

2019 PRELIMINARY CORPORATE BUSINESS PLAN AND BUDGET

2019 BUDGET HIGHLIGHTS

PROPOSED OPERATING EXPENDITURES BY BUSINESS LINE

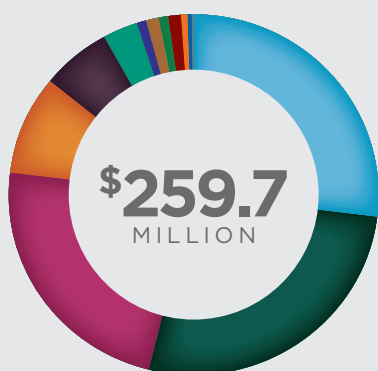
TOTAL INVESTMENT: **\$511.3 MILLION**
(VALUE IN THOUSANDS)



20.6% Police	\$105,356.10
16.0% Transportation	\$81,853.30
10.7% Recreation	\$54,731.50
9.9% Fire	\$50,872.70
9.6% Corporate Support	\$48,928.20
9.6% Transit	\$48,901.80
5.7% Debt Servicing	\$28,974.90
5.3% Other	\$27,233.30
3.9% Parks	\$19,763.30
3.1% Grants/Affordable Housing	\$15,965.30
2.9% Garbage & Waste Reduction	\$14,867.50
2.7% Urban Planning	\$13,806.00

PROPOSED CAPITAL INVESTMENT BY BUSINESS LINE

TOTAL INVESTMENT: **\$259.7 MILLION**
(VALUE IN THOUSANDS)



27.4% Land Development	\$71,059
26.6% Utilities	\$69,070
23.4% Transportation	\$60,709
8.5% Corporate Asset Management	\$22,200
6.4% Urban Planning & Development	\$16,582
3.3% Recreation & Culture	\$8,663
1.2% Policing	\$3,154
1.0% Arts, Culture & Events Venues	\$2,564
0.7% Corporate Governance & Finance	\$1,840
0.7% Fire Services	\$1,790
0.4% Environmental Health	\$1,169
0.3% Saskatoon Public Library	\$700
0.1% Community Support	\$155

Maintaining services, investing in our communities, controlling our expenditures and building for the future...

The Administration's proposed 2019 Preliminary Budget is guided by the City's 2018-2021 Strategic Plan, citizen input and by City Council's Strategic Priorities. It is focused on the delivery of core civic services for residents and businesses – and contains the right investments for the future to ensure we can respond to the needs of our growing city.

We've taken advantage of our opportunities, delivering a balanced budget that is transparent and on track. We've tackled various challenges to ensure the City continues to deliver the right mix of programs and services to make **Saskatoon a great place to live, work, learn and play** now, and into the future.

The 2019 Budget achieves a top priority citizens have shared with us - the maintenance of current levels of civic services. Therefore, a significant portion of the 2019 Budget invests in maintaining our services by covering costs related to service delivery, inflation and growth in Saskatoon.

- **\$10.6 Million Inflation** (\$3.5 million for Saskatoon Police Service and \$7.1 million for other civic services)
- **\$6.9 Million Growth** (\$1.1 million for Saskatoon Police Service and \$5.8 million for other civic services)

City Council's 2019 Preliminary Business Plan and Budget Review will take place on November 26, 27 & 28, 2018 in City Council Chambers.

Building Blocks of the 2019 Budget

A four-step budget building process was used as the foundation of the City's 2019 Budget:

1. Costs to maintain current service levels were determined.
2. A property tax target was established by City Council at between 4% and 4.5% to allow for current service levels to be maintained, with budget also allocated to achieve City Council's Strategic Priorities.
3. Corporate Business Plans were developed to align with the property tax rate and City Council's Strategic Priorities.
4. The Corporate Business Plans were then incorporated into the budget.

"A total of \$7.78 million in options aimed at achieving City Council's Strategic Priorities was presented to the August Governance and Priorities Committee. The current Business Plan and Budget includes \$2.6 million to be utilized to implement a portion of these strategic initiatives.

While the specific initiatives to be implemented for 2019 have yet to be finalized, City Council will be presented with a report and associated recommendations for consideration at budget deliberations."

