

## BUDGET 2018: At a Glance

### 2018 PRELIMINARY CORPORATE BUSINESS PLAN AND BUDGET

1

#### Controlling our Expenditures, Maintaining our Services, and Investing in Our Infrastructure

With the 2018 Budget, we rise to this year's fiscal challenges of a funding gap left by the 2017/2018 Provincial budget. We have worked hard to improve the quality of life in Saskatoon by focusing resources on areas of need identified by citizens such as roadways, snow and ice, and police. We are carefully investing in our growing city while also delivering a balanced budget.

**The 2018 Budget achieves what citizens told us they want and need from their city. We have invested in key priority areas, using strong financial management and fiscal discipline.**

- \$61.9 million has been invested to improve road conditions through our Building Better Roads (BBR) program (including snow and ice management and street sweeping programs)
- \$3.6 million additional funding invested to support police presence, and \$887.0 thousand for additional fire and protective services throughout the city

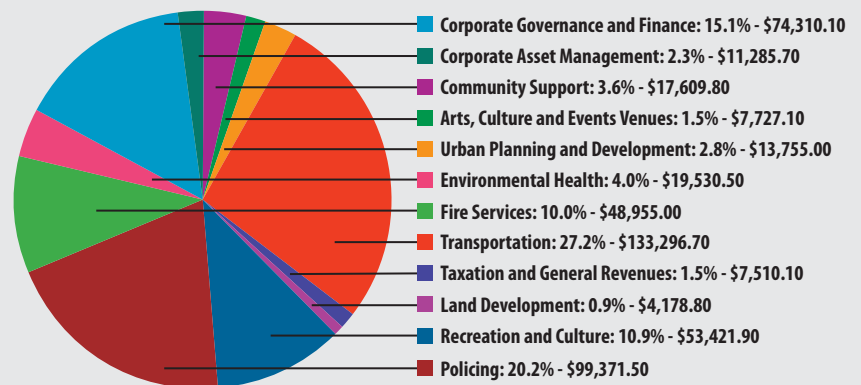
#### Shaping The 2018 Budget: Controlling our Expenditures

We, as a city, have had to think and work differently in order to address the challenges and opportunities that go along with being one of the fastest growing cities in Western Canada.

### BUDGET 2018 HIGHLIGHTS

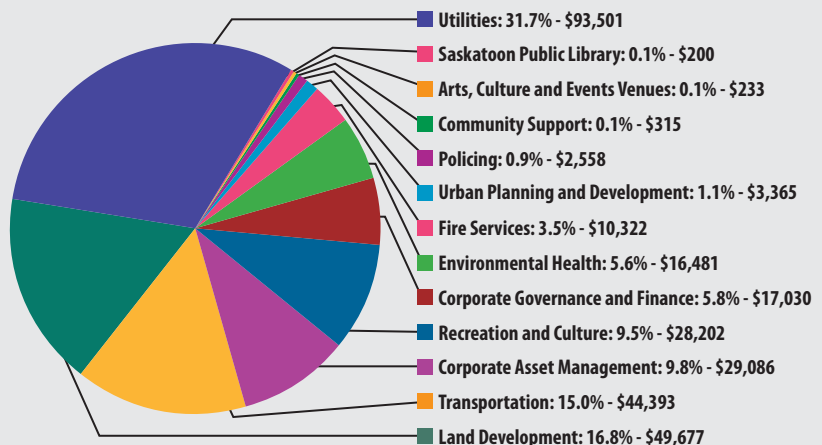
#### Operating Expenditures by Business Line Total Investment: \$491.0 Million

(value in thousands)



#### Capital Investment by Business Line Total Investment: \$295.4 Million

(value in thousands)



Note: Includes non-tax-supported services such as Utilities and Land Development

**City Council will review and deliberate the 2018 Preliminary Corporate Business Plan and Budget on November 27, 28 & 29, 2017 in City Council Chambers.**

