

2024 25

Multi-Year Budget

Introduction to the 2024/2025 Preliminary Multi-Year Business Plan and Budget



Land Acknowledgement

We acknowledge that our community is located on **Treaty 6 Territory** and the **Traditional Homeland of the Métis**.

Indigenous peoples including Cree, Dakota and Saulteaux have called the area now referred to as Saskatoon home for thousands of years. Today, Saskatoon is home to Indigenous peoples from a diversity of cultures and language groups.

The City of Saskatoon recognizes the distinct order of government of First Nations and Métis and is committed to maintaining strong relationships through meaningful dialogue with Indigenous communities and organizations.

Strengthening cooperation and mutual support by working in partnership with Indigenous communities toward respective community goals and objectives is vital to fostering more inclusive communities.





Saskatoon: By the Numbers

- Population – **290,750**
(Source: July 2023 COS Estimate – based on Table 17-10-0142-01 Stats Canada July 1st Population Estimates)
- ***36,000** new residents expected between 2023 and 2027
(Source: COS Mapping and Research Estimate)
- **5,200 (+2.7%)** more persons employed in Saskatoon Census Metropolitan Area (CMA) than same time one year ago (three-month moving average, seasonally unadjusted).
(Source: September 2023, Labour Force Survey, Statistics Canada)
- **1784** Housing Starts (includes Single, Semi-Detached, Row & Apartment)
(Source: CMHC, September 2023)
- **3,680** building permits issued by the City,
with a construction value over **\$770 million**
(Source: City of Saskatoon. Building Standards Monthly Build Permit Report. December 31, 2022)
- An Unemployment rate of **5.7%** (seasonally unadjusted) unemployment rate up 1.4 percentage points from September 2022.
(Source: September 2023, Labour Force Survey, Statistics Canada)
- **6,552** Inspections and Re-Inspections
by Saskatoon Fire Department in 2022
(Source: COS 2022 Annual Report)
- **1,207** development permits issued by the City in 2022
(Source: COS 2022 Annual Report)
- **4,227** Full-Time Equivalent City of Saskatoon employees
(Source: COS Full-Time Equivalent Municipal Comparison Information Report)

**This increase is roughly 14,000 over the last year which would be record growth for the city.*

MESSAGE FROM THE CITY MANAGER



I am pleased to present Administration's **Preliminary 2024 and 2025 Multi-Year Business Plan and Budget**. This document will be a key tool to advancing the budget discussions that started over the summer, and as City Council and Administration continue to look for ways to balance the services that residents and businesses expect with reasonable property tax rates.

The City, like many families and businesses, has been faced with significant financial challenges in 2023 and headed into 2024, most notably significant inflationary pressures. As such, the City dedicated several special budget meetings over the summer to review options to address these challenges. To date, City Council has directed Administration to implement dozens of adjustments which reduced the 2024 and 2025 funding requirements by nearly \$35 million.

Core services remain the focus of the City's budget, and the 2024 and 2025 preliminary multi-year business plan and budget continues to provide the necessary financial investments to address the needs of residents and businesses through:

1. The largest ever investment in the City's Roadway Maintenance and Rehabilitation Programs, \$72 million in 2024 and \$78 million in 2025 (includes the Road Maintenance, Bridges and Transportation Service Lines);
2. Investment in two new Firehalls to address emergency response for the city's expanding neighbourhoods;
3. The largest ever investment in the City's Facility Maintenance Program to preserve and protect our assets, \$10.8 million in 2024 and \$11.8 million in 2025;
4. Opening of the City's Material Recovery Centre, a major achievement for the City as we work toward our 70% waste diversion goal;
5. Investment into the City's Snow and Ice Management Program to repay the 2022 Emergency Snow Response and build funding to respond to future emergency/large-scale snow events; and
6. Increased funding for several services including Fire, Parks, Street Lighting, Sidewalks, Transit and Street Sweeping, to help address public safety, protection, and servicing needs within Saskatoon, one of the fastest growing and diverse cities in Canada.

Through this preliminary budget document and continued work at November's Budget Deliberations, I am confident the City will find the appropriate balance to move forward with a strong and sustainable financial position in 2024 and 2025.

As directed by City Council, the City will also consider its first Climate Budget in November. The **2024/2025 Climate Budget** will present a two-year window within the 30-year Low Emissions Community (LEC) Plan, created to improve the community's long-term resiliency and efficiency to achieve the City's greenhouse gas (GHG) emission reduction target incrementally over time.

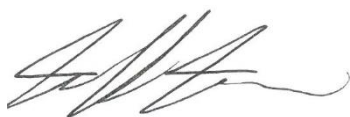
Public input continues to be integral to our budget process and embedded in the decisions we make. City Council will consider the results of our two 2023 Civic Services Surveys before it approves the 2024/2025 Business Plan and Budget. Quality of life, and the value residents get from civic services, remain highly rated by residents, as shown in the 2023 Civic Surveys' results.

(Continued on next page)

Final budget decisions will rest with City Council at November's Budget Deliberations. Once approved, the important services, programs and initiatives approved within the City's 2024/2025 Multi-Year Business Plan and Budget will be delivered through the dedication and passion of civic employees. Thank you to all committed City of Saskatoon employees for everything you do for each other, and for the residents of Saskatoon – the work you undertake every day contributes toward providing the excellent quality of life we enjoy in Saskatoon.

Thank you to everyone who has been involved with the 2024/2025 Budget planning process, and to our Corporate Financial Services team for leading Administration and City Council through another transparent budgeting process.

It is an honour to work with such a talented team of people who all do their part to help make Saskatoon a great place to live, work, learn and play for the residents of Saskatoon.



Jeff Jorgenson

City Manager



2024/2025 **OPERATING AND CAPITAL** **BUDGET SUMMARY**



SUMMARY OF THE 2024/2025 OPERATING AND CAPITAL BUDGETS

The City of Saskatoon (City) invests in the community to provide the infrastructure, programs and services necessary to improve and maintain the city's high quality of life.

Roads, bridges, pathways, and public transit that move people; police, bylaws, 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. These core areas reflect the top priorities of the City of Saskatoon and the public it serves.

To achieve these priorities, the City allocates the financial, human, and technological resources to support infrastructure and various programs and services. In terms of the budget, the City produces two distinct types of budgets each year; **operating and capital**.

The City's Operating Budget provides for the day-to-day expenses to keep the City's operations running. This budget allocates the costs for civic services and programs the citizens of Saskatoon rely on every day. It also matches the sources of revenue to pay for those services, including property taxes, user fees, licenses, and government grants.

The **Preliminary 2024 Operating Budget** proposes total operating expenditures (excluding Saskatoon Public Library and Utilities) of \$628.5 million, an increase of \$35.9 million, or 6.06%, over the 2023 Operating Budget.

The **Preliminary 2025 Operating Budget** proposes total operating expenditures (excluding Saskatoon Public Library and Utilities) of \$657.0 million, an increase of \$28.4 million, or 4.53%, over the 2024 Operating Budget.

The increases in operating expenditures are recommended as a result of two key considerations:

- 1. The cost to maintain existing services.** The City is faced with ongoing increases in expenditures as a result of inflationary requirements such as cost of living increases to wages, contractual obligated increases to contractors and vendors, and utility rate increases. 2023 saw unprecedented inflationary pressures, some as high as 30%, for services and materials that the City relies on everyday. The 2023 budget did not provide sufficient funding to address these inflationary pressures as the City had originally planned for historical inflationary levels (2% to 3%) in 2023. Therefore, the 2024 budget includes larger than normal inflationary increases to maintain service levels in many areas such as facilities and roadway maintenance. These larger than normal inflationary pressures are required to maintain the City's infrastructure and not only account for further inflation in 2024 but address the significant inflationary pressures that were underfunded in 2023 and are expected to persist into the future.

In addition, as Saskatoon grows, there is the need to provide the existing service level over an expanded service area. For example, new neighbourhoods require transit service, street sweeping, roadway and park maintenance, and garbage collection, among other requirements.

Without increases to the civic budget to account for inflation and growth pressures, the City would be unable to provide the existing level of service.

The total expenditure increases within the Business Plan and Budget to address inflation and growth pressures are \$28.8 million in 2024 and \$21.3 million in 2025 (excluding Police).

- 2. Service level improvements.** Based on City's 2022-2025 Strategic Plan, there are several areas that City Council has directed the Administration to prioritize over the next several years. While some of these priorities can be achieved without financial impact, there are several initiatives that require financial investment. Examples include enhanced support for efforts within the reconciliation, equity, diversity and inclusion spaces, community safety, and Bus Rapid Transit.

