



2022 and 2023 Indicative Budget

Media Technical Briefing

June 17, 2021



Background

- This is the initial step in building the budget.
- The indicative rate decision is meant as a guideline on allocation of resources to achieve Council's strategic priorities.
- City Council will set the final budget in November and revisit the associated municipal property tax impact through the 2022/2023 Budget.

A faded background image of a large stone arch bridge spanning a river, with city buildings visible in the distance.

Step 1

Determine Cost to Maintain Service Levels



Step 2

Determine Property Tax Target



Step 3

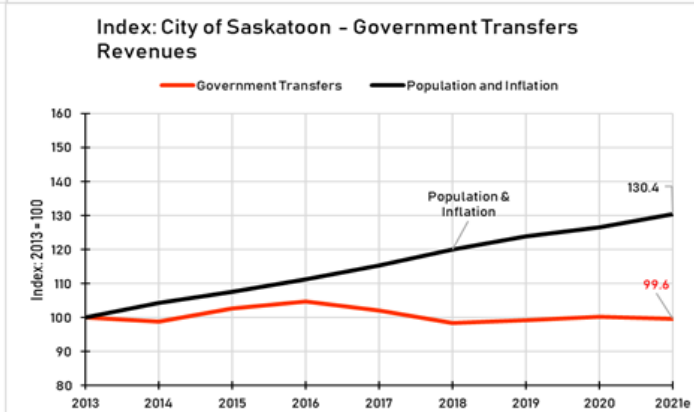
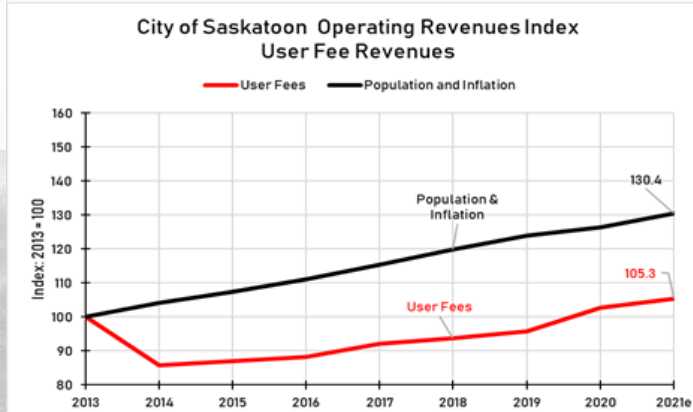
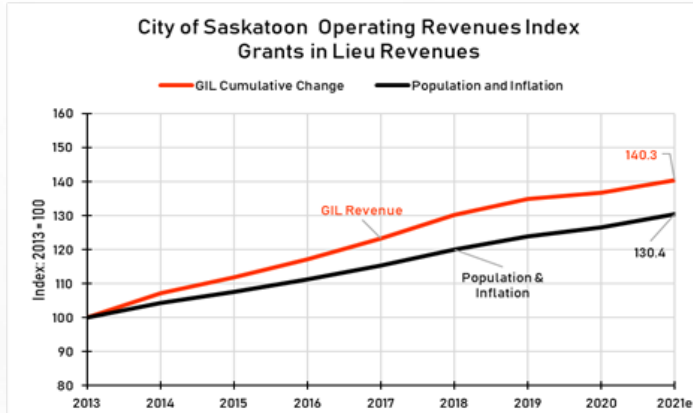
Develop Corporate Business Plans to Achieve City Council's Priorities



Step 4

Incorporate Business Plans into the Business Plan and Budget

This slide illustrates the trends in non-taxation revenues relative to population and inflation. All charts are indexed and show the cumulative change in revenue relative to 2013 (2013 = 100). Each chart is on the same scale. Grant in Lieu revenues have exceeded population and CPI inflation, by 10 percentage points, while general revenues have largely kept pace. Conversely, user fee revenues have grown by 25 percentage points less than population and CPI inflation. Government transfers show a slight decline over the period and sit 30.8 percentage points below the benchmark.



Report Highlights: Revenue Estimates

- Revenue Increases of \$3.15 million in 2022 and \$5.06 million in 2023
- Revenues are a longer-term fiscal challenge with the City's non-tax revenues in that these revenue sources are not keeping pace with the changes in the economy.
- Decreasing interest revenue and Municipal Revenue Sharing (included in COVID-19 Impacts)
- Adjustment to general revenues upwards by \$1.60 million

Report Highlights: Expenditure Estimates

In the absence of Administration's expenditure adjustments, expenditure increases, or revenue decreases would be about \$7.54 million higher than estimated in the indicative budget in 2022 and \$223,900 higher in 2023.

- \$1.60 million for projected general revenue increase
- \$1.00 million for projected general expenditure decrease
- \$300,000 not included for insurance premium increase
- \$1.25 million not included for software costs, and staffing
- \$1.23 million not included for transfer to Roadways reserves

Report Highlights: Expenditure Estimates

2022 Expenditure Change			
Item	Civic	Police*	Total
Expenditure Growth	1,304,100	-	1,304,100
Expenditure Inflation	9,389,400	-	9,389,400
Expenditure Base Budget Adjustments	199,000	4,665,500	4,864,500
Total Expenditure Increase	10,892,500	4,665,500	15,558,000
Total Expenditure Increase (%)	2.56%	4.06%	2.88%

2023 Expenditure Change			
Item	Civic	Police*	Total
Expenditure Growth	3,786,900	-	3,786,900
Expenditure Inflation	8,562,000	-	8,562,000
Expenditure Base Budget Adjustments	391,400	4,836,300	5,227,700
Total Expenditure Increase	12,740,300	4,836,300	17,576,600
Total Expenditure Increase (%)	2.92%	4.04%	3.16%

*A breakdown of Police expense projections for inflation, growth and base adjustments were not available.