- The 2018 Budget attempts to balance citizens' expectations with fiscal prudence and is proposing a 2.79% increase in operating expenditures
- This is the lowest year-over-year operating expenditure increase in the last decade

### On Our Continuous Improvement

- Innovation and efficiency have always been valued by the City. Our commitment was put to the test for the 2018 Business Plan and Budget, and we rose to meet this challenge
- The City launched a 30-Day Challenge to push staff all across our organization to provide innovative and creative solutions to alleviate the financial pressures we are encountering
- Some of the over 600 ideas have resulted in expenditure reductions in 2018 and reduced the potential property tax increase by approximately 1%

### Our 2018 Budget Planning. Open. Transparent.

The **2017 Civic Services Survey**, the online **2017 Citizen Budget**, and input from the **Citizen Advisory Panel** all gave Administration key public feedback to shape and build the 2018 Budget. This input will assist City Council in making informed decisions on the 2018 Budget.

- According to the 2017 Civic Services Survey, 88% of respondents indicated that they were satisfied with the services that the City of Saskatoon provides
- During the 2018 budget engagement process, citizens strongly preferred that the City maintain, and in some cases, increase the resources allocated to our essential public services

### The 2018 Operating Budget is proposing:

Total operating expenditures of **\$491.0 million**. This is an increase of **\$13.3 million**, or **2.79%**, over the 2017 approved Operating Budget.

This increase in expenditures can be broken down further as follows:

Expenditures	2017 Budget	2018 Budget	\$ Increase	% Increase
Snow & Ice Service Level Increase	-	\$ 1.2M	\$1.2M	-
Saskatoon Police	\$95.8M	\$99.4M	\$3.6M	3.76%
All Other Civic Operations	\$381.9M	\$390.4 M	\$8.5M	2.20%
<b>Total</b>	<b>\$477.7M</b>	<b>\$491.0M</b>	<b>\$13.3M</b>	<b>2.79%</b>

The civic operations expenditure increase of 2.20% is significantly below the historical target of inflation plus growth of approximately 3.52% for 2018 (1.90% growth + 1.62% inflation).

As expenditure growth has remained within historically used parameters (growth + inflation) in 2018, the proposed property tax increase of 4.96% is largely due to stagnant or declining non-tax revenue sources.

Item	2016	2017	2018
Non-Property Tax Revenue	\$258.1M	\$257.8M	\$256.8M
Increase Over Prior Year	\$7.8M	(\$0.3M)	(\$1.0M)

These declining revenues along with the estimated inflationary and growth requirements have created a funding gap of approximately \$14.1 million in 2018, which is proposed to be filled through \$3.2 million in assessment growth and \$10.9 million from a 4.96% property tax increase.

Operating Expenditures ➡ Declining Operating Revenues ➡ City's Funding Gap

- Overall, citizens support increases in service levels or spending on road maintenance, affordable housing, transit, snow and ice management, and traffic management

### How Will The Proposed 4.96% Tax Increase Be Invested?

As the city continues to grow, we constantly examine and review our operations, and work to find new efficiencies.

The proposed 4.96% property tax increase for 2018 will generate an additional **\$10.9 million** for the City of Saskatoon's Operating Budget, to be invested as follows:

- **0.55% or \$1.2 million** dedicated to the improvement of the City's snow and ice management program with a goal towards city-wide snow removal (service level increase built into the 2018 preliminary budget on direction from City Council.)

- **2.78% or \$6.1 million** in order to replace provincial revenue reductions
- **1.63% or \$3.6 million** allocated to pay for the expenditure increases associated with all other programs and services, including police

In 2018, 1% of the property tax increase is equivalent to \$2.2 million.