As required by *The Cities Act*, the City must pass a balanced operating budget each year.

Legislation mandates that the City cannot budget for an operating surplus or deficit unlike federal and provincial governments. Each year, the City must collect 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.



The following table represents a summary of the City's total gross operating and capital expenditure budgets for the City including Utilities, Saskatoon Land and the Saskatoon Public Library (SPL).

The details of the City's operating and capital budgets are explained in further detail in the sections following.

2024/2025 Operating and Capital Expenditure Budget

City Expenditure Budgets	2023	2024	2025
OPERATING EXPENDITURES			
Civic Services	\$459,145,600	\$484,450,900	\$506,592,700
Saskatoon Police Service (SPS)	126,403,700	134,055,700	141,038,400
Saskatoon Land	7,070,600	10,003,700	9,322,800
Utilities	399,266,100	436,659,800	460,949,600
Saskatoon Public Library (SPL)	31,476,800	32,978,200	34,345,300
Total City Operating Budget	\$1,023,362,800	\$1,098,148,300	\$1,152,248,800
CAPITAL EXPENDITURES			
Civic Services	147,499,000	195,367,800	218,799,300
Saskatoon Police Service (SPS)	3,468,000	3,643,000	2,908,000
Saskatoon Land	79,641,000	67,726,000	93,892,000
Utilities	108,534,000	114,512,600	87,809,300
Saskatoon Public Library (SPL)	100,000	200,000	200,000
Total City Capital Budget	\$339,242,000	\$381,449,400	\$403,608,600
TOTAL CITY EXPENDITURE BUDGET	\$1,362,604,800	\$1,479,597,700	\$1,555,857,400

The table below represents a summary of the City's overall gross operating revenue and expenditure budgets. This table depicts the City's balanced budget represented by the Net Budget column balancing to zero.

City Section	2024			2025		
	Gross Revenues	Gross Expenditures	Net Budget	Gross Revenues	Gross Expenditures	Net Budget
OPERATING			-			-
Civic Services	(\$605,844,200)	\$484,450,900	(\$121,393,300)	(634,834,800)	\$506,592,700	(\$128,242,100)
Saskatoon Police Service (SPS)	(12,662,400)	134,055,700	121,393,300	(12,796,300)	141,038,400	128,242,100
Saskatoon Land	(10,003,700)	10,003,700	-	(9,322,800)	9,322,800	-
Utilities	(436,659,800)	436,659,800	-	(460,949,600)	460,949,600	-
Saskatoon Public Library (SPL)	(32,978,200)	32,978,200	-	(34,345,300)	34,345,300	-
Total City Operating Budget	(\$1,098,148,300)	\$1,098,148,300	-	(\$1,152,248,800)	\$1,152,248,800	-

2024/2025 Operating Budget

To help pay for the City's day-to-day operations and to ensure the budget is balanced, **the Operating Budget is proposing a municipal property tax increase of 7.14% and 5.70% for 2024 and 2025 respectively.**

In 2024, 1.0% of property tax is equivalent to \$2.9 million, and in 2025, \$3.2 million.

The proposed property tax increase for 2024 and 2025 will generate an additional \$21.0 million and \$18.0 million respectively for the City's Operating Budget.

Operating options were presented to the Governance and Priorities Committee in August 2023 ([2024/2025 Business Plan and Budget Options](#)) to support priorities outlined in the City's 2022-2025 Strategic Plan. While these options have not been included in the 2024/2025 Preliminary Business Plan and Budget, a corresponding report included in the Business Plan and Budget Review Agenda will outline the available options for City Council's consideration.

More details on the Preliminary 2024/2025 Operating Budget, including the proposed property tax increase, are provided later in this document.

2024/2025 Capital Budget

The City's Capital Budget focuses on the long-term, it provides investments in assets for the future of the city. The capital budget provides for the cost of construction, major repairs, major purchases, and the replacement and renewal of assets such as bridges, buildings, roads, technology and equipment.

The City's Capital Budget proposes investing \$381.5 million and \$403.6 million in 2024 and 2025 respectively in various capital projects.

The City utilizes a variety of revenue sources and tools to pay for the projects contained in the Capital Budget such as borrowing, government grants, utility rates, and reserves. Although the City's Capital and Operating Budgets achieve different objectives, there is a relationship between the two.

The City's Capital Budget Is Linked to the Operating Budget

To pay for some capital projects, the City transfers funds from the Operating Budget to various reserves. These reserves are then used to provide funding for the capital costs of various projects. Similarly, when the City borrows to pay for capital projects, the debt repayment comes from the City's Operating Budget.

After the City uses the Capital Budget to invest in the initial purchase of an asset, the asset is put into use and will then require operating costs. The Capital Budget does set money aside for the repair and replacement of assets however the City's Operating Budget must also allocate funds to help pay for the regular maintenance of assets as they age.

For example, when the City builds a new bridge, there is an obligation to ensure the bridge is maintained. When the City constructs a new recreation centre, there is an obligation to ensure there is enough staff to operate the building. If a new transit vehicle is purchased, it will require a driver and yearly maintenance costs. These obligations, therefore, have an impact on the Operating Budget.

The operating impacts of capital projects are addressed in more detail later in this document.

Capital options aimed at achieving priorities outlined in the City's 2022-2025 Strategic Plan were presented to the Governance and Priorities Committee in August 2023 ([2024/2025 Business Plan and Budget Options](#)) and prioritized in October 2023. These capital options are included as **unfunded projects** in the 2024/2025 Preliminary Business Plan and Budget, and a corresponding report included in the Business Plan and Budget Review Agenda will outline the available options and recommendation for City Council's consideration.

Aligning the City's Budget to Accrual-Based Reporting

The City ensures the budgeting process is a transparent process that is integrated into operations with a clear link to the Strategic Plan. The City's budget documents tie together these priority areas, the City's financial structure, financial policies and summarized financial information.

To achieve this robust and transparent reporting, the City's budgets are prepared using a modified-accrual basis which illustrates the economic impacts of the financial policies by showing citizens' cash inflows as well as outflows.

The modified-accrual basis accounts for some accruals for expenditures incurred during the fiscal year but paid out after year-end as well as accounts for transfers to reserves for the future and debt principal payments but does not include such non-cash expenditures such as amortization of tangible capital assets, post-employment benefits and solid waste landfill closure and post-closure expenditures.

In accordance with Public Sector Accounting Standards (PSAS), the City's financial statements must be prepared using full-accrual basis which includes these non-cash expenditures.

The City's annual report reflects the requirement with a PSAS prepared consolidated financial statement that is compared to a PSAS budget. However, budgets are not required to use full-accrual accounting and the City uses a balanced modified-accrual basis for its budgeting process, budget document and subsequent setting of property tax rates to ensure:

1. That citizens are not overcharged in property taxes for expenditures that are not cash related;
2. That funds are available in reserves when required to minimize the use of debt for large capital projects; and
3. That there are not large swings in property taxes for these large projects as funds were not phased-in appropriately.

To contrast the impact of the non-cash adjustments that would be included if preparing the annual budgets using PSAS full accrual basis, the following table shows the net surplus from these non-cash adjustments.

The net surplus is mainly due to the City's investment in its tangible capital expenditures which are capitalized under PSAS. This is for information only and does not impact the balanced budget as presented in this document.

