REPORTS

Item No. 15 Amendment to the 2025 Strategic Infrastructure Basket Funding Allocation

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That the following amendments to the 2025 Capital Budget be approved to reflect the revised Strategic Infrastructure Basket funding allocations and the associated project changes, as noted below:

Project (in millions of $)	SIB	Other Funding Sources	Net Impact
City Budget	**$93.900**		**$93.900**
Road Safety Improvement Program	(2.500)		(2.500)
Spray Pad Investment Program	(2.512)		(2.512)
Waverley West Fire Station	(0.508)	$0.508	-
Assiniboine Park Conservancy - Infrastructure and Sustainability (Animal Health Centre)	5.000		5.000
St. Boniface Museum Restoration Project	0.520		0.520
Incremental Change	**-**	**0.508**	**0.508**
Revised Total	**$93.900**	**$0.508**	**$94.408**

2. That Council approve the following funding sources for Waverley West Fire Station project to offset the lost Provincial funding:

   A. Transfer from Prior Year Authorization (unspent funds):

      i. St. Boniface Industrial Area and Windsor Park Station Consolidation: $430,000

      ii. Waverley West Modular Station and Site Development project: $40,000

   B. Canada Community Building Fund Reserve: $38,000

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

3. That the incremental operating budget impact of 0.70 Full Time Equivalent, $52,000 in 2026 related to delayed decommissioning of wading pools, be approved and funded from within existing budget in Community Services Department.

4. That the future annual operating increases resulting from these changes and capital budget implications be referred to the 2027 Budget Update Process.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

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

Carried

Mel Marginet submitted a communication in opposition to the matter.

ADMINISTRATIVE REPORT

Title: Amendment to the 2025 Strategic Infrastructure Basket Funding Allocation

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Pablo	T. Graham	T. Graham	J. Dunford

EXECUTIVE SUMMARY

The Province of Manitoba has approved the 2025/26 Strategic Infrastructure Basket (SIB) funding allocation.

While the annual SIB remains at $93.900 million, the Province wants to fund two projects with the SIB that are not in the City's 2025 Capital Budget. This requires alternative or reduced funding for other projects that are in the 2025 Budget:

A. Provincial additions (not included in the City's 2025 capital budget):
   - Assiniboine Park Conservancy – Animal Health Centre: $5,000,000
   - St. Boniface Museum Restoration: $520,000

   Total = $5,520,000

B. City projects to be unfunded or partially funded under the provincial SIB allocation:
   - Road Safety Improvement Program: $2,500,000
   - Spray Pad Investment Program: $2,512,000
   - Waverley West Fire Station (shortfall): $508,000

   Total = $5,520,000

The 2025/26 project allocations are attached as Appendix A. Appendix B is a comparison of the Council and Provincially approved projects. The Public Service recommends cancelling the Road Safety Improvement Program and Spray Pad Investment Program for 2025 and replacing the 2025 funding source for the Waverley West Fire Station. The SIB funding originally allocated to these programs will now go to the projects identified in section A.

To minimize the financial impact of the revised project allocation for SIB, the following deferral or cancellation of projects are proposed:

1. **Road Safety Improvement Program: $2,500,000**
   Cancel the program and charge all urgent and contractual obligations to the 2026 capital program. The overall program timeline for the entire program will be delayed by one year.
2. **Spray Pad Investment Program: $2,512,000**
   The construction timeline for two planned spray pads (Beryl Watts Park Spray Pad and Tyndall Park Community Centre Spray Pad) will be adjusted, reducing the number of spray pads commencing construction in 2026. The overall program timeline for the entire program will be delayed by one year.

3. **Waverley West Fire Station (shortfall): $508,000** – Will be funded from unspent funds from other capital projects and Canada Community Building Fund reserve.

Any resulting operating impacts in 2026 will be funded within existing operating budgets. If a shortfall arises, it will be covered by the Financial Stabilization Reserve. Future years' impacts will be addressed through the 2027 Budget Update Process.

