

2020/2021 PRELIMINARY MULTI-YEAR BUSINESS PLAN AND BUDGET

2020/21
Multi-Year Budget

AT A GLANCE

Keeping property taxes and fees as low as possible over the next two years. Making the right investments for a sustainable future. Managing debt levels and maintaining assets. And importantly, careful investments in core services residents rely on every day and consider most important...

To increase the accountability and transparency of our business plan and budget process and to adopt a longer-term view on financial planning, the Administration presents its first multi-year business plan and budget for **2020/2021**. It will guide investments, projects, and service levels the City will implement and achieve over the course of the next two years.

The Preliminary Business Plan and Budget carefully invests in the initiatives and projects that align with City Council's 2018-2021 Strategic Plan and 10 priority areas of focus.

To keep and improve the high quality of life we enjoy in Saskatoon, a significant portion of the proposed **2020/2021** Budget invests in core programs and services that reflect the top priorities of the public we serve – and aims to deliver value for tax payer dollars.

Roads, bridges, pathways, and public transit that move people; policing and fire services to keep people safe; parks, waste management, and drainage to keep neighbourhoods clean and healthy; and social programs and leisure activities **to make Saskatoon a great place to live, work, learn and play – now and in the future.**

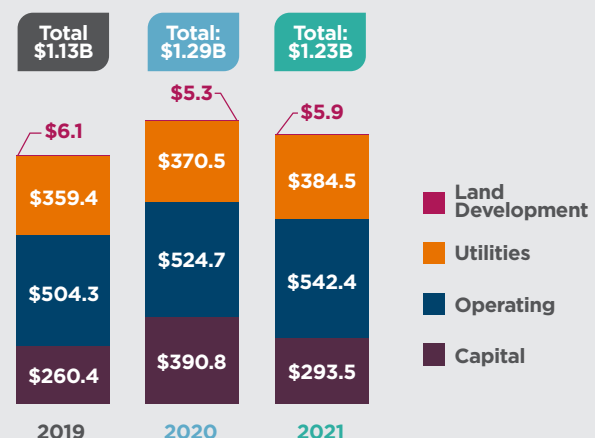
Planning the Multi-Year Business Plan and Budget

The City's first public Multi-Year Business Plan and Budget is for a two-year cycle, presented for the **2020/2021** budget years. The multi-year approach is intended to:

- **Improve transparency and decision-making** by providing City Council and citizens with more information about where City funds are used, linking service costs to service levels and outcomes, and better connecting long-term goals to short-term spending decisions;
- **Increase the City's accountability** in delivering services to citizens effectively and efficiently, while maintaining focus on a sustainable future; and
- **Help the City transform** by providing for more regular, ongoing, and thorough examination of civic services to ensure that services are relevant to citizens' needs and priorities.

TOTAL 2020/2021 PRELIMINARY BUDGET

(Value in Millions)



City Council's **2020/2021** Preliminary Multi-Year Business Plan and Budget Review will take place on November 25, 26 & 27, 2019 in City Council Chambers



Saskatoon Police Service proposed investment:

\$109.6M | 2020
\$114.0M | 2021

The 2020/2021 proposed increase in expenditures is comprised of the following:

With a commitment to improving safety in the city, the largest portion of the City's operating expenditures is dedicated to the Saskatoon Police Service with approximately 21%, or **\$109.6 million** invested in **2020**, and **\$114.0 million** in **2021**.

Item	2019 Budget	2020 Budget	2020 (\$) Increase	2020 (%) Increase	2021 Budget	2021 (\$) Increase	2021 (%) Increase
Saskatoon Police	\$ 105.0	\$ 109.6	\$ 4.6	4.37%	\$ 114.0	\$ 4.40	3.98%
All Other Civic Operations	\$ 405.4	\$ 420.4	\$ 15.0	3.70%	\$ 434.3	\$ 14.02	3.33%
Total	\$ 510.4	\$ 530.0	\$ 19.6	3.84%	\$ 548.3	\$ 18.4	3.47%

Balancing the Multi-Year Budget

As required by *The Cities Act*, the City must pass a balanced operating budget each year. The City collects the necessary amount of property tax required to balance the budget after applying all other revenue sources.

If a revenue gap exists, then the property tax increase fills this gap as shown below.



To help pay for the City's operations and to ensure the budget is balanced, the Operating Budget is proposing a municipal property tax increase of **3.23% in 2020** and **3.54% in 2021**.

The proposed property tax increase for **2020** and **2021** will generate an additional \$7.9 million and \$8.7 million respectively for the City's Operating Budget.

In **2020**, 1.0% of property tax is equivalent to \$2.4 million, and in **2021**, \$2.5 million.

Building Blocks of the 2019 Budget

The foundation of the multi-year budget was built on a **four-step process** that started with:

- Determining costs to maintain current service levels** for the next two years - the original estimate required a 3.94% and 4.17% property tax increase;
- City Council providing a property tax target goal** for 2020 and 2021; City Council then directed Administration to bring back options to reduce the proposed property tax increase estimate;
- Administration providing various options and plans** to help achieve City Council's Strategic and Property Tax goals, effectively lowering the proposed property tax increases to 3.23% for 2020, and 3.54% for 2021; and
- Incorporating corporate business plans** into the proposed 2020 and 2021 multi-year budget document, including six property tax reduction options.