Budget to PSAS Accrual Reconciliation ('000)	2024	2025
Budgeted Expenditures	1,098,148.3	1,152,248.8
PSAS Adjustments:		
Estimated Amortization	152,477.0	154,078.4
Estimated Change in Employment Liabilities	4,755.6	(311.5)
Estimated Change in Liability for Contaminated Sites	(8,285.3)	(11,930.7)
Estimated Change in Landfill Closure Liability	4,692.7	3,410.6
Deduct Transfers to Reserves	(67,221.0)	(44,811.9)
Deduct Debt Principal Payments	(26,680.5)	(28,442.3)
Intercompany and Consolidation of Controlled Corporations	(122,397.7)	(137,870.6)
PSAS Gross Expenditures	1,035,489.1	1,086,370.8
Budgeted Revenue	1,098,148.3	1,152,248.8
PSAS Adjustments:		
Add Estimated Contributed Assets	26,686.0	27,667.7
Add Estimated Capital Government Transfers	121,885.5	130,564.7
Add Capital Contribution from Developers	83,412.4	88,853.5
Intercompany and Consolidation of Controlled Corporations	(77,178.3)	(90,685.2)
PSAS Gross Revenues	1,252,953.9	1,308,649.5
Budgeted PSAS Surplus	217,464.8	222,278.7



BUDGET BUILDING BLOCKS



Planning the Multi-Year Business Plan and Budget

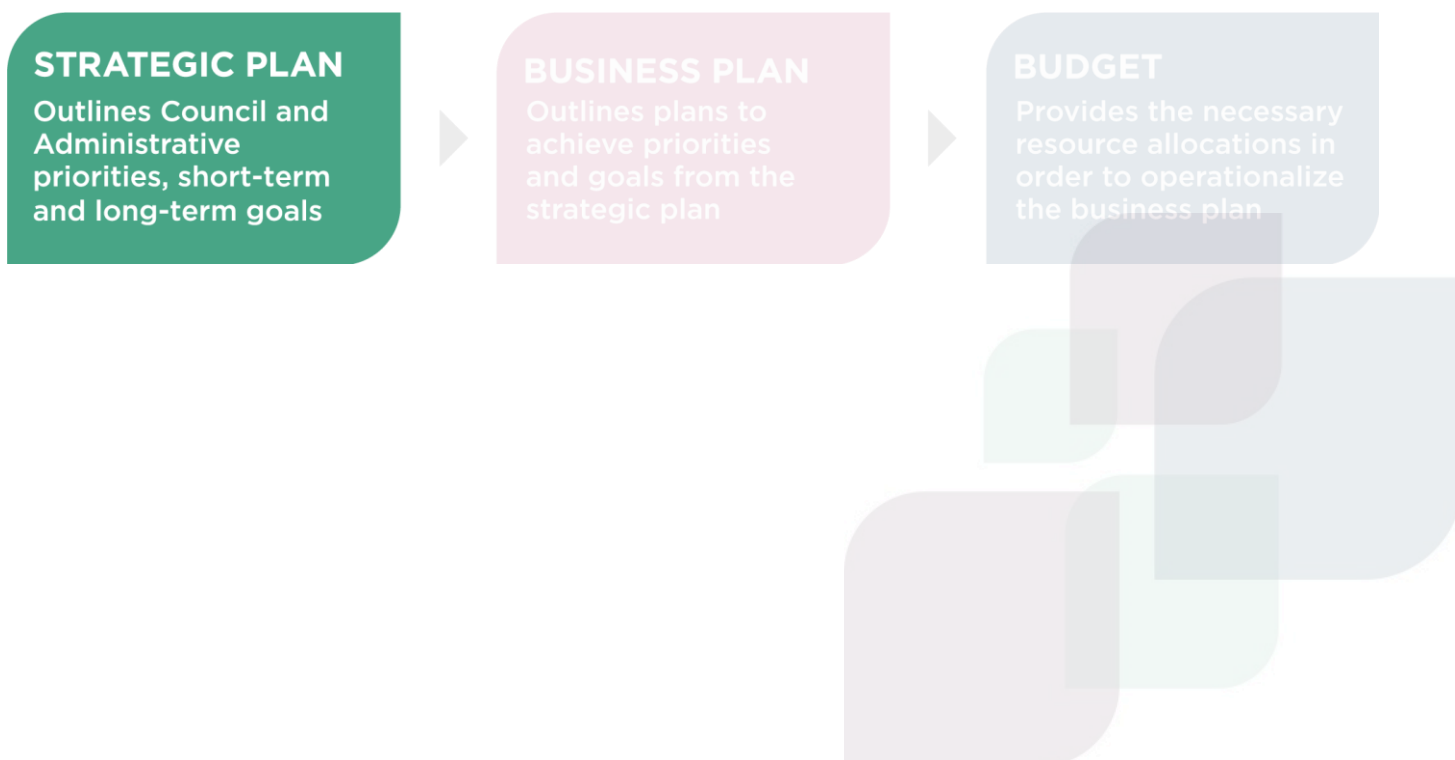
The City's *approach* to multi-year business planning and budgeting remains the same as the City's first multi-year business plan and budget adopted for 2020 and 2021.

The City's approach to multi-year budget planning and budgeting is intended to:

- **Improve transparency and decision-making** by providing City Council and citizens with more information about where City funds are used. This approach links service costs to service levels and outcomes, and better connects long-term goals to short-term spending decisions;
- **Increase the City's accountability** in delivering civic services to citizens effectively and efficiently, while maintaining its 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.

Through this approach, the City's 2022-2025 Strategic Plan will continue to drive the business planning and budget process.

Collectively, the City's 2022-2025 Strategic Plan, and the 2024/2025 Business Plan and Budget are the foundational building blocks that provide the framework to support the City's multi-year budget approach. These pieces help ensure the City's budgeted investments are deliberate, purposeful, and supportive of the high quality of life we have in Saskatoon today - and for the future:



2022-2025 STRATEGIC PLAN

In 2012, City Council adopted a 10-year Strategic Plan that reflected the visionary ambitions of people in Saskatoon through the community engagement process, *Saskatoon Speaks*. In 2022, City Council approved a refreshed 2022-2025 Strategic Plan. The new plan reflects the insights of the current City Council (elected in 2020), the public and Administration.

The timely update to the Strategic Plan will ensure our programs and services continue to address the needs of the community and our changing city, while staying within our financial means.

VISION

Saskatoon is a great place to live, work, learn and play

MISSION

Our Corporation, the City of Saskatoon, exists to provide excellence in local governance and public service delivery

VALUES

People
Respect
Integrity
Safety
Trust
Courage

The 2022-2025 Strategic Plan uses a framework called the Strategy House to bring together various components of the 2022-2025 Strategic Plan. The City's Vision, Mission, Values, Purpose and Strategic Goals are consistent with previous strategic plans, as they remain relevant today.

Three new pillars form the City's 2022-2025 Strategic Plan's framework:

- Advance City Council's Priorities;
- Deliver Excellence in Core Services and Operational Priorities; and
- Drive Corporate Transformational Change.

For more information on the priorities outlined within each pillar, review the 2022-2025 Strategic Plan at saskatoon.ca/strategicplan.

City Council approved the [2022-2025 Strategic Plan](#) in January 2022.

Strategic Goals

The City's Strategic Goals are based on areas that the community, Administration and City Council identified as important. The investment decisions made in the City's 2024/2025 Multi-Year Business Plan and Budget will help us achieve our Strategic Goals and the City's vision of making Saskatoon a great place to live, work, learn and play.



**Saskatoon invests
in what matters.**



**Saskatoon is the best-
managed city in Canada.**



**Saskatoon grows in
harmony with nature.**



**Saskatoon is a city
on the move.**



**Saskatoon is a warm and
welcoming place for all.**



**Saskatoon is known
for smart, sustainable
growth.**



**Saskatoon thrives
thanks to a diverse local
economy.**



THE 2024/2025 MULTI-YEAR BUSINESS PLAN

The 2024/2025 Business Plan includes initiatives and projects aligned with the 2022-2025 Strategic Plan. The Business Plan guides the investments, projects, and service levels the City will implement and achieve over the course of the next two years.



The 2024/2025 Business Plan supports service outcomes, performance measures, strategic outcomes, and actions planned within the **City's 14 Business Lines**:

- Arts, Culture and Events Venues
- Community Support
- Corporate Asset Management
- Corporate Governance and Finance
- Environmental Health
- Land Development
- Recreation and Culture
- Saskatoon Fire
- Saskatoon Public Library
- Saskatoon Police Service
- Taxation and General Revenues
- Transportation
- Urban Planning and Development
- Utilities

The City's business planning process ensures resources are provided to priority programs and services. Funding is tied to clear and achievable key actions identified in the 2022-2025 Strategic Plan.

In addition, the multi-year business plan provides the framework which allows the City to quickly adapt, respond and adjust to changing municipal, provincial, and federal environments as needed.

The City of Saskatoon regularly conducts two civic services surveys to measure residents' perspectives on quality of life in Saskatoon, satisfaction with civic services, areas for improvement, and future priorities. These surveys help develop baseline performance data and identify trends, opportunities, and issues of importance. The survey results help inform decisions related to strategic priorities, budgeting, and service delivery, and highlight opportunities for continuous improvement. Snapshots of the 2023 Surveys' Results follow.

- **Civic Satisfaction & Performance Survey**
- **Civic Services Survey: Performance, Priorities & Preferences**

2023 Civic Satisfaction & Performance Survey

2023 RESULTS

86%

Quality of Life & Satisfaction

86% of respondents say that they are satisfied with living in Saskatoon. **78%** of respondents rate the quality of life in Saskatoon as good or very good.