RECOMMENDATIONS

1. That the following amendments to the 2025 Capital Budget be approved to reflect the revised Strategic Infrastructure Basket funding allocations and the associated project changes, as noted below:

Project (in millions of $)	SIB	Other Funding Sources	Net Impact
City Budget	**$93.900**		**$93.900**
Road Safety Improvement Program	(2.500)		(2.500)
Spray Pad Investment Program	(2.512)		(2.512)
Waverley West Fire Station	(0.508)	$0.508	-
Assiniboine Park Conservancy - Infrastructure and Sustainability (Animal Health Centre)	5.000		5.000
St. Boniface Museum Restoration Project	0.520		0.520
Incremental Change	**-**	**0.508**	**0.508**
Revised Total	**$93.900**	**$0.508**	**$94.408**

2. That Council approve the following funding sources for Waverley West Fire Station project to offset the lost Provincial funding:

   A. Transfer from Prior Year Authorization (unspent funds):
      i. St. Boniface Industrial Area and Windsor Park Station Consolidation: $430,000
      ii. Waverley West Modular Station and Site Development project: $40,000

   B. Canada Community Building Fund Reserve: $38,000

3. That the incremental operating budget impact of 0.70 Full Time Equivalent, $52,000 in 2026 related to delayed decommissioning of wading pools, be approved and funded from within existing budget in Community Services Department.

4. That the future annual operating increases resulting from these changes and capital budget implications be referred to the 2027 Budget Update Process.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to authorize funding for new capital projects and incremental full-time equivalent position.

IMPLICATIONS OF THE RECOMMENDATIONS

The SIB changes noted in this report will result in

- Delayed project implementation for a few key City program priorities, impacting future capital plans.
- Increased net operating cost of $52,000 to be funded from within existing budgets and 0.70 FTE with further increases in future years. This will impact the 2027 balanced budget.

HISTORY/DISCUSSION

The Strategic Infrastructure Basket (SIB) 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.

In the 2025 Capital Budget and Five-Year Forecast, the annual SIB was included at $93.900 million, including a restated 2024 SIB of $93.900 million (refer to page 313 Appendix G of the Supplement to the 2025 Adopted Budget). The amended 2024 SIB allocation affected the 2025 SIB allocation – refer to February 18, 2025, administrative report to the Executive Policy Committee and Appendix G of the Supplement to the 2026 Adopted Budget.

The City advises the Province of how it intends to utilize SIB funding through the annual budget process. The City's 2025 adopted capital budget, introduced at Council in November 2024, included a long-term vision for projects to be funded by SIB as summarized on Appendix G of the Supplement to the 2025 Adopted Budget. Following adoption of the budget in January 2025, the City had been in on-going discussion with the Province regarding Winnipeg's allocation request. The City formally submitted its 2025/26 allocation request on July 25, 2025, and received approval from the Minister of Municipal and Northern Relations on December 2, 2025. The 2025/26 project allocations are attached as Appendix A. Appendix B is a comparison of Council and Provincially approved projects. The Chief Financial Officer has delegated authority to move funding sources within Council-approved projects. As noted in this Appendix, transfers of capital financing sources between projects will be completed.

Council approval is required to amend the 2025 capital budget for both Assiniboine Park Conservancy (APC) – Infrastructure and Sustainability (Animal Health Centre) and St. Boniface Museum Restoration project. APC Infrastructure and Sustainability Capital Program totals $7.9 million in each of 2025, 2026 and 2027, which includes $2 million for the Animal Health Centre each year. This represents a 30 percent City contribution to this $20 million investment. The additional $5 million from the Provincial SIB funding will flow through to APC and will be reflected as an additional capital budget for a revised total of $12.9 million.

The St. Boniface Museum restoration project will be provided as a grant in addition to a $300,000 grant included in the 2024 Budget.

Key points from the Minister's approval letter include:

- The SIB remains the primary source of funding for existing and future commitments.
- The Province encourages the city to prioritize large-scale strategic infrastructure (e.g., water and wastewater treatment plants, waste management facilities, public transit, public safety, roads, bridges, and recreation projects).
- The City must seek provincial approval for projects proposed to be funded from the SIB prior to budgeting and adoption.

The Public Service, in response to this letter, reviewed what Council has approved in the 2025 Capital Budget to minimize the financial impact of this decision.