Report Highlights: Phase-Ins

- Final 2 years of phase-in to help address Waste Handling budget issues and to implement a City-Wide Organics Program
 - \$2.23 million in 2022 and \$2.18 million in 2023 (0.87% property tax increase in 2022 and 0.80% property tax increase for 2023)
- Bus Rapid Transit Phase-in
 - \$687,000 in 2022 and \$95,000 in 2023 (0.27% property tax increase in 2022 and 0.03% property tax increase for 2023)

Report Highlights: COVID-19

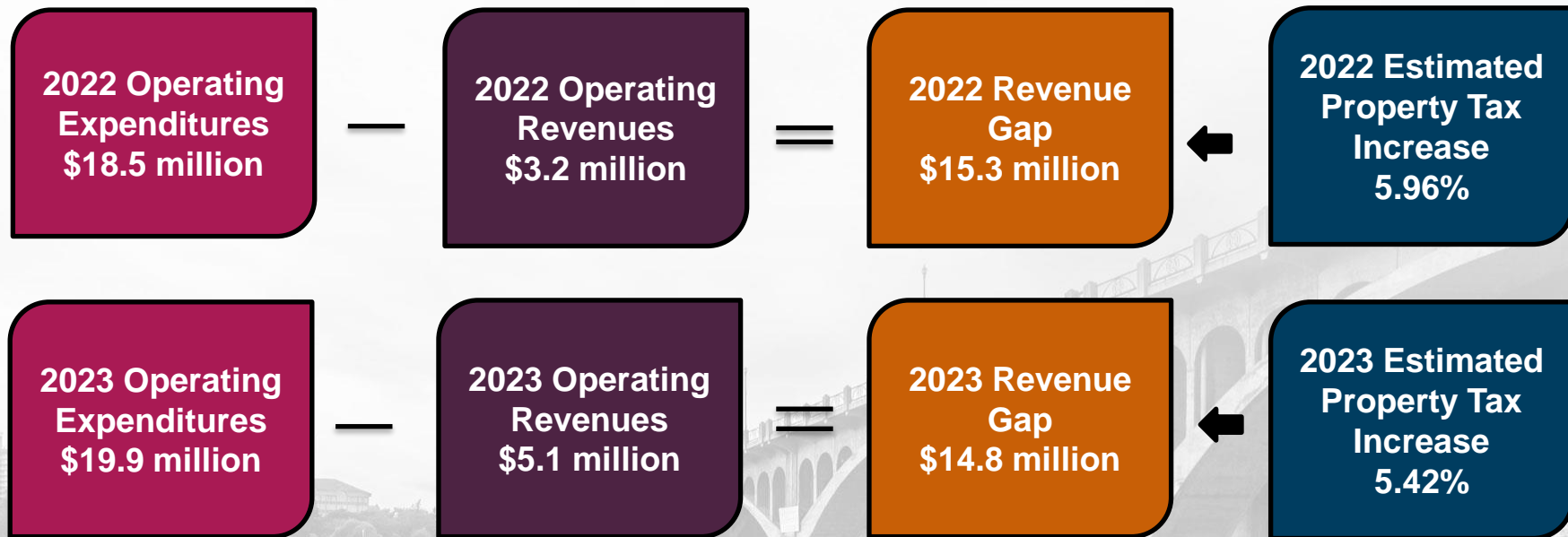
- Ongoing COVID-19 impact:
 - \$16.83 million in 2022
 - \$10.02 million in 2023
- Will require a combination of spending restrictions and one-time funding in each year for COVID-19 impacts

Estimated Property Tax Increase

Description	2022 Property Tax Increase	2023 Property Tax Increase
Civic Operations	3.01%	2.81%
Saskatoon Police Service*	1.81%	1.77%
Total Indicative Rate	4.82%	4.58%
Bus Rapid Transit (BRT) Funding Plan	0.27%	0.03%
Phase-in for Environmental Health	0.87%	0.80%
Estimated Property Tax Increase	5.96%	5.42%

*Saskatoon Police Service provided an estimate for their indicative budget requirements; however, they continue to work through the details of their budget and will refine further in preparation of their presentation to the Saskatoon Police Board in August 2021

Property Tax Increases to Maintain Existing Services



Recommendation

Option 1 – Base Case

Target a Municipal Property Tax Equal to 5.96% and 5.42% for 2022 and 2023

- Allows the City to continue to implement the city-wide organics program.
- Focuses on maintaining existing service levels

Option 2 – Base Case Minus

Target a Municipal Property Tax Less than the 5.96% and 5.42% for 2022 and 2023

Option 3 – Base Case Plus

Target a Municipal Property Tax Higher than 5.96% and 5.42% for 2022 and 2023

Questions?