83%

Quality & Value of Services

83% say they receive very good or good value from the services provided by the City. **81%** agreed that they are satisfied with the quality of services provided by the City of Saskatoon.

77%

Communications

77% of respondents are satisfied with the quality of City communications.

76%

Public Engagement

76% of respondents say the City provides meaningful opportunities to participate in engagement activities. **62%** of respondents say the City does enough to get the public's input on decisions. **61%** of respondents say the City communicates how it will use public input to help make decisions.

65%

Customer Service/Contact the City

65% agree the City provides consistent and reliable information and **64%** agree that City staff are reachable when needed. **48%** of respondents preferred contacting the City by email, followed by telephone **46%**.

25%

Balancing the Budget

25% of participants prefer a combination of both property tax and user fee increases to balance the budget. **19%** prefer to stop providing a particular service and **18%** prefer to introduce a new user fee or service.

CONTINUED ON OTHER SIDE

2023 Civic Satisfaction & Performance Survey

2023 RESULTS

Strategic Goal Performance Indicators

90%



agreed that the City is effectively providing a good mix of recreation, sport & cultural facilities year round.

71%



feel Saskatoon is an inclusive and welcoming city.

88%



agreed that the City is effectively providing online services.

66%



feel the City does a good job preserving natural resources and protecting the environment.

74%



feel the City is effectively balancing growth throughout the City.

54%



feel the City is investing in a mix of transportation options for moving around.

73%



reported that a friend or colleague would feel safe living in Saskatoon.

48%



feel the City is making downtown an appealing destination.

2023 Civic Services Performance, Priorities and Preferences Survey

2023 RESULTS

PERFORMANCE



Transportation & Utilities

Respondents were most satisfied with:

- **reliability of electrical services*** (8.7)
- **quality of drinking water** (8.3)
- **speed of water main breaks repairs** (7.6)

* Reliability of electrical services' is reported for Saskatoon Light & Power customers only.



Community & Public Services

Respondents were most satisfied with:

- **fire protection** (8.1)
- **maintenance of city parks** (7.7)
- **police services** (7.6)



Waste Management

Respondents were most satisfied with:

- **garbage collection** (8.0)
- **recycling collection** (8.0)
- **landfill services** (7.6)



Recreation & Culture

Respondents were most satisfied with:

- **indoor leisure centres** (7.9)
- **outdoor sports fields** (7.9)
- **indoor ice rinks** (7.9)
- **recreation programs and services** (7.9)

City residents were asked to rate services provided by the City on a **10-point scale**.

2023 Civic Services Performance, Priorities and Preferences Survey

2023 RESULTS

SERVICE PRIORITIES



Key Weaknesses (Improve)

- Snow & ice road maintenance
- Maintenance of major roadways and freeways
- Accessibility of infrastructure for people with disabilities
- Traffic management
- Planning for growth and development



Key Strengths (Maintain)

- Quality of Drinking Water
 - Reliability of electrical services*
 - Fire Protection
 - Garbage Collection
 - Speed of water main break repairs
 - Maintenance of city parks
- * Reliability of electrical services' is reported for Saskatoon Light & Power customers only.

PREFERENCES FOR SERVICE LEVELS



More Services

- The top three services where residents would like the City to provide more service include:
 - Affordable Housing **(60%)**
 - Road Maintenance **(58%)**
 - Snow & Ice Management **(55%)**

Services, Savings and Sustainability

Successful organizations must continually refresh and evolve to meet the needs of the people they serve, and the City of Saskatoon is no different.

The [2022 Report on Service, Savings and Sustainability](#) demonstrates the City is continuing to working hard to become one of the best-managed cities in Canada. It highlights our achievements and progress made in 2022 to drive service improvements, identify savings for taxpayers, and adopt sustainability initiatives across Saskatoon.

City employees continue to demonstrate their commitment to sustaining a culture of continuous improvement year after year, making Saskatoon a better community for everyone.

Risk-Based Management Framework

The City, like all municipal governments, faces many types of risk, including strategic, operational, financial and compliance.

To help manage these risks, the City implemented a Risk-Based Management Program (RBM) to assist Administration with enhancing intelligent risk performance in all areas of operation, ensuring continuous improvement in the way the City is managed, as well as continued growth in public confidence in the City's performance.

RBM
Program Vision
We know what our risks are and we are accountable to actively manage them.

RBM is an important building block in the business, budget and strategic planning process by providing a continuous, proactive and systematic process to ensure risk is understood, managed and communicated throughout the organization.

The framework assists departments in developing processes that help identify and document risks before they occur, allowing for a planned approach to reducing the likelihood and impact of an adverse event, and increasing the possibility and magnitude of benefits that could result from seizing an opportunity.

When effectively integrated into strategic and decision-making processes, the risk management process helps to:

- achieve Strategic Goals and operational objectives;
- improve financial and operational management by effectively allocating resources to high-risk areas;
- strengthen the planning and priority-setting process;
- increase management accountability by demonstrating due diligence; and
- foster innovation and continuous improvement.

PRELIMINARY 2024/2025 BUDGET SUMMARY



THE 2024/2025 OPERATING BUDGET

The overall vision for the 2024/2025 Business Plan and Budget is to have a more integrated process whereby the City's 2022-2025 Strategic Plan drives the business planning process and is the basis for budget preparation. This concept is illustrated below:



The 2024/2025 Business Plan and Budget process followed was slightly different than in previous years because of the need to address budgetary pressures facing the City.

At the June 14, 2023 Governance and Priorities Committee (GPC) meeting a report on the [2024/2025 Budget Status Update](#) was presented. This report estimated that, without further intervention, the funding gap would be \$52.4 million in 2024 and \$23.2 million in 2025 in order to maintain existing services. The projected funding gap for 2024 and 2025 was significantly higher than in previous budget cycles for a number of reasons, including:

- Higher than normal inflationary pressures on the City's construction, materials and supplies requirements
- Ongoing post-pandemic revenue recovery including the removal of \$10.0 million in one-time funding in 2024
- Previously approved (in-principle) required funding plan phase-ins for Bus Rapid Transit and the Recreation Game Plan
- Base budget issues/underfunding such as Information Technology Structural Budget Issues
- 2022 Emergency Snow Event Funding as well as a phase-in to prepare for future events

A series of **Special Budget Meetings** were held over summer 2023 to review business lines and options presented by the Administration aimed at lowering the projected revenue gap for 2024 and 2025.

June 22, 2023, 9:30 a.m. **Special Budget Meeting**, Business Line Reviews, [Agenda/Archive Video here](#)

July 25, 2023, 9:30 a.m. **Special Budget Meeting**, Business Line Reviews, [Agenda/Archive Video here](#)

August 15, 2023, 9:30 a.m. **Special Budget Meeting**, Business Line Reviews, [Agenda/Archive Video here](#)

August 31, 2023, 9:30 a.m. **Special Budget Meeting**, Business Line Reviews [Agenda/Archive Video here](#)

October 11, 2023, 9:30 a.m. **Governance and Priorities Committee Meeting**, Saskatoon Police Service – 2024/2025 Budget Information Update and Saskatoon Public Library – 2024/2025 Budget Information Update [Agenda/Archive Video here](#)

November 28, 29, 30, 2023:
City Council’s 2024/2025 Multi-Year Business Plan & Budget Review and Deliberation

The decisions made during these Special Budget Meetings on the reductions or additions to be included in the 2024/2025 Preliminary Business Plan and Budget are detailed in the following table; they reduced the City’s potential reliance on the property tax by approximately \$34.9 million over 2024 and 2025. Additionally, the Saskatoon Police Service budget as presented on October 11, 2023, was approximately \$1.7 million lower than expected over 2024 and 2025.