Implications of the Provincial approval for the City's capital budget

- To minimize the financial impact of the revised project allocation for SIB, the deferral or cancellation of several projects is being proposed.
- Funding for the Assiniboine Park Conservancy – Animal Health Centre and St. Boniface Museum Restoration will be provided as grants and are exempt from overhead and administrative charges.
- There will be an incremental operating budget impact of 0.70 FTE, $52,000 in 2026 related to delayed decommissioning of wading pools to be funded from within existing budget in Community Services Department. Future implications will be referred to the 2027 budget process.

Options

Option A – Proceed with borrowing: Authorize borrowing authority to maintain the approved delivery schedule for the Road Safety Improvement Program, Spray Pad Investment Program, and Waverley West Fire Station. This option avoids cascading delays and preserves service levels and safety outcomes.

This option will result in incremental:

- capital budget and external debt funding of $5.52 million and
- annual debt and finance charges estimated at $767,000 beginning in 2026.

The City currently has no debt room to facilitate debt funding for these projects. The Public Service is currently looking at increasing debt capacity. Debt funding these projects could wait until additional debt capacity is identified.

The Public Service is not recommending this option.

Option B – Defer or reduce scope (Recommended): Deferring unfunded components would delay project delivery into 2026 and beyond, with potential operating impacts and community service delays, summarized below.

Road Safety Improvement Program:

The Road Safety Improvements program is an annual program administered by the Transportation division of the Public Works Department. Council approved capital expenditures are $2.5 million for the 2025 program and $5.1 for the 2026 program. It should be noted that the 2026 program re-budgeted $2.1 million in previously-authorized projects, so 2026 actually represents $3.0 million in new capital expenditures – refer to pages 46 and 47 of the

Supplement to the 2025 Adopted Budget and pages 48 and 49 of the Supplement to the 2026 Preliminary Budget.

During the 2025 construction season, certain railway companies completed upgrades to several railway crossings. Under the railway crossing agreements, the City is responsible for its share of the cost as dictated by the railway crossing agreements that are in place. City expenditures incurred during the 2025 construction season, mainly relating to railway crossing improvements, totaled approximately $1.0 million.

As the entire 2025 program ($2.5 million) was funded by SIB funding, not backfilling this funding will in effect cancel the entire 2025 program and expenditures incurred on 2025 rail works will be charged to the 2026 program. As the timing of these railway crossing projects is largely determined by the railway companies, and the City's share of the cost is determined by the crossing agreement in place, the City is not fully in control of the timing and amount of these projects. As of the date of this report, the best estimate of the City's share of railway crossing improvements cost for the 2026 construction season ranges from $1.0 million to $1.5 million.

In summary, with the cancellation of the 2025 Road Safety Improvements program, the 2026 program will be allocated as follows:

• Rebudgeted/prior years projects	$2.1 million
• 2025 Railway Crossing Improvements	$1.0 million
• 2026 Railway Crossing Improvements	$1.0 million to $1.5 million
• Available for other projects	$0.5 million to $1.0 million
Total	$5.1 million

For the amount remaining for other 2026 projects ($0.5 million to $1.0 million), the Public Service will allocate these funds to specific locations on a priority basis. The remaining works that were originally contemplated for the 2026 construction will be deferred to the 2027 construction season and the program adjusted in the 2027 budget process, noting that 2026 Capital Budget is forecasting further funding to this program of $40.3 million over the next five years (2027 through 2031).

<u>Spray Pad Investment Program:</u>

There are four projects planned for 2025 with total capital budget of $4 million funded by Canada Community Building Fund ($1 million), Provincial SIB ($2.512 million) and City borrowing ($488,000) – refer to pages 117 and 118 of the Supplement to the 2025 Adopted Budget. All four projects are active and in different stages of implementation. As the $2.5 million is not available for this program, it would result in the delay in implementation of the planned investments.

To align to the funding available in 2026, the construction timeline for two spray pads (Beryl Watts Park Spray Pad and Tyndall Park Community Centre Spray Pad) will be adjusted, reducing the number of spray pads commencing construction in 2026. As a result, the overall program timelines will be shifted by at least a year – see Table 1, below. Additionally, the spray pad proposed for Riverview Community Centre will be removed from the program entirely as the funding forecasted in 2031 is not sufficient to deliver two spray pads. This spray pad can be considered in the 2027 budget process.

