

Funding Plans Update – 2024/2025 Business Plan and Budget

ISSUE

This report provides an update for the Civic Facilities Funding Plan (Facilities Funding Plan), Recreation Game Plan Funding Plan, Bus Rapid Transit Funding Plan (BRT Plan), Major Capital Prioritization Funding Plan and Canada Community Building Fund (formerly Gas Tax) Allocation Plan, based on updated projects and estimates available.

BACKGROUND

The purpose of the City of Saskatoon's (City) funding plans and the Canada Community Building Fund Allocation Plan is to strategically plan for major projects which leverage a variety of sources of funding. These plans provide some flexibility in the way that groups of similar projects can be planned and funded as needed.

CURRENT STATUS

The Administration prepares funding plans for larger corporate projects and those funding plans are updated periodically as further information is known or timing of the project's changes.

DISCUSSION/ANALYSIS

Civic Facilities Funding Plan

The purpose of the Facilities Funding Plan was to fund several major projects for civic facilities, most recently:

- Construction of fire halls (land, design and construction);
- Remai Modern (capital requirements);
- Children's Discovery Museum (asbestos removal); and
- Civic office space renovations/expansion.

The Facilities Funding Plan is winding up once remaining debt is expired with previous mill rate funding phase-ins being transferred to the recently approved Major Capital Project Prioritization Funding Plan. Appendix 1 contains a summary of previous projects and funding sources funded through the Civic Facilities Funding Plan with no new projects included in the 2024/2025 Preliminary Capital Budget.

Recreation Game Plan Funding Plan

Appendix 2 contains a summary of the projects and funding sources included within the Recreation Game Plan Funding Plan. The purpose of this Plan is to fund prioritized recreation and parks amenities, including consideration of partnership project opportunities. The Plan includes recreation-related projects such as Merlis Belsher Place, Gordie Howe Sports Complex Master Plan and the Children's Discovery Museum.

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All the completed or in-progress projects have been approved by City Council through the annual capital budgets up to 2023.

There are four projects that require funding from the Recreation Game Plan Funding Plan in 2024/2025 subject to City Council Approval.

Project	2024	2025	Beyond 2025
2114 - Festival Sites and Venues	\$0.33M	--	--
2352 - Boat Launch/River Access	--	\$0.20M	--
2606 - Indoor Pools Accessibility Upgrades	--	\$0.25M	--
2607 - Outdoor and paddling pools Accessibility and Amenities	\$0.10M	--	--

There is sufficient funding within the plan to support the above projects, however, mill rate funding phase-ins are required to support the future projects within the plan and are included as a Business Plan Option for Council’s consideration as follows:

	2024	2025	2026	2027
Phase-ins	\$250,000	\$250,000	\$250,000	\$0

Bus Rapid Transit Funding Plan

The BRT Plan includes Transit bus purchases, Intelligent Transportation Systems, sidewalks, bus pads, park and ride, and station and stop upgrades, which are all related to the implementation of the BRT. It is expected that future funding will be received through the Investing in Canada Infrastructure Plan (ICIP) from the federal and provincial governments and this plan will not have sufficient funding without the ICIP funding. Also included in this Plan is \$9.00M for costs that will not be eligible for government funding, such as work completed through internal workforce. Appendix 3 provides a summary of the project and funding sources.

Mill rate funding phase-ins that are required to support the plan are as follows:

	2024	2025	2026	2027
Phase-ins	\$550,000	\$510,000	\$545,000	\$637,000

It is important to note that the 2024/2025 phase ins have been included in the preliminary business plan and budget as presented. Removal of these phase-ins would impact the City’s ability to capture the full amount of ICIP funding available and deliver on the intended scope of the project unless alternative funding was identified for the City’s required contribution.

Canada Community Building Fund

The City currently receives an annual amount of about \$15.87M from the Federal Canada Community Building Funds (formerly Gas Tax Fund). These funds are either

allocated directly to eligible capital projects such as public transit, water and wastewater infrastructure, and local roads and bridges, or used for ongoing payments (such as P3 projects). Following 2025, \$7.4M of the \$15.87M is allocated to the Civic Operations Centre, Chief Mistawasis and Traffic Bridge P3 projects as part of their approved funding plans. \$6.4M will be allocated annually until 2048 and \$1.0M annually until 2035. The City has applied the remaining funds for eligible projects such as:

- Odour Abatement at the Wastewater Treatment Plant;
- Relining of Cells at the Wastewater Treatment Plant;
- Pumping and Electrical Upgrades at the Wastewater Treatment Plant;
- Lift Station Upgrades; and
- Sid Buckwold Bridge and Ramp Rehabilitation.