Previous Decisions for Inclusion in Preliminary Business Plan and Budget

Adjustments approved for inclusion in 2024/2025 Preliminary Business Plan and Budget	2024	2025
Additional Municipal Revenue Sharing	(\$2,145,400)	(\$900,000)
Franchise Fees, Sask Energy Rates Changes, Waste Utility Low-Income Subsidy, Leisure Centre Revenue	573,800	(628,700)
SL&P ROI Inflationary Reduction	(2,475,000)	495,000
Roadway Preservation Inflation	(7,650,000)	1,530,000
Saskatoon Fire Apparatus Replacement Inflation	(577,500)	115,500
Civic Building Comprehensive Maintenance Inflation	(2,014,500)	402,900
\$0.15/Liter Reduction to Fuel Estimates	(1,050,000)	(1,050,000)
Eliminate Saskatoon Fire Station Phase-In	(1,255,000)	(1,255,000)
Eliminate Transit Service Future Service Phase-in	(208,500)	(208,500)
Eliminate East Leisure Operating phase in	(600,000)	(600,000)
40% reduction to Snow and Ice Phase-In	(644,000)	(644,000)
Eliminate Transit Bus Growth Phase-in	(1,800,000)	-
50% reduction to Negative Contingency Phase-Out	(1,939,600)	-
Increase Parking Rates by \$0.50/hour	(535,000)	-
Increase Parking App Fees	(60,000)	-

Limit City Yards Operations Security Increase to 50%	(64,000)	-
Defer Roadways Maintenance Training Positions	(83,200)	(83,200)
Defer Paved Street and Sidewalk Maintenance Positions	(22,500)	(89,600)
Defer Snow and Ice Management Positions in 2024	(115,300)	-
Defer Street Sweeping Positions	(13,800)	(80,900)
Defer Transportation Services Positions	(106,600)	(75,800)
Limit Snow and Ice Inflation to \$300K & \$350K in 2024/2025	(53,900)	(44,600)
No increase for Street Cleaning and Sweeping Inflation	(122,700)	-
No increase for Transit Bus Stop Snow Removal	(100,000)	-
No increase for Saskatoon Transit Training	(138,300)	-
Provincial Franchise Fees Increase	(1,558,100)	(725,000)
Saskatoon Transit Revenue Adjustment	(1,500,000)	-
Transportation Services Painting and Signage Inflationary Reduction	(96,400)	-
Soft Surface Median Sweep Reduced to One Sweep Every Two Years	(200,000)	-
Expansion of Parking Pay Station Zones	(85,000)	-
Increase Pet Licensing Rates and Fees	(80,000)	-
Increase Cemetery Rates and Fees	(30,000)	(30,000)
Reduction to Special Events Reserve in 2024 and Subsequent Increase in 2025	(200,000)	68,700
Reduce Increases and Maintain the Same Level of Funding for Grants and Community Organization Support	(85,700)	(211,300)
Defer Saskatoon Fire Asset Management Position to 2025	(140,300)	140,300
Reduce Communications Consultant Position for Saskatoon Fire	(115,700)	-
Defer Saskatoon Fire Operations Dispatch Manager until mid-way through 2024	(70,100)	70,100
Closure of East Compost Depot	(132,000)	-
Adjust Operating Hours at MRC and Landfill	(150,000)	-
Eliminate skunk Inspection, Trapping and Relocation Services for Private Residential Properties	(25,000)	-
Reduce Mosquito Control Treatment Area	(30,000)	-
Phase out \$100,000 Interest Stabilization support	(50,000)	50,000
An increase of \$5.00 for the Manual Tax Certificate/Tax Search Fees and a \$10 increase for the Online Tax Certificate/Tax Search fees	(282,000)	-
A 0.5% increase in the City's Current and Arrears monthly Property Tax Penalty Rate	(848,000)	-
An increase to Parking Ticket Penalty Amounts of \$50 to \$60 for late pay penalties and \$30 to \$35 for the reduced penalty rate for parking offences related to parking in a pay parking area where purchased time has expired.	(280,000)	-
Increase Lease Revenue	(200,000)	-
CBCM reduction of the planned phase in for Remai Modern	(41,000)	-
Reduce Budget for Program Research and Design	(50,000)	-
Defer Playground & Youth Centre Training FTE	(19,300)	(14,200)
Defer outdoor special events organizer	(15,400)	-
Redirect one time savings from HBAC Closure in 2024 and 2025	(250,000)	(250,000)
Reduction to Corridor Planning Operations Funding	(40,000)	-
Reduce Payroll Expenses	(200,000)	-

Reduce Fusion Operating Phase-in	(250,000)	(250,000)
Defer Storm Utility Charge	(185,000)	(90,000)
Defer IT Reserve Increases	(55,500)	-
Reduce Snow Removal at Civic Facilities	(50,000)	-
Total Adjustments	(\$30,515,500)	(\$4,358,300)

The Prioritized 2024 - 2025 Business Plan and Budget Options including the prioritized list of capital options was presented at the October 11, 2023, Governance and Priorities Committee meeting and will be included in the Business Plan and Budget Deliberation Agenda.

City Council will deliberate further adjustments and finalize all its investment decisions at the 2024/2025 Business Plan and Budget Deliberation meetings scheduled November 28-30, 2023.

Within the 2024/2025 Preliminary Business Plan and Budget:

- The Operating options have not been included**

- The Capital options are included as unfunded projects**



Expenditures

The City's 2024 and 2025 Operating Budgets include total expenditures of \$628.5 and \$657.0 million, respectively. Schedule II of the 2024/2025 Preliminary Detailed Operating and Capital Summary Budget provides additional detail on the breakdown of these expenditures.

Within the 2024 and 2025 Operating Budgets, expenditures are increasing by 6.06% and 4.53%, respectively.

The City's Non-Mill Rate programs are also included in the table below; however, these programs do not impact the Property Tax (or City's Mill Rate). Utility expenditures are self-funded through utility rates (user fees), and the Saskatoon Public Library (SPL) charges its own Mill-Rate separate from that of the City.

The increase in expenditures is comprised of the following:

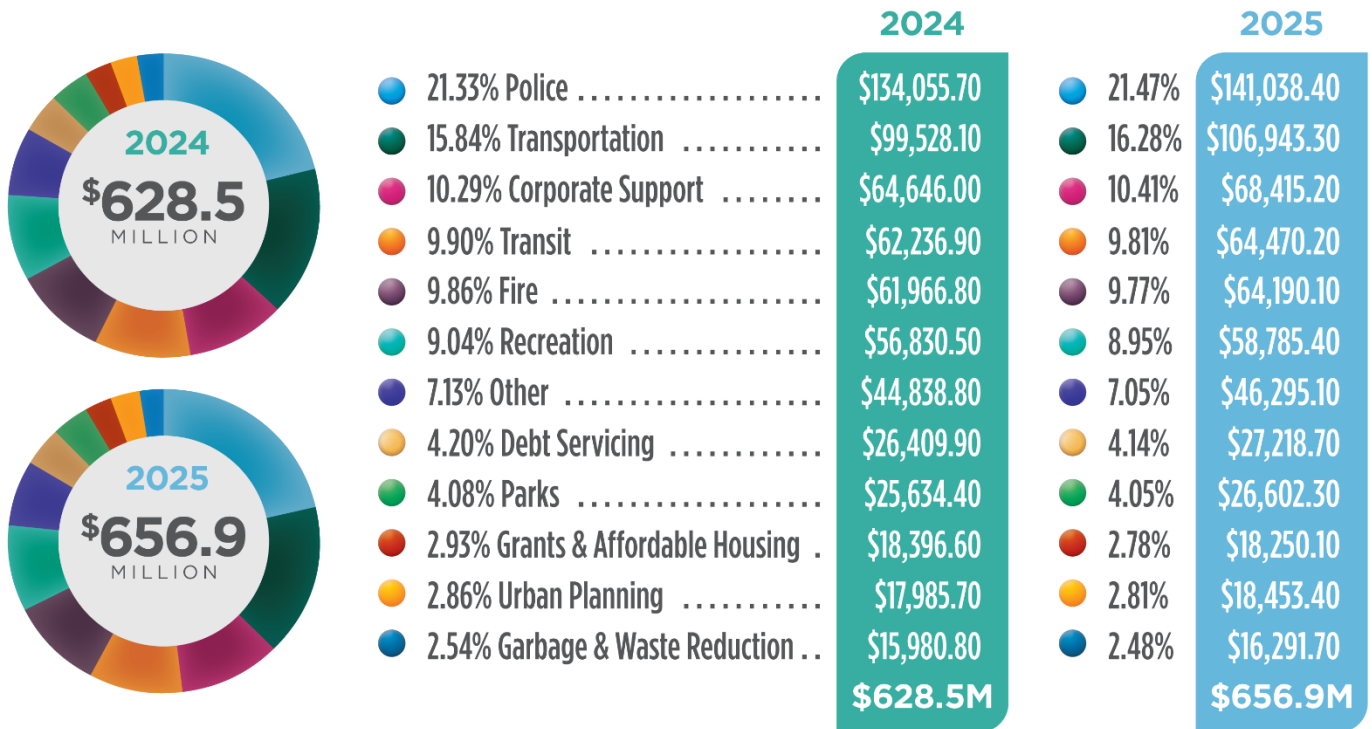
Mill Rate vs. Non-Mill Rate Gross Expenditure Changes