A variety of options were presented to the Governance and Priorities Committee in October 2019 aimed at achieving City Council's Strategic Priorities. While specific service level enhancements have not been included in the **2020/2021** Preliminary Business Plan and Budget, a corresponding report will be included in the **2020/2021** Business Plan and Budget Agenda, outlining the available options and recommendations for City Council's decision making at budget deliberations.



Saskatoon Public Library makes up 39.1% of the total capital project investment for **2020**. Of this, **\$152.7 million** relates to an investment for a proposed new central library.

2020/2021 PRELIMINARY MULTI-YEAR BUSINESS PLAN AND BUDGET AT A GLANCE



PROPOSED OPERATING EXPENDITURES BY SERVICE

(VALUE IN THOUSANDS)



	2020	2021
20.68% Police	\$109,602.90	20.78% \$113,969.30
15.91% Transportation	\$84,294.00	15.72% \$86,170.30
10.37% Recreation	\$54,932.40	10.29% \$56,403.00
9.92% Fire	\$52,564.10	9.83% \$53,872.40
9.71% Transit	\$51,486.90	9.70% \$53,166.30
9.47% Corporate Support	\$50,172.40	9.44% \$51,769.20
5.51% Other	\$29,187.90	5.53% \$30,343.30
5.20% Debt Servicing	\$27,567.60	4.89% \$26,819.10
3.96% Parks	\$21,014.40	3.95% \$21,672.20
3.49% Garbage & Waste Reduction ..	\$18,498.10	3.93% \$21,564.80
3.03% Grants & Affordable Housing .	\$16,049.50	3.02% \$16,576.90
2.75% Urban Planning	\$14,587.30	2.92% \$16,013.40
	\$530.0M	\$548.3M

The City's **2020/2021 Operating Budget** allocates the costs for civic services and programs that the citizens of Saskatoon rely on each and every day. It also matches the sources of revenue to pay for those services, including property taxes, user fees, licenses, and government grants.

- The **2020 Operating Budget** proposes total operating expenditures of **\$530.0 million**, an increase of \$19.6 million, or 3.84%, over the 2019 Operating Budget.
- The **2021 Operating Budget** is proposing total operating expenditures of **\$548.3 million**, an increase of \$18.4 million, or 3.47%, over the 2020 Operating Budget.
- **It's important to note that a significant amount of expenditure increases had few options other than to increase the expenditure base, based on past agreements and policies.**

PROPOSED CAPITAL INVESTMENT BY BUSINESS LINE

(VALUE IN THOUSANDS)



39.1% Saskatoon Public Library	
23.4% Utilities	
13.7% Land Development	
11.3% Transportation	
5.8% Corporate Asset Management	
3.1% Environmental Health	
1.2% Recreation & Culture	
0.8% Saskatoon Fire	
0.6% Urban Planning & Development ..	
0.5% Saskatoon Police Service	
0.4% Corporate Governance & Finance ..	
0.1% Arts, Culture & Events Venues	
0.0% Community Support	

2020

\$152,900
\$91,305
\$53,496
\$44,305
\$22,481
\$12,271
\$4,830
\$2,985
\$2,420
\$1,923
\$1,446
\$353
\$100

\$390.8M

2021

0.1%
41.7%
30.5%
15.9%
7.0%
0.4%
1.8%
0.5%
0.6%
0.9%
0.4%
0.2%
0.0%

\$200
\$122,280
\$89,604
\$46,595
\$20,586
\$1,099
\$5,215
\$1,495
\$1,933
\$2,693
\$1,079
\$732
-

\$293.5M

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

To address continued growth, the City's proposed **2020/2021 Capital Budget** directs funding to investments in basic infrastructure needs with a continued emphasis on roads, transit, water, and wastewater distribution systems.

Major infrastructure projects, the construction of new buildings (e.g. fire halls, libraries), transportation assets (e.g. new roads and bridges), and expanded neighbourhood infrastructure (e.g. sidewalks and water lines).

The Administration proposes capital budget investments of **\$390.8 million in 2020** and **\$293.5 million in 2021** for various projects:

Utility-related projects make up 23.4% of the total capital investment in **2020** and 41.7% in **2021**, including:

- **\$39.3 million** investment in upgrades and maintenance at the Water Treatment Plant in **2020** and **\$62.8 million** in **2021** for rehabilitation and replacement of the water distribution system
- **\$22.9 million** investment in upgrades and maintenance at the Wastewater Treatment Plant in **2020** and **\$28.5 million** in **2021** for rehabilitation , upgrades and replacements within the wastewater collection system; and

- Over **\$18.4 million** investment in Saskatoon Light & Power electrical distribution upgrades in **2020**, and **\$17.8 million** in **2021**

Land Development represents 13.7% of the total capital investment for **2020** and 30.5% for **2021** required for various infrastructure requirements in Holmwood, Brighton, Aspen Ridge, North Industrial, and the Neault Roadway among other developments.

