Minutes – Executive Policy Committee – January 16, 2024

REPORTS

Item No. 7 Modified 2023 Capital Projects Funded by the 2023 Provincial Strategic Infrastructure Basket

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the use of $2.0 million be authorized of 2023 Strategic Infrastructure Basket funding for East of Red Rec Plex and reduce Internal Financing of $2.0 million for this project.

2. That the use of $945,000 be authorized of 2023 Strategic Infrastructure Basket funding to the Pedestrian and Cycling Program and reduce external debt funding for this project by $945,000.

3. That the allocation of the 2023 Strategic Infrastructure Basket to the D'Arcy Lift Station of $400,000 be authorized and reduce the allocation to the Southwest Interceptor by the same amount. These changes are offset with equivalent changes to the project funding by the Sewage Disposal System Fund.

4. That a replacement of 2023 Strategic Infrastructure Basket funding with external debt funding of $618,000 for Assiniboine Park Conservancy – Infrastructure be authorized.

5. That the allocation of the 2023 Strategic Infrastructure Basket to the Woodhaven Park Community Centre of $142,000 be authorized.

6. That the operating and capital impacts of the projects noted above be referred to the 2025 Multi-Year Budget Update process.

7. That the remaining unallocated balance of $31,000 be referred to the 2025 Multi-Year Budget Update process.

8. That subject to Recommendation 1 and 2:

    A. $1.0 million of internal financing be allocated to the Community Incentive Grant Program, and

    B. $1.0 million of internal financing, and $500,000 of external debt be allocated to the Parks and Recreation Enhancement Program.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

9. That upon approval of the above funding reallocations, that a By-law be created for Council approval for the reinstatement of the Community Incentive Grant Program (CIGP).

10. That the Proper Officers be authorized to do all things necessary to implement the intent of the forgoing.

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

David Grant submitted a communication with respect to the matter.

ADMINISTRATIVE REPORT

Title: Modified 2023 Capital Projects Funded by the 2023 Provincial Strategic Infrastructure Basket

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
C. Kloepfer	C. Kloepfer	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

The Strategic Infrastructure Basket (SIB) is an annual capital contribution provided by the Province of Manitoba to the City of Winnipeg that supports investments in projects that are jointly selected by the Province and the City.

On July 13, 2023, Council approved the allocation of the 2023 SIB. This adopted allocation was submitted to the Province on July 14, 2023. On August 8, 2023, the City received confirmation of partial approval of Council's adopted allocation of the City's SIB which was increased to $89.8 million in 2023. $3.1 million was deferred by the Province of Manitoba and is currently noted as "unallocated" – comprised of the July 2023 request of a change in funding source for a grant of $618,000 to Assiniboine Park Conservancy, $1.0 million for the 2023 Community Incentive Grant Program (CIGP) and $1.5 million for the Parks and Recreation Enhancement Program (PREP).

In order to provide funding for the CIGP and PREP funds, the following reallocation is proposed by the Public Service for Council approval and subsequent submission to the Province.

Project	SIB Allocation Change	New Funding Source	Debt/internal financing impact
2023 Community Incentive Grant Program (CIGP)	($1,000,000)	Internal financing	$1,000,000
Parks and Recreation Enhancement Program (PREP)	($1,500,000)	Internal financing External Debt	$1,000,000 $500,000
East of the Red Rec Plex	$2,000,000	Internal financing	($2,000,000)
Pedestrian and cycling program	$945,000	External debt	($945,000)

In August 2023, the Province awarded $142,000 of the Strategic Infrastructure Basket for 2023 to Woodhaven Community Centre and confirmed this in writing on September 18, 2023. This reduces the amount available from $173,000 to $31,000 to be allocated with the 2025 Multi-year Budget Update Process.

RECOMMENDATIONS

1. That Council authorize the use of $2.0 million of 2023 Strategic Infrastructure Basket funding for East of Red Rec Plex and reduce Internal Financing of $2.0 million for this project.

2. That Council authorize the use of $945,000 of 2023 Strategic Infrastructure Basket funding to the Pedestrian and Cycling Program and reduce external debt funding for this project by $945,000.

3. That Council authorize the allocation of the 2023 Strategic Infrastructure Basket to the D'Arcy Lift Station of $400,000 and reduce the allocation to the Southwest Interceptor by the same amount. These changes are offset with equivalent changes to the project funding by the Sewage Disposal System Fund.