Item	2023 Budget	2024 Budget	2024 (\$) Increase	2024 (%) Increase	2025 Budget	2025 (\$) Increase	2025 (%) Increase
Mill Rate Programs:							
Civic	459.15	484.45	25.30	5.51%	506.59	22.14	4.57%
Land Development	7.07	10.00	2.93	41.49%	9.32	(0.68)	-6.81%
SPS	126.40	134.06	7.66	6.06%	141.04	6.98	5.21%
Total Mill Rate Programs:	592.62	628.51	35.89	6.06%	656.95	28.44	4.53%
Non-Mill Rate Programs:							
Utilities	399.27	436.66	37.39	9.36%	460.95	24.29	5.56%
SPL	31.48	32.98	1.50	4.76%	34.35	1.37	4.15%
Total Non-Mill Rate Programs:	430.75	469.64	38.89	9.03%	495.30	25.66	5.46%
Total Expenditures	1,023.37	1,098.15	74.78	7.31%	1,152.25	54.10	4.93%

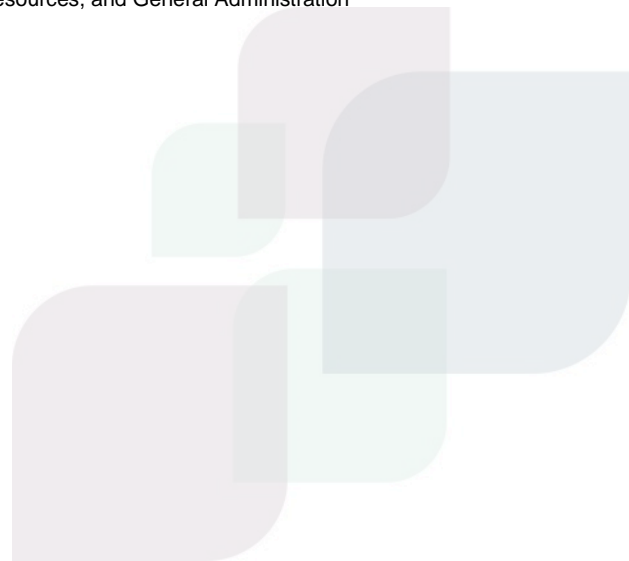
The following chart details the distribution of total expenditures by service.

Policing represents the largest portion of the City’s operating expenditures at approximately 21%, or \$134.1 million in 2024 and \$141.0 million in 2025.

PRELIMINARY OPERATING EXPENDITURES BY SERVICE (VALUE IN THOUSANDS)



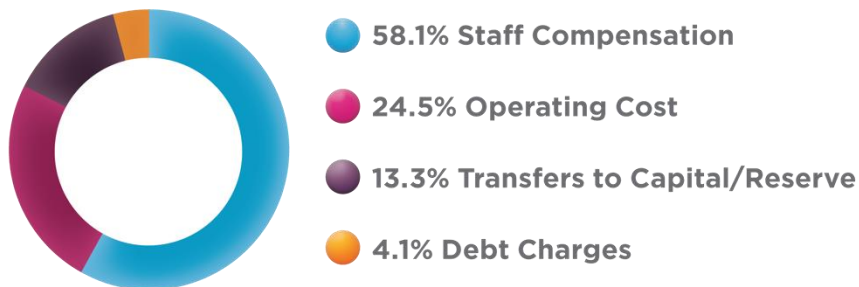
- (1) Other includes street lighting, animal services, cemeteries and facilities, court costs for traffic violations, Saskatoon Land, Impound Lot, and property annexation costs
- (2) Parks includes urban forestry and urban biological services
- (3) Debt Servicing includes provisions for current and future debt servicing
- (4) Corporate Support includes the offices of the City Manager, City Clerk, City Solicitor, Legislative, Finance, Revenue, Service Saskatoon, Assessment & Taxation, Information Technology, Human Resources, and General Administration
- (5) Transit includes Access Transit



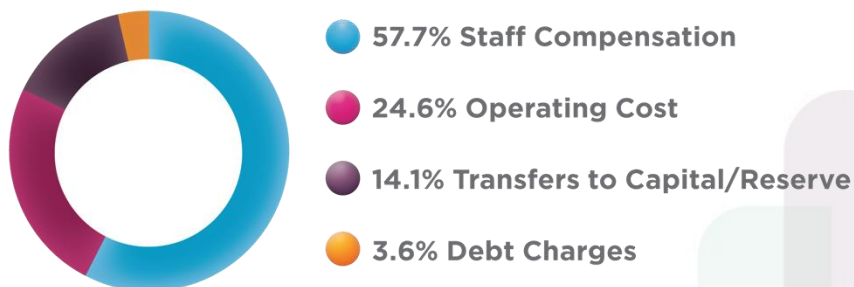
The chart below shows the percentage share of major expense categories within the Preliminary 2024/2025 Operating Budget.

- The majority of expenditures within the Operating Budget, \$364.6 million in 2024 and \$378.4 million in 2025, are for staff salaries and payroll costs.
- Transfers to Capital Reserves account for \$83.7 million in 2024 and \$92.8 million in 2025 of the Operating Budget (includes capital down payments for funding plans).
- Debt servicing costs (principal and interest) excluding utilities are \$26.0 million in 2024 and \$24.0 million in 2025 of the Operating Budget. These are funded by \$8.9 million in 2024 and \$7.4 million in 2025 from re-allocated Canada Community Building Funds (Formerly Gas Tax), and \$17.1 million in 2024 and \$16.6 million in 2025 from property taxation.

2024 TOTAL OPERATING EXPENDITURES BY CATEGORY



2025 TOTAL OPERATING EXPENDITURES BY CATEGORY



Staffing

The City typically benchmarks FTE growth to population growth. As Saskatoon's population increases, the City adds more roadways, sidewalks and parks to be maintained as well as requires expansion in transit, fire and snow & ice management services. These are just a few examples of the pressures growth places on the City's maintenance network and service delivery which require additional resources in order to avoid eroding service levels over time. Including the proposed new FTE's and assuming a 1.50% population growth rate in 2024 and 2025 the City's FTE/1,000 population would be 13.83 for 2024 and 13.75 in 2025. This continues the downward trend from the 2014 FTE/1,000 population which was 14.26.

The **2024 Budget** includes an additional 85.41 FTEs over 2023 (a 2.1% increase).

The **2025 Budget** includes an additional 43.98 FTEs over 2024 (a 0.97% increase).

The following table shows the total staffing requirements and change over 2024 and 2025:

Summary of Full-Time Equivalent (FTEs)

(FTEs)	2023	2024	2024 Change	2025	2025 Change
CIVIC, POLICE & CONTROLLED CORPORATIONS					
Civic Operations					
Community Support	29.6	30.1	0.5	30.1	-
Corporate Asset Management	256.4	265.9	9.5	269.4	3.5
Corporate Governance & Finance	464.7	479.7	15.0	487.2	7.5
Environmental Health	113.0	99.3	(13.7)	99.3	-
Fire	355.0	362.0	7.0	363.0	1.0
Recreation & Culture	317.6	327.5	9.9	329.6	2.1
Transportation	658.1	663.1	5.0	668.5	5.4
Urban Planning & Development	67.2	70.1	2.9	70.1	-
Total Civic Operations	2,261.6	2,297.7	36.1	2,317.2	19.5
Police:					
Police	725.3	734.3	9.0	744.3	10.0
Total Police	725.3	734.3	9.0	744.3	10.0
Controlled Corporations:					
Remai Modern	53.1	53.1	-	53.1	-
SaskTel Centre	51.8	51.8	-	51.8	-
TCU Place	63.6	67.5	3.9	68.5	1.0
Total Controlled Corporations	168.5	172.4	3.9	173.4	1.0
TOTAL CIVIC, POLICE & CONTROLLED CORPORATIONS	3,155.4	3,204.4	49.0	3,234.9	30.5
NON-TAX-SUPPORTED SERVICES:					
Building and Plumbing	58.0	58.0	-	58.0	-
Licenses and Permits	10.6	12.3	1.7	12.3	-
Golf Courses	24.8	24.8	-	24.8	-
Impound Lot	0.8	0.8	-	0.8	-
Nutrien Playland	3.8	3.8	-	3.8	-
Gordon Howe Campsite	2.8	2.8	-	2.8	-
Land Development	19.4	19.4	-	19.4	-
Sub-total	120.2	121.9	1.7	121.9	-
Utilities:					
Utilities	410.4	410.4	-	446.3	35.9
New FTEs	-	35.9	-	8.0	-
Transfer to Operating	-	-	-	-	-
Transfer to Capital (Utilities)	-	-	-	-	-
Total Utilities	410.4	446.3	35.9	454.3	8.0
TOTAL NON-TAX-SUPPORTED SERVICES	530.6	568.2	37.6	576.2	8.0
Capital:					
Capital	352.3	352.3	-	348.3	(4.0)

New	-	6.0	-	2.0	-
Transferred to Operating	-	(10.0)	-	(0.5)	-
Transferred from Operating (Utilities)	-	-	-	-	-
Total Capital	352.3	348.3	(4.0)	349.8	1.5
FTE TOTAL	4,038.3	4,120.9	82.6	4,160.9	40.0
LIBRARY	209.8	212.8	3.0	216.8	4.0
FTE TOTAL WITH LIBRARY	4,248.1	4,333.7	85.6	4,377.7	44.0

*Due to rounding, the numbers in the table may be slightly different than actuals.

