adding new eligible components, outside the original estimate, as the eligible sole source for utility contracts. The eligible utility contracts are SaskEnergy, SaskPower, and Intervalley Water Inc. These were approved in May 2023.

Accordingly, the revised eligible NIF costs are currently estimated at \$1.4 million, which would have the NIF contribution increased to \$840,000, and the City contribution increased to \$560,000.

FINANCIAL IMPLICATIONS

If approved, the budget adjustment will be funded through a transfer of \$240,000 from NIF contingency budget in Capital Project P.00971, Park Upgrades, Enhancement and Repairs to Capital Project P.01971 Fire Training Facility, NIF Program. In addition, the City will allocate an additional \$160,000 from the existing budget of Capital Project P.01971 Fire Training Facility to leverage the additional NIF dollars.

The table below summarizes the required budget adjustments for the Capital Project P.01971 Fire Training Facility.

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Description	Funding
Original Approved Budget Includes NIF Ineligible and 40% Contribution of Eligible Costs	\$4,250,000
Original NIF Contribution	\$ 600,000
Additional Requested NIF Transferring from WBS P.00901.15 (NIF contingency)	\$ 240,000
Total Revised Budget	\$5,090.000

OTHER IMPLICATIONS

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

NEXT STEPS

Complete scope of outstanding Phase 1 construction contract and site commissioning.

REPORT APPROVAL

Written by: Hesham Ibrahim, Senior Project Manager
Reviewed by: Jeremy Meinema, Senior Financial Business Partner
Anthony Tataryn, Assistant Fire Chief
Approved by: Lynne Lacroix, General Manager, Community Services
Clae Hack, Chief Financial Officer
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