Table 1: Spray Pad Investment	Design Started	Spray Pad In Service	Wading Pools To Be Decommissioned	Year
South Winnipeg Community Centre - Richmond Site Spray Pad	2025	2027	None	
Michaëlle Jean Park/Norquay Community Centre Spray Pad	2025	2027	An existing wading pool with spray features, will be converted to function exclusively as a spray pad. Renovation to existing asset to remove the basin.	
Beryl Watts Park Spray Pad	2025	~~2027~~ 2028	Beryl Watts Wading Pool Luxton Community Centre Wading Pool	~~2026~~ 2027 ~~2027~~ 2028
Tyndall Park Community Centre Spray Pad	2025	~~2027~~ 2028	Tyndall Park CC Wading Pool Walsall Park Wading Pool Northwood Community Centre - Frank Whyte Site Wading Pool	~~2026~~ 2027 ~~2027~~ 2028 ~~2027~~ 2028
Chalmers Community Centre Spray Pad	~~2026~~ 2027	~~2028~~ 2029	East End Culture & Leisure Centre Wading Pool Elmwood Winter Club Wading Pool Morse Place Community Centre Wading Pool	2025 ~~2028~~ 2029 ~~2028~~ 2029
Bord-Aire Community Centre Spray Pad	~~2026~~ 2027	~~2028~~ 2029	Bruce Park Wading Pool Marjorie Park Wading Pool King Edward & Ness Wading Pool	~~2027~~ 2029 ~~2028~~ 2029 ~~2028~~ 2029
Norberry-Glenlee Community Centre - Walter Jennings Site Spray Pad	~~2027~~ 2028	~~2029~~ 2030	None	
Keenleyside Park/East Elmwood Community Centre Spray Pad	~~2027~~ 2028	~~2029~~ 2030	Keenleyside Park/East Elmwood CC Wading Pool Braeside Park Wading Pool Tomlinson Park Wading Pool	~~2028~~ 2029 ~~2029~~ 2030 ~~2029~~ 2030
Tuxedo Community Centre Spray Pad	~~2028~~ 2031	~~2030~~ 2033	Westdale Wading Pool	2029 2032
~~Riverview Community Centre Spray Pad~~	~~2028~~	~~2030~~	~~Riverview Community Centre Wading Pool~~	~~2029~~

There will be delays in both the design start and in-service dates for multiple spray pads, alongside extensions in the decommissioning timelines for related wading pools resulting in requirements for incremental operating budgets to keep the wading pools open until decommissioning can occur – see table 2 below.

Table 2:

Wading Pool Decomissioning Delay Operating Budget Impact	2026 FTEs	2026 $	2027 FTEs	2027 $	2028 FTEs	2028 $	2029 FTEs	2029 $	2030 FTEs	2030 $
Beryl Watts Wading Pool	0.35	26,000	-	-	-	-	-	-	-	-
Luxton Community Centre Wading Pool	-	-	0.35	27,000						
Tyndall Park CC Wading Pool	0.35	26,000	-	-	-	-	-	-	-	-
Walsall Park Wading Pool	-	-	0.35	27,000	-	-	-	-	-	-
Northwood Community Centre - Frank Whyte Site Wading Pool	-	-	0.35	27,000	-	-	-	-	-	-
Elmwood Winter Club Wading Pool	-	-	-	-	0.35	28,000	-	-	-	-
Morse Place Community Centre Wading Pool	-	-	-	-	0.35	28,000	-	-	-	-
Bruce Park Wading Pool *(Two year delay)*	-	-	0.35	27,000	0.35	28,000	-	-	-	-
Marjorie Park Wading Pool	-	-	-	-	0.35	28,000	-	-	-	-
King Edward & Ness Wading Pool	-	-	-	-	0.35	28,000	-	-	-	-
Keenleyside Park/East Elmwood CC Wading Pool	-	-	-	-	0.35	28,000	-	-	-	-
Braeside Park Wading Pool	-	-	-	-	-	-	0.35	29,000	-	-
Tomlinson Park Wading Pool	-	-	-	-	-	-	0.35	29,000	-	-
Westdale Wading Pool (Not Closing)	-	-	-	-	-	-	0.35	29,000	-	-
Tuxedo Community Centre Wading Pool	-	-	-	-	-	-	0.35	29,000	0.35	30,000
Total Opex Financial Impact (Additional FTE and Budget Require	**0.70**	**$ 52,000**	**1.40**	**$ 108,000**	**2.10**	**$ 168,000**	**1.40**	**$ 116,000**	**0.35**	**$ 30,000**

