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## Public Transit Infrastructure Funding Budget Adjustments

### Recommendation

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

1. That funds be transferred between the Public Transit Infrastructure Funding Capital Projects resulting in a net \$0 increase as follows:
  - a) 948 TU-New Sidewalks and Pathways be increased by \$700,000;
  - b) 2448 TU-Intelligent Transportation System be increased by \$450,000;
  - c) 2541 CY-Growth Plan be decreased by \$1.15M;
2. That Capital Project 537 TR-Terminals (subcomponents 03, 04 and 08) be closed with \$390,704.99 to be returned to the Transit Capital Projects Reserve;
3. That the Transit Capital Projects Reserve be amended to include transit-related infrastructure as an eligible expenditure;
4. That the following Capital Projects be increased through funding from the Transit Capital Projects Reserve:
  - a) 948 TU-New Sidewalks and Pathways \$184,000;
  - b) 1456 TU-Railway Crossing Safety Improvements \$87,000;
  - c) 1963 TU-Accessibility Implementation \$30,000;
  - d) 2448 TU-Intelligent Transportation System \$89,000; and
5. That the City Solicitor be requested to prepare the necessary amendments to Bylaw No. 6774, The Capital Reserve Bylaw, to include other transit-related infrastructure as part of the approved list of capital expenditures under the Transit Capital Projects Reserve.

### Topic and Purpose

The purpose of this report is to obtain City Council approval to adjust capital budgets for projects funded through Public Transit Infrastructure Funding (PTIF), as well as to amend Bylaw No. 6774, The Capital Reserve Bylaw, to include “other transit-related infrastructure” as part of the approved list of capital expenditures under the Transit Capital Projects Reserve.

### Report Highlights

1. The allocation of capital budgets for PTIF projects requires an adjustment to match actual project expenditures.
2. The Capital Reserve Bylaw requires adjusting to ensure the Transit Capital Projects Reserve can be used for “other transit-related infrastructure”.
3. The majority of internal costs, such as salaries, are not eligible expenditures under the PTIF program; therefore, additional funds are required to cover these costs.

### Strategic Goal

This report supports the long-term strategy of reducing the gap in the funding required to rehabilitate and maintain the City's infrastructure under the Strategic Goal of Asset and Financial Sustainability.

### Background

Under the PTIF program, \$37.3M was allocated to the City of Saskatoon (City), which is being cost shared equally between the federal government and the City.

At its November 30, 2016 Business Plan and Budget Review, City Council resolved that the allocation of the Public Transit Infrastructure Fund and Clean Water and Waste Water Fund be approved.

### Report

#### Reallocation of Capital Budgets for Several PTIF-Funded Projects

Based on estimated expenditures and timing for each component of the projects, \$37.3M in capital projects was allocated to PTIF-funded projects. As the work began, it became apparent that certain projects would require more funding and others would require less funding. The overall funding would remain the same, however, an adjustment between projects is necessary.

The Administration is recommending that the allocation of capital budgets be adjusted as in Table 1 below, with a net \$0 effect to the overall funding.

Table 1 (in millions)

Project	PTIF Project Name	Current Budget	Proposed Budget
948 – New Sidewalks and Pathways	Shelter Improvements and Network Accessibility	\$1.30	\$2.00
2448 – Intelligent Transportation System	Intelligent Transportation and Data Requirements	\$0.15	\$0.60
2541 – Growth Plan to Half a Million	<ul style="list-style-type: none"><li>Shelter Improvements and Network Accessibility</li><li>Intelligent Transportation and Data Requirements</li></ul>	\$2.85	\$1.70

#### Ineligible Internal Costs

Following the approval of PTIF-funded capital budgets, the Administration was informed that most costs incurred internally by the City such as salaries or internal equipment rental would not be eligible costs under this program. The Administration estimates that approximately \$425,000 will be required for the internal ineligible costs on PTIF projects. During the Administration's review of existing capital projects to determine availability of funding to cover these unexpected expenditures, Capital Project 2448 was identified as having existing funding that could be used to cover \$35,000 of the internal salaries needed within that same project.

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In addition, Capital Project 537 was identified as having \$390,704.99 of remaining funds in the project budget (subcomponents 03, 04, and 08), which the Administration is recommending to be returned to the Transit Capital Projects Reserve to be used to help fund the estimated internal costs in Capital Projects 948, 1456, 1963, and 2448.

According to Bylaw No. 6774, The Capital Reserve Bylaw, the Transit Capital Projects Reserve is to finance the cost of capital expenditures for the Saskatoon Transit Division, Transportation and Utilities Department, including:

- a) the repair and replacement of buildings;
- b) the purchase of new buses to increase the size of the transit fleet;
- c) major transit studies;
- d) the construction of transit terminals; and
- e) the purchase of major equipment.”

The Administration is recommending that The Capital Reserve Bylaw be amended to include “other transit-related infrastructure” to the Transit Capital Projects Reserve. This will allow the funding to be used on PTIF projects such as sidewalk retrofit, pedestrian crossings or ramps and railway crossing improvements that help increase connectivity to the transit system.

In addition to the budget adjustments proposed in Table 1, if the Bylaw amendment is approved, the Administration is recommending additional budget adjustments as detailed in Table 2 to fund the estimated internal costs from the Transit Capital Projects Reserve.

Table 2

Project	PTIF Project Name	Budget Increase	Budget Decrease
948 – New Sidewalks and Pathways	Shelter Improvements and Network Accessibility	\$184,000	
1456 – Railway Crossing Safety Improvements	Feasibility Study of Rail impacts on Transit	\$ 87,000	
1963 – Corp. Accessibility Implementation	Shelter Improvements and Network Accessibility	\$ 30,000	
2448 – Intelligent Transportation System	Intelligent Transportation and Data Requirements	\$ 89,000	
537 – Terminals	N/A		\$390,000
<b>TOTAL</b>		<b>\$390,000</b>	<b>\$390,000</b>

### Options to the Recommendation

City Council could choose not to approve the amendment to Bylaw No. 6774. The Administration does not recommend this option as the internal costs will be incurred as part of these projects and alternative funding sources will need to be identified.

**Financial Implications**

Financial implications are outlined in this report.

**Other Considerations/Implications**

There are no environmental, policy, privacy, or CPTED implications or considerations, and neither public and/or stakeholder involvement nor a communication plan is required.

**Due Date for Follow-up and/or Project Completion**

There is no follow-up required.

**Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

**Report Approval**

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