

## CITY OF MOOSE JAW

### **TO: MEMBERS OF THE BUDGET COMMITTEE**

Mayor Higgins, Chairperson  
Councillor Eby  
Councillor Mitchell  
Councillor Kirkpatrick

Councillor Boyle  
Councillor Luhning  
Councillor Swanson

Please be advised that Her Worship, Mayor Higgins, has called a Budget Committee meeting on **Monday, March 14, 2016** in the Scoop Lewry Room, following the Executive Committee meeting, in order to deal with the following:

### AGENDA

1. Report dated March 10, 2016 from the Engineering Department, re: **Provincial/Federal Funding Strategy and Projects.**
2. Report dated February 23, 2016 from the Financial Services Department, re: **Budget Finalization.**

## CITY OF MOOSE JAW

**DATE:** March 10, 2016  
**TO:** Budget Committee  
**FROM:** Engineering Department  
**SUBJECT:** Provincial/Federal Funding Strategy and Projects

### **PURPOSE:**

The purpose of this report is to provide background and rationale for potential projects to be used to access government funding, identify specific projects for Council review and approval.

### **BACKGROUND:**

Over approximately the last 20 years the provincial and federal governments have 'devolved' or down loaded responsibilities to municipal governments. This down loading has resulted in municipalities (with limited revenue) taking on new and unfunded responsibilities. The result has become known as the infrastructure deficit, nationally estimated at \$123 billion and a backlog of infrastructure near the end of its service life [from an FCM policy statement].

Federal funding is welcome and required but has not proven to be a reliable source in addressing infrastructure requirements. Typically it has been short term and ad hoc which presents challenges around planning. The Plan-Design-Construct cycle for infrastructure can easily be three years and the management, financing and maintenance are carried out over 40, 60 or even 100 years.

Long term, stable revenue such as the Gas Tax is required. Proper indexing of these types of programs is also important.

Statistics Canada estimates that municipal governments own two-thirds of Canada's public infrastructure. It is also estimated that municipalities only receive about 8% of total tax revenue.

It is critical that infrastructure dollars, flowed through the province, are transferred to municipalities. Further, smaller cities are more easily overlooked in this allocation than the two main cities.

**DISCUSSION:**

The challenge is to address priority infrastructure areas while identifying a set of diverse projects that could qualify under several of the potential areas or ‘pots’ of funding. Often quick applications and responses are required to access available funds. Therefore a list of Council approved projects for a variety of applications is required.

It is anticipated that the initial focus for funding will be on shovel-ready projects to stimulate the economy. However, New Build Canada is only one source. Western Economic Diversification, FCM, the province and even railways provide grants or funding and there are often opportunities to apply for funding for studies, planning and design.

Areas of priority have varied from fund to fund. FCM offers the following broad categories for investment:

- Drinking water
- Wastewater treatment
- Municipal roads and bridges
- Community and social infrastructure
- Sport and recreation infrastructure
- Climate change
- Urban revitalization
- Urban forestry

Priorities identified in the City’s planning and budget cycle were: Transportation – Roads and Bridges and Water – cast iron (distribution) and reservoirs & pumping. With Council investments being made in cast iron and roads, the logical opportunities would be in water reservoirs and bridges.

**Projects for Gas Tax:**

- Water feeder line replacement
- Buffalo Pound Water Treatment Plant Upgrades

**Other projects for funding opportunities:**

- Buffalo Pound Transmission Line
- 2<sup>nd</sup> Avenue Bridge
- Landfill Expansion/Replacement
- Water Reservoir & Pumping Replacement/Improvements
- 4<sup>th</sup> Avenue Bridge
- Industrial Subdivision Infrastructure
- Lift Station Rehabilitation
- Main Street Reconstruction
- 32<sup>nd</sup> Avenue Reconstruction

Best practices such as having an integrated asset management system and ensuring that our utilities are operating on a full cost recover basis may likely prove valuable in future funding arrangements.

**SUMMARY:**

Long term, stable funding is required and municipalities need to work with other orders of government in expanding and establishing this revenue.

Funding from the province should flow through to municipalities.

An approved list of diverse projects should make it easier to quickly apply, matching projects to funding criteria.

**ALTERNATIVES:**

- 1) Approve projects as identified.
- 2) Other direction from Council.

**ATTACHMENTS:**

Nil

**FINANCIAL IMPLICATIONS:**

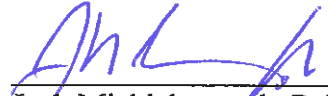
3<sup>rd</sup> party funding or revenue will have a positive impact on our infrastructure deficit.

**RECOMMENDATIONS:**

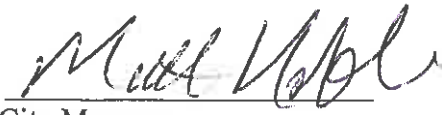
1. THAT Council approve the projects contained in this report identified as Gas Tax funded.
2. THAT Council approves other projects identified on page 2 for application under any of the alternative funding opportunities as they become available.
3. THAT Council rescind Budget Committee motion dated February 20, 2016 as follows:

“THAT the WW16 BPWTP transmission line be approved as the 2016 municipal gas tax project.”

Respectfully submitted,

  
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Josh Mickleborough, P. Eng  
Director of Engineering

**CITY MANAGER'S COMMENTS:**

  
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City Manager

**MAYOR'S COMMENTS:**

  
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Mayor