### The City of Saskatoon's 2018 Capital Budget provides a total capital investment of \$295.4 million.

**Utility-related projects** make up **31.2%** of the total capital investment in 2018, including:

- **\$40.6 million** investment in the Water Treatment Plant
- **\$27.9 million** investment in upgrades and maintenance at the Wastewater Treatment Plant
- Saskatoon Light & Power is investing over **\$19.8 million** in upgrades

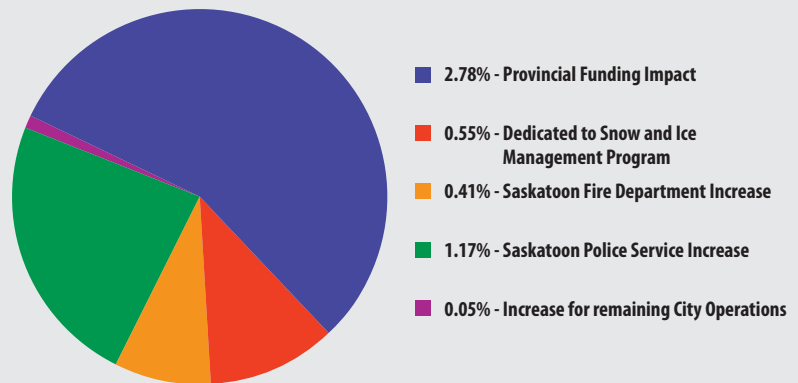
**Transportation projects** represent **15.0%** of the total capital investment in 2018 – notable investments include:

- **\$31.8 million** for paved roadway and sidewalk preservation
- **\$1.9 million** for 33rd Street and Circle Drive overpass maintenance

**Recreation and Culture projects** represent **9.5%** of the total capital investment for 2018. Most notably, **\$22.9 million** for Gordon Howe Complex upgrades

**Land Development** represents **16.8%** of the total capital investment for 2018 for various infrastructure requirements in new neighbourhood developments. The remaining **27.5%** of the Capital Budget is allocated among various smaller projects.

### Breakdown of the Proposed 2018 Property Tax Increase: 4.96%



### Municipal Tax Increase Per Average Household \$371,000 Assessment

	Municipal Operating	Provincial Funding Impact	Dedicated to Snow & Ice	Proposed 2018 Increase
	1.63%	2.78%	0.55%	4.96%
Approximate Total \$ Increase Per Year	\$28.38	\$48.41	\$9.58	\$86.37
Approximate \$ Per Month	\$2.37	\$4.03	\$0.80	\$7.20

### For 2018, Civic Administration is Proposing:

- Total Operating Expenditures of \$491.0 million
- Utility Operating Budget of \$352.3 million
- A Capital Budget of \$295.4 million (including Land Development)
- A Combined Operating and Capital investment of \$1.1 billion

The 2018 Operating and Capital Budgets propose a combined investment of approximately \$61.9 million to improve road conditions.