Transportation projects represent 11.3% of the total capital investments in the **2020** and 15.9% in **2021**:

- **\$31.5 million (2020)** and **\$31.8 million (2021)** for paved roadway and sidewalk preservation;
- **\$1.2 million (2020)** and **\$840,000 (2021)** for bus refurbishment and replacement;
- **\$1.1 million (2020)** and **\$1.1 million (2021)** for implementation of the Active Transportation Plan; and
- **\$1.2 million (2020)** and **\$1.2 million (2021)** for Traffic Control System upgrades and refurbishments.
- 12.5% in **2020** and 11.8% in **2021** Capital Budget is allocated among various smaller projects.

The **2020/2021** Operating Budget proposes a municipal property tax increase of:



3.23%
in 2020



3.54%
in 2021

Proposed Property Taxes for the Typical Homeowner in 2020 & 2021

As required by provincial legislation, the City must balance its operating revenues with its operating expenditures. The City has a limited number of revenue sources, and any revenue shortfalls must be balanced through a property tax increase.

These property tax increases would generate an additional **\$7.9 million in 2020** and **\$8.7 million in 2021**. A homeowner who owns a single-family detached home with an average assessed value of **\$371,000** would see their municipal property taxes change by the approximate amounts shown below.

Municipal Property Tax	2020	2021
Increase Per Average Household \$371,000 Assessment	Total City Services 3.23%	Total City Services 3.54%
Approximate Total Increase (\$ per year)	\$ 60.95	\$ 66.83
Approximate Total Increase (\$ per month)	\$ 5.08	\$ 5.57

Where the Revenues Comes From to Fund the Proposed 2020/2021 Operating Budget

Five sources of operating revenues generate money for the City to pay for the delivery of its programs and services:

Taxation, general revenues, user fees, government transfers, and grants-in-lieu of taxes. (Saskatoon Land's Development also contributes).

Almost half (48.1% and 48.5%) of the City's **2020** and **2021** operating revenues come from taxation. This has continued to increase as a share of operating revenues due to inflation, growth and service level increases, and as a result of other non-tax revenues not keeping pace with rising costs. This places more pressure on the property tax to fund any revenue gap or shortfall.

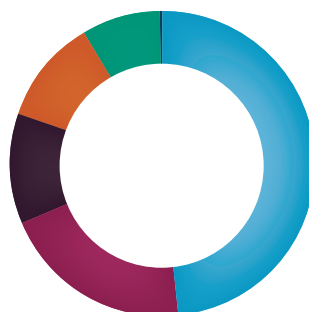
The revenue sources that pay for all civic programs and services in the City's proposed **2020** and **2021** Operating Budget are as follows.

SHARE OF 2020 OPERATING REVENUES



- 48.1% Taxation
- 20.2% General Revenues
- 12.0% Government Transfers
- 11.3% User Fees
- 8.3% Grants-in-Lieu
- 0.1% Land Development

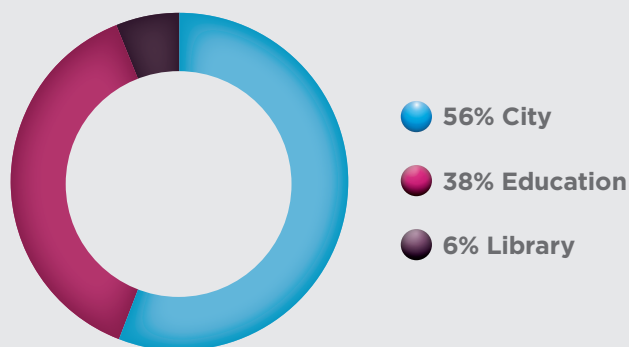
SHARE OF 2021 OPERATING REVENUES



- 48.5% Taxation
- 20.2% General Revenues
- 11.5% Government Transfers
- 11.3% User Fees
- 8.4% Grants-in-Lieu
- 0.1% Land Development

The total property tax dollar distribution in 2019 is shown below.

DISTRIBUTION OF PROPERTY TAX (2019)



How Property Tax Was Distributed in 2019

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, 38% was remitted to the Province of Saskatchewan to pay for education.

Listening to Citizens, an Important Building Block of the Multi-Year Budget Planning Approach

Citizen input has always been an important part of the City's annual business plan and budget process, and the same holds true for the multi-year planning approach.

Public feedback gathered through two surveys in 2018, the **Civic Satisfaction & Performance Survey**, and the **Civic Services Survey: Performance, Priorities & Preferences**, and through various community outreach events, was considered by Administration in the development of the proposed 2020/2021 budget; public feedback on service priorities and preferences will serve to inform City Council in their decision making at budget deliberations in November 2019.

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Find budget related documents, Administrative Reports and past budgets at saskatoon.ca/budget

HOW YOUR MUNICIPAL PROPERTY TAXES ARE DISTRIBUTED IN 2020/2021

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 urban biological services

(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