The City's first public Multi-Year Business Plan and Budget (MYBB) will be for a two-year cycle presented for the 2020-2021 budget years.



The 2019 Business Plan and Budget process is similar to the multi-year process that will be implemented for the 2020-2021 budget years. Administration conducted an internal pilot project in 2019 to test and refine the MYBB process. It is largely based on processes that have been developed by municipalities with extensive experience in preparing multi-year budgets, such as Edmonton and Calgary.

The City's 2019 Operating Budget is proposing:

Total expenditures of \$511.3 million, an increase of \$20.6 million or 4.2% over 2018, comprised of the following:

Item	2018 Budget	2019 Budget	Transfer from Civic Budget to Police	\$ Net Increase	% Net Increase
Saskatoon Police	\$ 99.3 M	\$ 105.4 M	(\$1.0 M)	\$ 5.0 M	5.03%
All Other Civic Operations	\$ 391.3 M	\$ 405.9 M	\$1.0 M	\$ 15.6 M	3.99%
Total	\$490.6 M	\$ 511.3 M	-	\$ 20.6 M	4.20%

A total of \$10.6 million in new base dollars has been added to the 2019 Preliminary Budget in order to address inflationary pressures:

- \$3.5 million to Saskatoon Police Service (SPS)
- \$7.1 million attributable to all other civic services

The civic services portion of the increase equates to a 1.82% increase over the 2018 Operating Expenditure Budget.

In addition to inflation, the 2019 Operating Budget includes increased growth expenditure estimates of \$6.9 million largely related to a growing network of roadways, bridges, interchanges and street lights, and associated services such as maintenance, street sweeping, snow clearing and transit services.

Balancing the 2019 Budget

The City's 2019 Operating Budget stays within the property tax target set by City Council, and proposes a municipal property tax increase of 4.5%. This will generate an additional \$10.4 million to meet the City's program and service delivery objectives, and citizen expectations on service levels.

The City must pass a balanced budget each year with no surplus or deficit.

The 2019 Budget equation is as follows:



For 2019, a 1% increase in property tax is equivalent to \$2.3 million. Therefore, an increase of 4.5% property tax is required to generate enough revenue to balance the proposed 2019 Budget.

Improving our infrastructure, carefully investing in our growing city...

The **2019 Capital Budget** prepares the city for continued growth, investing in priorities that support improving mobility, enhancing public safety, increasing quality of life and protecting the environment.

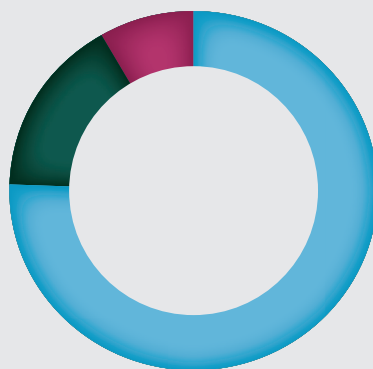
The 2019 Capital Budget proposes \$259.7 million for projects that address Saskatoon's growth and basic infrastructure needs. There is a continued emphasis on investments in roads, transit, water, and wastewater distribution systems.

The various capital projects that make up this total investment aim to meet the objectives within the 2018-2021 Strategic Plan, specifically:

- **27.4% in Land Development** required for various infrastructure requirements in Holmwood, Brighton, Aspen Ridge, Kensington, and Rosewood, among other developments.
- **26.6% for Utility-related** projects including:
 - over \$27.4 million invested in upgrades and maintenance at the Water Treatment Plant for rehabilitation, replacement and upgrades
 - over \$11.0 million investment in upgrades and maintenance at the Wastewater Treatment Plant
 - over \$23.0 million in upgrades to Saskatoon Light & Power for investing in electrical distribution, substations, transmission lines and street lights.
- **23.4% in Transportation** projects including:
 - \$31.3 million for paved roadway and sidewalk preservation
 - \$13.5 million for Sid Buckwold Bridge repairs

The remaining 22.6% of the 2019 Capital Budget is allocated among various smaller projects.