4. That Council authorize a replacement of 2023 Strategic Infrastructure Basket funding with external debt funding of $618,000 for Assiniboine Park Conservancy – Infrastructure.

5. That Council authorize the allocation of the 2023 Strategic Infrastructure Basket to the Woodhaven Park Community Centre of $142,000.

6. That the operating and capital impacts of the projects noted above be referred to the 2025 Multi-Year Budget Update process.

7. That the remaining unallocated balance of $31,000 be referred to the 2025 Multi-Year Budget Update process.

8. Subject to Recommendation 1 and 2:

    A. $1.0 million of internal financing be allocated to the Community Incentive Grant Program, and

    B. $1.0 million of internal financing, and $500,000 of external debt be allocated to the Parks and Recreation Enhancement Program.

9. Upon approval of the above funding reallocations, that a By-law be created for Council approval for the reinstatement of the Community Incentive Grant Program (CIGP).

10. That the Proper Officers be authorized to do all things necessary to implement the intent of the forgoing.

REASON FOR THE REPORT

Council approval is required to authorize funding for existing capital projects and transfers between funds.

IMPLICATIONS OF THE RECOMMENDATIONS

If the Recommendations of the Public Service are concurred in, the Public Service will request the Province of Manitoba confirm its support for the projects identified in this report.

Council previously approved funding for the Community Incentive Grant Program on July 13, 2023. A By-law is necessary for the program and will be prepared for Council approval in the near term.

HISTORY / DISCUSSION

The Strategic Infrastructure Basket is an annual capital contribution from the Province of Manitoba to the City of Winnipeg that supports investments in projects that are jointly selected by the Province and the City.

The Strategic Infrastructure Basket is the Province of Manitoba's main source of funding support for capital projects undertaken by the City of Winnipeg. The Province and City are currently supporting several initiatives through the Strategic Infrastructure Basket, including the Accelerated Regional Roads Program, The Recreation and Library Facility Investment Strategy, improvements to Assiniboine Park, the Transit Master Plan project, North End Sewage Treatment Plant (NEWPCC) improvements and enhancements to Winnipeg's tree canopy.

The City's Strategic Infrastructure Basket was fixed at $75.3 million, annually, since 2020. However, the Province has confirmed an increase of $14.5 million, bringing the City's 2023 Strategic Infrastructure Basket to $89.8 million.

On July 13, 2023, Council approved the allocation of the 2023 Strategic Infrastructure Basket, which was increased to $89.8 million in 2023. This adopted allocation was submitted to the Province on July 14, 2023. On August 8, 2023, the City received confirmation of partial approval of Council's adopted allocation of the City's Strategic Infrastructure Basket. $3.1 million was deferred by the Province of Manitoba and is currently noted as "unallocated" – comprised of the July 2023 request of a $618,000 change in funding source to Assiniboine Park Conservancy's grant, $1.0 million for the 2023 Community Incentive Grant Program (CIGP) and $1.5 million for the Parks and Recreation Enhancement Program (PREP).

The Public Service is requesting that Council approve the reallocation of funding sources for the 2023 Adopted Capital Budget for the following capital projects, to be funded from the $3.0 million in unallocated funds in the 2023 Provincial Strategic Infrastructure Basket:

1. East of the Red Rec Plex (Appendix A)

As outlined in the Supplement to the 2023 Adopted Budget Update, $2.0 million is allocated for preliminary design work for this regional recreation and aquatic facility that will include a leisure pool, swim lane tank, indoor track, fitness areas, gymnasium and multi-purpose rooms attached to the Transcona Library. The existing Transcona Kinsmen Centennial Indoor Pool and other facilities in the area are near the end of the service life and are in need of significant investment or replacement.

The Public Service is recommending this project be included with the 2023 Strategic Infrastructure Basket, which would then reduce the Internal Financing allocated to this project by $2.0 million.

2. Pedestrian and Cycling Program (Appendix B)

As noted in the Adopted 2023 Budget Update, this program is used for the construction of new pedestrian and cycling facilities, facilities enhancement, studies, and support for public education, awareness and promotions of walking and cycling.