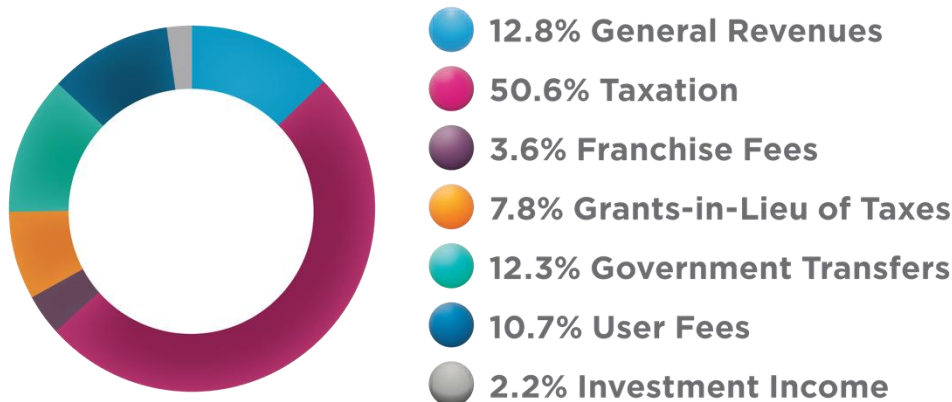


Revenues: Where the Money Comes From

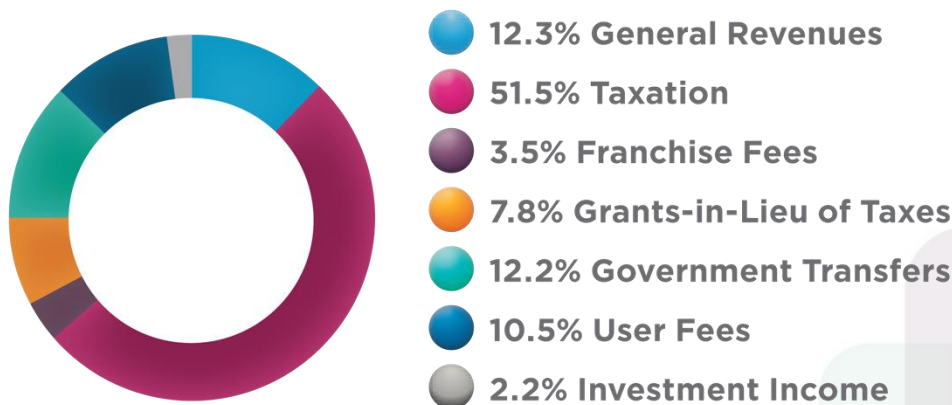
The City of Saskatoon generates operating revenues from five **main** sources to pay for the delivery of its programs and services: taxation, general revenues, user fees, government transfers, and grants-in-lieu of taxes. Franchise fees and investment income also contribute to a lesser degree.

The percentage of revenue sources that pay for all civic programs and services in the City's 2024 and 2025 Operating Budget are shown in the graphs below.

SOURCES OF 2024 OPERATING REVENUES



SOURCES OF 2025 OPERATING REVENUES



As illustrated, approximately half (50.6% and 51.5%) of the City's 2024 and 2025 operating revenues come from taxation. Of these amounts, the majority is from the municipal property tax.

Taxation has been steadily rising as a share of operating revenues for two reasons:

- Tax-supported expenditures have been consistently increasing due to inflation, growth and service level increases; and
- Other non-tax revenues have not been keeping pace with rising costs, putting more pressure on the property tax to fund the shortfall.

The following section addresses each of the **City's primary revenue sources** in more detail.

General Revenues

For 2024 and 2025 respectively, general revenues make up 12.8% and 12.3% of the City's total operating revenue, which include the following:

- investment income;
- franchise fees;
- fines and penalties;
- licenses and permits; and
- revenues from utilities.

General revenues from utilities include a return on the City's investment from the Saskatoon Light & Power (SL&P), Saskatoon Water and Wastewater utilities. Each of the utilities is also charged an administrative fee to cover the costs of providing certain corporate support services (e.g., legal, payroll, purchasing, accounts payable, etc.).

The City owns and operates five utilities (Water, Wastewater, Stormwater, SL&P and Waste Services, which are self-funded programs that form an important source of revenue for the City. The SL&P, Saskatoon Water and Wastewater utilities each pay a grant-in-lieu of property taxes.

The following table summarizes the utility contributions to City revenues for the 2024 and 2025 budget years.



Utility Contributions

	2023 Budget	2024 Budget	2024 Change	2025 Budget	2025 Change
Recycling	53,500	53,500	-	53,500	-
Admin. Recovery	53,500	53,500	-	53,500	-
SL&P	47,810,200	50,768,400	1,192,400	51,731,100	962,700
Admin. Recovery	431,100	431,100	-	431,100	-
GIL	24,485,200	26,502,600	2,017,400	27,960,300	1,457,700
ROI	24,659,700	23,834,700	(825,000)	23,339,700	(495,000)
Storm	51,800	51,800	-	51,800	-
Admin. Recovery	51,800	51,800	-	51,800	-
Wastewater	14,406,900	14,985,600	578,700	15,630,800	645,200
Admin. Recovery	4,174,900	4,077,500	(97,400)	3,980,100	(97,400)
GIL	5,081,800	5,239,500	157,700	5,407,900	168,400
ROI	5,150,200	5,668,600	518,400	6,242,800	574,200
Water	18,347,600	18,987,700	640,100	19,799,900	812,200
Admin. Recovery	3,523,900	3,323,900	(200,000)	3,123,900	(200,000)
GIL	7,679,600	8,144,300	464,700	8,740,700	596,400
ROI	7,144,100	7,519,500	375,400	7,935,300	415,800
Grand Total	82,435,800	84,847,000	2,411,200	87,267,100	2,420,100

Grants-in-Lieu of Taxes and Franchise Fees

Grants-in-lieu of taxes and franchise fees are typically grant payments to municipalities from the federal and provincial government. Although these orders of government are exempt from paying local property taxes, they do make grant payments in place of property taxes for government-owned/managed properties.

These two revenue sources total \$71.5 million in 2024 and \$74.7 million in 2025 and comprise of 11.4% and 11.3% of the City's projected revenues.

A grant-in-lieu is also paid by the City's utilities, as indicated in the Utility Contributions Table, and by Saskatoon Land.

Municipal User Fees

User fee revenue from services comprises 10.7% and 10.5% of the total 2024 and 2025 Operating Budgets.

Various services provided by the City are funded in whole or in part through fees paid directly by the user. Some services are expected to be self-sufficient, while others are only expected to recover a portion of their total cost from users. For those services that directly benefit a particular user, in most cases user fees are charged.

However, for those services that have social or community benefits, and where the cost to the user would be prohibitive, then the City will subsidize a portion of the cost of the service, such as public transit and memberships to civic leisure centres.

The following **Municipal User Fees Rate** Table provides a 2022-2025 comparative summary for some of the City's significant user fee changes. This information includes the proposed fee changes effective January 1, 2024, unless otherwise noted.