Facility Optimization: Waverley West Fire Station

A $508,000 shortfall exists between City and Provincial funding for the Waverley West Fire Station. The project is currently in the tender phase. Addressing the gap via borrowing preserves the project timeline and avoids broader impacts on facility optimization and service delivery. As that is not currently possible, the Public Service recommends the following instead:

- Reallocate unspent funds from the St. Boniface Industrial Area and Windsor Park Station Consolidation ($430,000) and Waverley West Modular Station and Site Development project (~$40,000).
- Allocate an available balance from the Canada Community Building Fund Reserve ($38,000).

As this project is currently underway, delays in securing funding could result in escalation of costs. Future budget impacts are to be referred to the 2027 budget process.

Next Steps

The Public Service will work with provincial counterparts to implement the directive requiring provincial approval of SIB-funded projects prior to the City's budgeting and adoption process. This aligns with Council's Strategic Priorities Action Plan item 2.1: "Create a new operating and capital funding relationship and model between the provincial and civic governments." With the City election in October 2026, the 2027 budget is anticipated for approval in March 2027, aligning with the province's approval timelines.

Requested Changes

At a Reports Briefing on January 23, 2026, an earlier draft of this administrative report was reviewed by members of the Executive Policy Committee and the following revisions were requested:

- In the history/discussion section of the report, clarify that in November of 2024 when the 2025 preliminary budget was introduced the City's capital plans and programs were communicated with the Provincial Government.

FINANCIAL IMPACT

Financial Impact Statement

Date: January 15, 2026

Project Name:

Amendment to the 2025 Strategic Infrastructure Basket Funding Allocation

First Year of Program **2025**

	2025	2026	2027	2028	2029
Capital					
Capital Expenditures Required	$ 6,028,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	5,520,000	-	-	-	-
Additional Capital Budget Required	$ 508,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Strategic Infrastructure Basket Funding	-	-	-	-	-
Canada Community Building Fund Reserve	38,000	-	-	-	-
Other - Transfer from Prior Year Authorization (Rebudget)	470,000	-	-	-	-
Total Funding	$ 508,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 508,000				
Total Additional Debt Required					
Current Expenditures/Revenues					
Direct Costs	$ -	$ 52,000	$ -	$ -	$ -
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ 52,000	$ -	$ -	$ -
Less: Existing Budget Amounts	-	52,000	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The capital expenditures above represent the revision to City's 2025 capital budget to accommodate the changes noted in the report. Funding is available through the Canada Community Building Fund Reserve ($38,000) and transfer from prior year approved capital projects for Waverley West Fire Station ($470,000).

2. Current expenditures represents the incremental operating budget impact of 0.70 FTE in 2026 related to delayed decommissioning of wading pools. Funding is available from 2026 Adopted Operating Budget within Community Services department.

3. The impact on future annual operating increases resulting from these changes and capital budget implications will be referred to the 2027 Budget Update process.

Randy Bernard

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

CONSULTATION

This Report has been prepared in consultation with:

- Community Services
- Public Works
- Winnipeg Fire Paramedic Service

OURWINNIPEG 2045 POLICY ALIGNMENT

Goal #1: Leadership and Good Governance:

Objective #1: Establish and implement priority actions through evidence-informed decision-making processes. Evidence-informed actions require transparent and accountable decision-making to determine the long-term public interest and the appropriate trade-offs in levels of service, taxation, and budget priorities.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (WCAP), and its Goals and Objectives. It was determined that the WCAP is not applicable to this specific report

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal 1.C. Equity and a Culture of Caring are factored into all service planning and budget decisions, resulting in City-wide system.
Goal 6.C. Residents have equitable access to City services, in particular demographic groups who experience marginalization.

SUBMITTED BY

Department: Corporate Finance
Division: Financial Planning and Review
Prepared by: Liza Pablo
Date: January 19, 2026

Appendix A: Provincial funding allocation for 2025/2026

Appendix B: Reconciliation of Provincial and City Funding