BREAKDOWN OF THE PROPOSED 2019 PROPERTY TAX INCREASE: 4.5%



- 3.41% Total City Operations
- 0.72% Total Police Operating Increase
- 0.37% Total Fire Services Operating Increase

IMPACT OF THE PROPOSED 4.5% PROPERTY TAX INCREASE

Municipal Tax Increase Based on an Average Assessed Property Value of \$371,000	Total City Services 2.57%	Total Police Services 1.93%	Total Increase 4.50%
Approximate Total Increase for 2019	\$ 46.47	\$ 34.90	\$ 81.36
Approximate \$ Per Month	\$ 3.87	\$ 2.91	\$ 6.78

Where the Money Comes From to Fund the Proposed 2019 Operating Budget

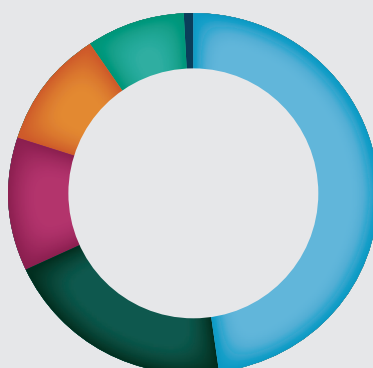
The City of Saskatoon generates operating revenues from five sources to pay for the delivery of its programs and services: taxation, general revenues, user fees, government transfers, and grants-in-lieu of taxes.

Almost half of the City's 2019 operating revenues come from taxation, and almost entirely from the municipal property tax component. This percentage is relatively low when compared to other Canadian municipalities.

Taxation has been steadily rising as a share of operating revenues due to:

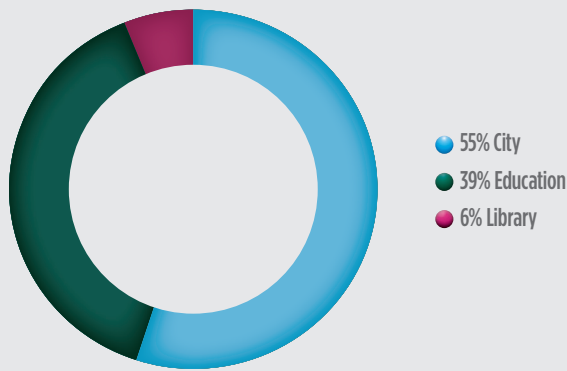
- tax-supported expenditures consistently increasing; and
- most of the City's non-tax revenues not keeping pace with rising costs, inflation, growth, and service level changes.

FUNDING THE 2019 OPERATING BUDGET TOTAL REVENUE SOURCES



- 48.0% Taxation
- 20.2% General Revenues
- 11.8% Government Transfers
- 10.8% User Fees
- 8.5% Grants-in-Lieu
- 0.7% Land Development

2018 TOTAL PROPERTY TAX DISTRIBUTION



In 2018, a little more than half of all property taxes collected went to the City for the delivery of key services such as road maintenance, policing, fire protection, and public transit. Of the property taxes collected by the City, 39% was remitted to the Province of Saskatchewan to pay for education.

The 2019 total property tax distribution will be finalized after the education tax is determined in the 2019 Provincial Budget.

Public input will continue to play a key role in the City's budget planning process, perhaps even more so as we plan for the City's first Multi-Year Business Plan and Budget for the years 2020 - 2021.

Citizens will be encouraged to share their perceptions, views and priorities by participating in numerous engagement opportunities we will be planning.

Sign up for email updates and view upcoming public engagement opportunities at saskatoon.ca/engage.

Looking for additional budget information?

Find budget related documents and administrative reports, informative videos or past budgets at saskatoon.ca/budget.

HOW YOUR MUNICIPAL PROPERTY TAXES ARE DISTRIBUTED

Every \$1 of municipal property tax is shared between the civic services shown in this chart.



(1) Includes street lighting, animal services, cemeteries and facilities

(2) Includes urban forestry and pest management

(3) Includes provisions for current and future servicing

(4) Includes the offices of the City Manager, City Clerk, City Solicitor, Finance, Revenue, Assessment & Taxation, Information Technology, Human Resources, General Administration, Legislative, and Service Saskatoon

(5) Includes Access Transit