Some of these projects are traditionally funded and planned through utility rates; therefore, Canada Community Building Funds that are applied to these projects free-up reserve funding which was planned and/or collected through these rates. As a result, an equivalent amount of the funds can be transferred from these reserves to a reallocation pool to fund other projects.

Appendix 4 summarizes the projects that have received or are expected to receive Canada Community Building Funds or reallocation of Canada Community Building Funds up to and including 2025.

All the completed or in-progress projects have been approved by City Council through the annual capital budgets up to 2023.

There are three projects/initiatives which require funding in 2024/2025 Preliminary Capital Budget subject to City Council approval:

Project	2024	2025	Beyond 2025
Fire Capital needs such as fire halls	\$ 2.09M	--	--
BRT Funding Plan	\$13.00M	\$9.70M	--
Major Capital Prioritization Funding Plan	--	\$7.40M	\$7.40M

A contingency amount of \$6.23M is recommended to be held in the Plan. These are unallocated Canada Community Building Funds that are deemed to be available over the period but not yet totally received. In the event these contingencies are not required at the conclusion of the plan, they will be recommended to be rolled into the Major Capital Prioritization Funding Plan.

2024 – 2035 Major Capital Prioritization Funding Plan

With other fund plans being concluded, the Major Capital Prioritization Funding Plan was created with the following principles:

- Advance City Council Priorities;

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- Deliver Excellence in Core Services and Operational Priorities;
- Drive Corporate Transformational Change;
- Maximize other sources of Funding;
- Limit the scope to Civic Projects; and
- Limit the scope to Major Projects.

City Council individually scored the 2024-2035 Major Capital Prioritization Projects using the above principles, and subsequently approved in principle a prioritized list. The projects selected for the first five years of the funding plan are detailed in Appendix 5, including project costs and funding sources.

There are five projects/initiatives that require funding in 2024/2025 Preliminary Capital Budget subject to City Council approval:

Project	2024	2025	Beyond 2025
Fire Projects	\$3.13M	\$15.85M	\$2.70M
Rec & Culture Projects	\$2.29M	\$7.80M	\$66.00M
Sustainability Projects	\$23.50M	\$23.50M	\$6.00M
Corporate Infrastructure Projects	--	--	\$5.00M
Civic Infrastructure Projects	\$0.50M	\$1.60M	--

Mill rate funding phase-ins that are required to support the plan are as follows:

	2024	2025	2026	2027
Phase-ins	--	--	\$350,000	\$330,000

FINANCIAL IMPLICATIONS

The capital projects included in the 2024/2025 Preliminary Business Plan and Budget are as follows:

Project	2024	2025	Total
583 - Transit Replacement Bus Project	\$23.50M	\$23.50M	\$47.00M
2114 - Festival Sites and Venues	\$0.33M	--	\$0.33M
2328 - Transit Implementation Plan	\$73.05M	\$78.00M	\$151.05 M
2352 - Boat Launch/River Access	--	\$0.20M	\$0.20M
2600 - Indoor Recreation Facilities	\$2.00M	--	\$2.00M
2606 - Indoor Pools Accessibility Upgrades	--	\$0.25M	\$0.25M
2607 - Outdoor and paddling pools Accessibility & Amenities	\$0.10M	--	\$0.10M
10074 - New Fire Stations and Upgrades	\$3.13M	\$15.85M	\$18.98M
10076 - Corp Fuel and Fueling Infrastructure Management	\$0.50M	\$1.60M	\$2.10M
10080 - Archibald Arena Rehabilitation	\$0.29M	\$7.80M	\$8.09M

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The mill rate funding phase-ins included within in the 2024/2025 Preliminary Operating Budget are as follows:

	2024	2025	Total
Phase-ins	\$0.55M	\$0.51M	\$1.06M

Phase-ins for the Recreation Game Plan Funding Plan are within the Business Plan Options for Council consideration and have not been included within the 2024/2025 Preliminary Operating Budget.

OTHER IMPLICATIONS

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

NEXT STEPS

The Administration will continue to bring forward updates to the City’s various funding plans as required. As projects are finalized and updated estimates for future projects are obtained, the funding plans will be reviewed and updated as required and reported to City Council.

APPENDICES

1. Civic Facilities Funding Plan – Costs and Funding Sources Summary
2. Recreation Game Plan Funding Plan – Costs and Funding Sources Summary
3. Bus Rapid Transit Funding Plan – Costs and Funding Sources Summary
4. Canada Community Building Fund Allocation Plan Summary – Only to 2025
5. Major Capital Prioritization Funding Plan – Costs and Funding Sources Summary

REPORT APPROVAL

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