The Public Service is recommending allocating $900,000 of the 2023 program funding to the 2023 Strategic Infrastructure Basket, thereby reducing external debt by an equivalent amount.

3. Community Incentive Grant Program (Appendix C)

The Community Incentive Grant Program (CIGP) was discontinued effective March 22, 2023, with adoption of the 2023 Budget and was renewed by Council on July 13, 2023 under the previous criteria for this program, at a funding level of $1.0 million, equal to that of 2022. This re-start of the CIGP aligns with the Strategic Priorities Action Plan recently adopted by Council. The funding for this re-start was to be from the 2023 Strategic Infrastructure Basket, which was subsequently not approved by the Province of Manitoba.

In order to fund this program at $1.0 million, the existing internal financing reduced for the East of the Red Rec Plex, noted above, is recommended to replace the 2023 Strategic Infrastructure Basket funding that was declined.

4. Parks and Recreation Enhancement Program (Appendix D)

The adopted allocation of the 2023 Strategic Infrastructure Basket increased this program per ward allocation by $100,000 to $280,000. PREP funds are invested in improvements to play structures and other park amenities. This increase to PREP builds on recent Council-approved investments in parks through mechanisms such as the *Economic Response and Recovery Program* and would provide for needed investment in Winnipeg's parks. This enhancement to PREP aligns with the Strategic Priorities Action Plan recently adopted by Council. The funding for this program enhancement was to be from the 2023 Strategic Infrastructure Basket, which was subsequently not approved by the Province of Manitoba.

In order to increase the funding of this program by $1.5 million, $1.0 million of the existing internal financing reduced for the East of the Red Rec Plex, noted above, is recommended to replace the 2023 Strategic Infrastructure Basket funding that was declined. In addition, $500,000 of external debt funding, previously allocated to the Pedestrian and Cycling Program noted above, will be used.

5. Southwest Sewer Interceptor (Appendix E) and D'Arcy Lift Station (Appendix F)

Currently, all sewage from the land in Winnipeg south of Abinojii Mikanah (currently known as Bishop Grandin Boulevard) and west of the Red River, plus the communities of Lindenwoods and Whyte Ridge, flow to the South End Sewage Treatment Plant. This flow crosses the Red River between the Fort Garry bridges where the D'Arcy lift Station raises the sewage to a sufficient height to allow it to flow by gravity under the Red River. This crossing represents a

single point of failure and the Southwest Interceptor project will provide an additional river crossing of the Red River.

Further, if pump capacity is lost at the South End Sewage Treatment Plant during high water events on the Red River, the risk to basement flooding is substantial. To mitigate this risk, the D'Arcy Wastewater Lift Station needs to be reconfigured to allow the use of lift pumps to pump flows to the Red River during emergency situations.

The total project cost is estimated to be $96.3 million, originally funded from Retained Earnings of the Sewage Disposal System Fund. The allocation to the Strategic Infrastructure Basket of $8.0 million partially replaced this retained earnings funding with $8.0 million of Strategic Infrastructure Basket Funding. However, the Province reduced this allocation by $400,000 and instead allocated the $400,000 to the D'Arcy Lift Station. As the D'Arcy Lift Station was also funded through the retained earnings of the Sewage Disposal System Fund, there is no net impact to that Fund.

6. Assiniboine Park Conservancy – Infrastructure and Sustainability (Appendix G)

The capital dollars for this project represent Assiniboine Park's building repairs, upgrades and park improvements. Because the allocation of $618,000 from the Strategic Infrastructure Basket funding was declined by the Province, the Public Service is recommending to revert to the original plan and fund this with external debt.

7. Woodhaven Park Community Centre (Appendix H)

The capital dollars for this project are for the addition of a sports court to the Woodhaven Park Community Centre with matching funds from the Ward area Councillor's Land Dedication Reserve of $142,000.

8. Operating Impacts and Future Capital Projections

The Public Service is also recommending that Council refer the operating impacts of all noted projects in this report, and future years' capital projections, to the 2024 multi-year budget process.