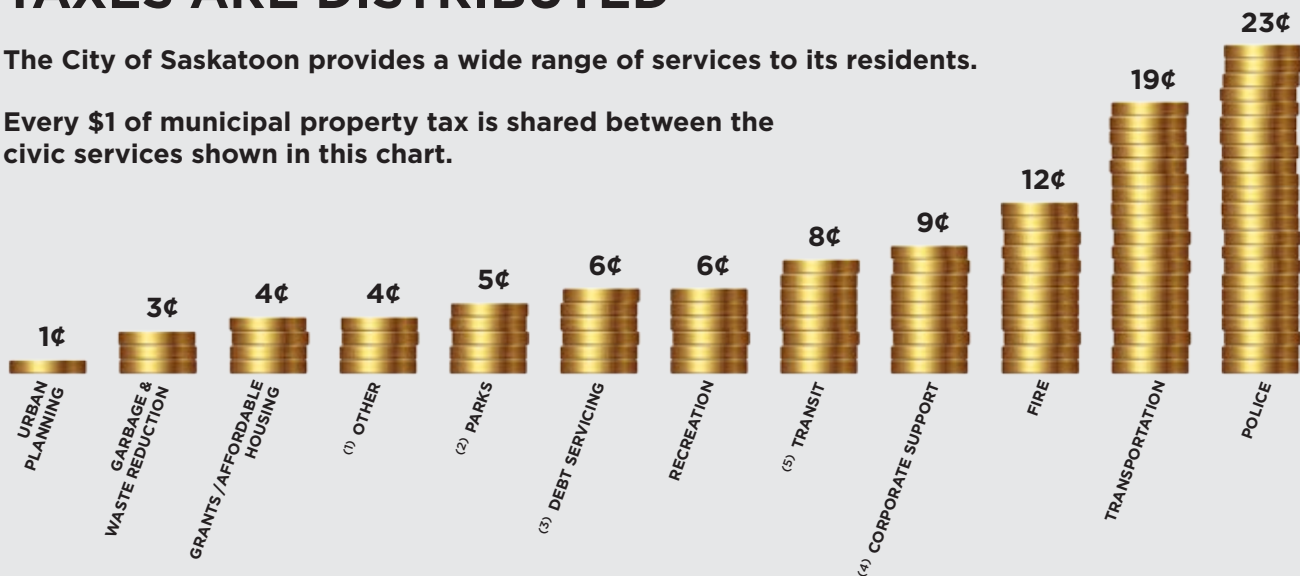
### On Maintaining our Services

- While other governments have had to implement service reductions to address their fiscal pressures, the City of Saskatoon has not adopted this approach for 2018
- In fact, the proposed plan and budget maintains most services and even increases some, such as policing and snow and ice removal

## HOW YOUR MUNICIPAL PROPERTY TAXES ARE DISTRIBUTED

The City of Saskatoon provides a wide range of services to its residents.

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



(1) Other includes street lighting, animal services, cemeteries and facilities

(2) Includes urban forestry and pest management

(3) Debt Servicing includes provisions for current and future debt servicing

(4) Corporate Support includes the offices of the City Manager, City Clerks, City Solicitors, Finance, Revenue, Assessment and Taxation, Information Technology, Human Resources, General Administration, Legislative, and Service Saskatoon

(5) Includes Access Transit

### On Funding the City's Operating Budget

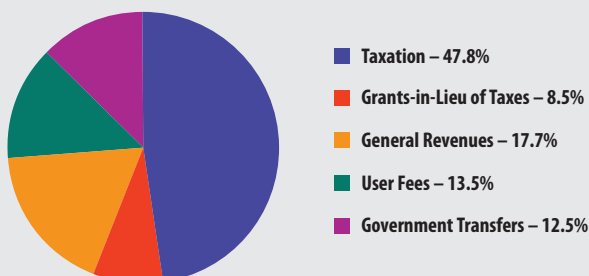
Every year the City of Saskatoon works hard to minimize property tax increases. The reality is that the City derives its revenues from very few sources. Provincial legislation requires the City to balance its operating revenues with its operating expenditures.

The City provides more than 70 programs and services to residents and pays for the operation of these services by collecting money through **five different revenue sources**.

As shown below, less than half of the City's 2018 tax-supported operating revenues come from property taxation. With these limited revenue sources, any revenue shortfalls must be balanced through a property tax increase.

*When taxpayers receive their 2018 Property Tax Notice in May, it is important to note that the City of Saskatoon only keeps approximately 54% of the total property tax collected to pay for the key services residents and businesses rely on every day; approximately 40% of the property tax collected is remitted to the Province for Education Taxes, and 6% goes to the Saskatoon Public Library.*

### Funding the 2018 Operating Budget: Total Revenue Sources



### Looking for More Information on Property Taxes and How the City's Annual Budget Process Works?

- Informative Budget Videos
- Results of this year's Civic Services Survey and Citizen Budget
- Budget Related Administrative Reports, Service Level Reports
- Frequently Asked Questions
- Budget Related Documents and Presentations

Visit [saskatoon.ca/financialfuture](http://saskatoon.ca/financialfuture)