FINANCIAL IMPACT

Financial Impact Statement

Date: December 5, 2023

Project Name:

First Year of Program **2023**

Modified 2023 Capital Projects Funded by the 2023 Provincial Strategic Infrastructure Basket

	2023	2024	2025	2026	2027
Capital					
Capital Expenditures Required	$ 3,229,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	2,945,000	-	-	-	-
Additional Capital Budget Required	$ 284,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ (2,000,000)	$ -	$ -	$ -	$ -
Debt - External	(945,000)	-	-	-	-
Unallocated SIB from the Province	3,087,000	-	-	-	-
Land Dedication Reserve	142,000	-	-	-	-
Other - Frontage Levy	-	-	-	-	-
Total Funding	$ 284,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 284,000				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery		-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. Capital Expenditures Required represents the Strategic Infrastructure Basket (SIB) to be reallocated and additional capital required for the new project Woodhaven Park Community Centre. The Strategic Infrastructure Basket (SIB) funding were not approved by the Province for the following: $0.618 million for the Assiniboine Park Conservancy, $1.0 million for the 2023 Community Incentive Grant Program (CIGP) and $1.5 million for the Parks and Recreation Enhancement Program (PREP). The funding sources for the declined projects are $0.618 external debt for the Assiniboine Park Conservancy, $1.0 million internal financing for the 2023 Community Incentive Grant Program (CIGP), and $1.0 million internal financing and $0.5 million external debt for the Parks and Recreation Enhancement Program (PREP).
2. Existing budgeted costs represents two projects: East of the Red Rec Plex in the amount of $2.0 million and Pedestrian and Cycling Program in the amount of $0.945 million.
3. The total capital required for Woodhaven Park Community Centre is $0.284 million. $0.142 million will be funded by the Strategic Infrastructure Basket (SIB) and $0.142 million will be funded by the Land Dedication Reserve.
4. Additional Capital Budget required amount of $0.284 million is an increase to capital budgets to be approved by Council through this report.
5. The Province reduced the Southwest Sewer Interceptor allocation by $0.4 million and allocated the $0.4 million to the D'Arcy Lift Station. The D'Arcy lift station was also funded through Sewage Disposal retained earnings, there is no net impact for this funding.
6. The remaining $0.031 million of the Strategic Infrastructure Basket (SIB) is to be allocated with the 2024 to 2027 Multi-Year Budget process.
7. Any other operating and capital impacts of the projects noted above, including reduction in debt and finance charges due to reduction in external debt are not considered in this Financial Impact Statement and to be referred to the 2024 to 2027 Multi-Year Budget process.

Randy Bernard

Randy Bernard, CPA, CMA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with the departments listed below, and they concur with its content.

- Assets and Project Management
- Community Services
- Corporate Finance
- Public Works
- Water and Waste

OURWINNIPEG POLICY ALIGNMENT

Leadership and Good Governance – 1.7 – Equitable Service Access – Identify and provide a base level of municipal services to everyone directly or facilitated through partnerships.

Leadership and Good Governance -1.15 – Community Capacity Development – Partner with community organizations and indigenous governments to enable community development, leadership and empowerment opportunities by leveraging municipal programming and service resources including recreation.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal 6 – All City services are Equitable, Inclusive and Accessible. Community development models and collaborative approaches are enhanced or initiated for service planning and delivery in areas of higher poverty.

Some of the funding described in this report would go towards projects that are located in areas of higher poverty, or to non-profit community organizations who work with marginalized groups. These aspects of this report align with and advance the Winnipeg Poverty Reduction Strategy (2021 – 2031) as follows (next page):

Goal 1: Equity and a Culture of Caring are Demonstrated through Strategy Implementation and Systems Change

10-year Objective:

D. The City advocates for and pursues partnerships to implement the Strategy.

Goal 6: All City Services are Equitable, Inclusive and Accessible

10-year Objective:

A. Residents have equitable access to City services, in particular demographic groups who experience marginalization

SUBMITTED BY

Department: Office of the Chief Financial Officer
Prepared by: Catherine Kloepfer, CFO
Date: December 8, 2023
Attachments:

Appendix A – East of the Red Rec Plex

Appendix B – Pedestrian and Cycling Program

Appendix C – Community Incentive Grant Program (CIGP)

Appendix D – Parks and Recreation Enhancement Program (PREP)

Appendix E – Southwest Sewer Interceptor

Appendix F – D'Arcy Lift Station

Appendix G – Assiniboine Park Conservancy – Infrastructure and Sustainability

Appendix H – Woodhaven Park Community Centre