Municipal User Fees Rate Table – Comparative Summary

	2023 Rates	2024 Rates	Change (\$)	Change (%)	2025 Rates	Change (\$)	Change (%)
Indoor Rink Admission:							
Adult	\$ 6.35	\$ 6.50	\$ 0.15	2.4%	\$ 6.75	\$ 0.25	3.8%
Youth	\$ 4.25	\$ 4.50	\$ 0.25	5.9%	\$ 4.75	\$ 0.25	5.6%
Forestry Farm Park & Zoo:							
Adult	\$ 15.35	\$ 15.75	\$ 0.40	2.6%	\$ 16.50	\$ 0.75	4.8%
Youth	\$ 9.20	\$ 9.50	\$ 0.30	3.3%	\$ 10.00	\$ 0.50	5.3%
Family ⁽¹⁾	\$ 30.70	\$ 31.50	\$ 0.80	2.6%	\$ 33.00	\$ 1.50	4.8%
Adult Season Pass	\$ 51.05	\$ 60.00	\$ 8.95	17.5%	\$ 65.00	\$ 5.00	8.3%
Youth Season Pass	\$ 30.65	\$ 36.00	\$ 5.35	17.5%	\$ 39.00	\$ 3.00	8.3%
Family Season Pass	\$ 102.10	\$ 120.0	\$ 17.90	17.5%	\$ 130.00	\$ 10.0	8.3%
Leisure Cards:							
Adult 1 Month	\$ 52.00	\$ 57.20	\$ 5.20	10.0%	\$ 63.00	\$ 5.80	10.1%
Youth 1 Month	\$ 31.20	\$ 34.30	\$ 3.10	9.9%	\$ 37.80	\$ 3.50	10.2%
Family 1 Month	\$ 104.00	\$ 114.40	\$ 10.4	10.0%	\$ 126.00	\$ 11.60	10.1%
Nutrien Playland:							
General Admission	\$ 2.90	\$ 3.00	\$ 0.10	3.4%	\$ 3.25	\$ 0.25	8.3%
Playpack	\$ 29.00	\$ 30.00	\$ 1.00	3.4%	\$ 32.50	\$ 2.50	8.3%
Parking:							
Hourly Rate	\$ 2.00	\$ 2.50	\$ 0.50	25.0%	\$ 2.50	\$ -	0.0%
Recycling and Leaves & Grass Subscription Program:							
Residential Recycling: (per month)	\$ 7.37	\$ 7.37	\$ -	0.0%	\$ 7.37	\$ -	0.0%
Multi-unit Recycling: (per month)	\$ 3.81	\$ 4.04	\$ 0.23	6.0%	\$ 4.17	\$ 0.13	3.2%
Curbside Organics cart (per 30 days of service)	\$ 6.64	\$ 7.19	\$ 0.55	8.3%	\$ 7.67	\$ 0.48	6.7%
Garbage cart (per 30 days of service Jan-Jun/24 only)	\$ 0.00	\$ 9.92	\$ 9.92	0.0%	\$ 0.00	\$ (9.92)	(100.0%)
Garbage Cart - small (per 30 days of service starting July/24)	\$ 0.00	\$ 3.73	\$ 3.73	0.0%	\$ 3.77	\$ 0.04	1.1%
Garbage Cart - medium (per 30 days of service starting July/24)	\$ 0.00	\$ 7.05	\$ 7.05	0.0%	\$ 7.13	\$ 0.08	1.1%
Garbage Cart - large (per 30 days of service starting July/24)	\$ 0.00	\$ 10.58	\$ 10.58	0.0%	\$ 10.69	\$ 0.11	1.0%
Add'l Garbage Cart – large (per 30 days of service starting July/24)	\$ 0.00	\$ 15.52	\$ 15.52	0.0%	\$ 15.67	\$ 0.15	1.0%
Cart Exchange (starting Jan/2025)	\$ 0.00	\$ -	\$ -	0.0%	\$ 30.00	\$ 30.00	-%
Saskatoon Light & Power (Electrical): (yearly increase)⁽²⁾							
	- %	- %			- %	-	-
Water/Wastewater: (yearly increase)							
	3.40%	4.60%			5.40%	-	-

(1) Family is defined as a group of up to seven individuals related by birth, legal status or marriage, with a maximum of two adults.

(2) Saskatoon Light & Power rates have historically been set to match SaskPower rates. The date of the next proposed SaskPower rate increase is not known at this time.

Government Transfers

To provide necessary and essential public services and programs for residents, the City receives funding from other orders of government. For 2024 and 2025, government transfers account for 12.3% and 12.2% of the City's total operating revenues.

The bulk of the City's operating transfers comes from the Government of Saskatchewan's flagship program, Municipal Revenue Sharing (MRS).

The MRS is an unconditional transfer payment made to Saskatchewan municipalities to help them deliver services that reflect the provincial interest. For the last decade, the program has been linked to the performance of the Provincial Sales Tax (PST) revenues, wherein the government has shared the equivalent of one percentage point of PST revenues.

The City is currently projecting to receive \$62.6 million and \$65.6 million in MRS in 2024 and 2025 respectively; this is an increase of \$7.9 million (14.4%) and an increase of \$3.0 million (4.8%) in 2024 and 2025 respectively.

To offset COVID-19 impacts, one-time funding was entered into the 2023 Budget in the amounts of \$ \$10.0 million. This one-time amount was included as government transfer and has been removed in 2024.



Proposed Property Taxes for the Typical Homeowner in 2024 & 2025

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.

The Preliminary 2024/2025 Operating Budget has a starting, not yet approved municipal property tax increase of 7.14% in 2024, and 5.70% in 2025.

These property tax increases would generate an additional \$21.0 million in 2024 and \$18.0 million in 2025.

A homeowner who owns a single-family detached home with an average assessed value of \$344,000 would see their municipal property taxes change by the approximate amounts shown below.

Proposed 2024/2025 Property Tax Increase

Municipal Tax	2024	2025
Increase Per Average Household (\$344,000 Assessment)	Total City Services 7.14%	Total City Services 5.70%
Approximate Total Increase (\$ per year)	\$148.67	\$127.07
Approximate Total Increase (\$ per month)	\$12.39	\$10.59



Municipal Property Tax Distribution

The following shows how the municipal property tax portion (City tax only) is proposed to be shared between the various services the City provides in both 2024 and 2025.

Current and historical property tax, assessment information and additional property details can be found by entering a Saskatoon address into the **Property Assessment and Tax Tool** at saskatoon.ca/taxtool

PROPOSED DISTRIBUTION OF MUNICIPAL TAX TO SERVICES IN 2024

Every \$100 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

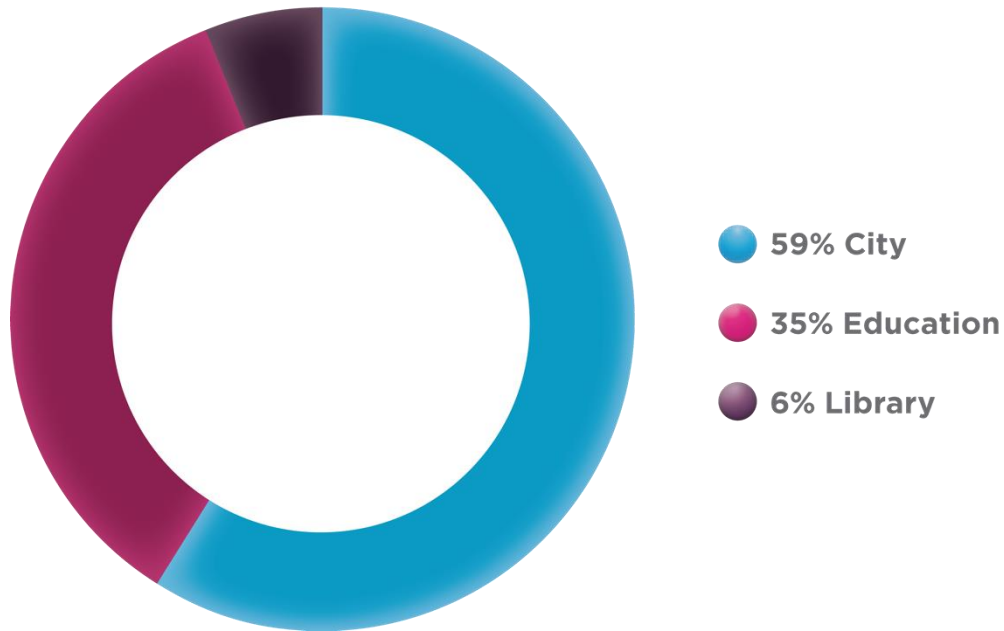
PROPOSED DISTRIBUTION OF MUNICIPAL TAX TO SERVICES IN 2025

Every \$100 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

DISTRIBUTION OF PROPERTY TAX (2023)



In 2023, 59% of all property tax collected was allocated to the City for the delivery of key services such as road maintenance, policing, fire protection, and public transit.

Of the total property tax collected by the City, in 2023, 35% was remitted to the Province of Saskatchewan to pay for education.

The remaining 6% of property tax collected in 2023 went to the Saskatoon Public Library.



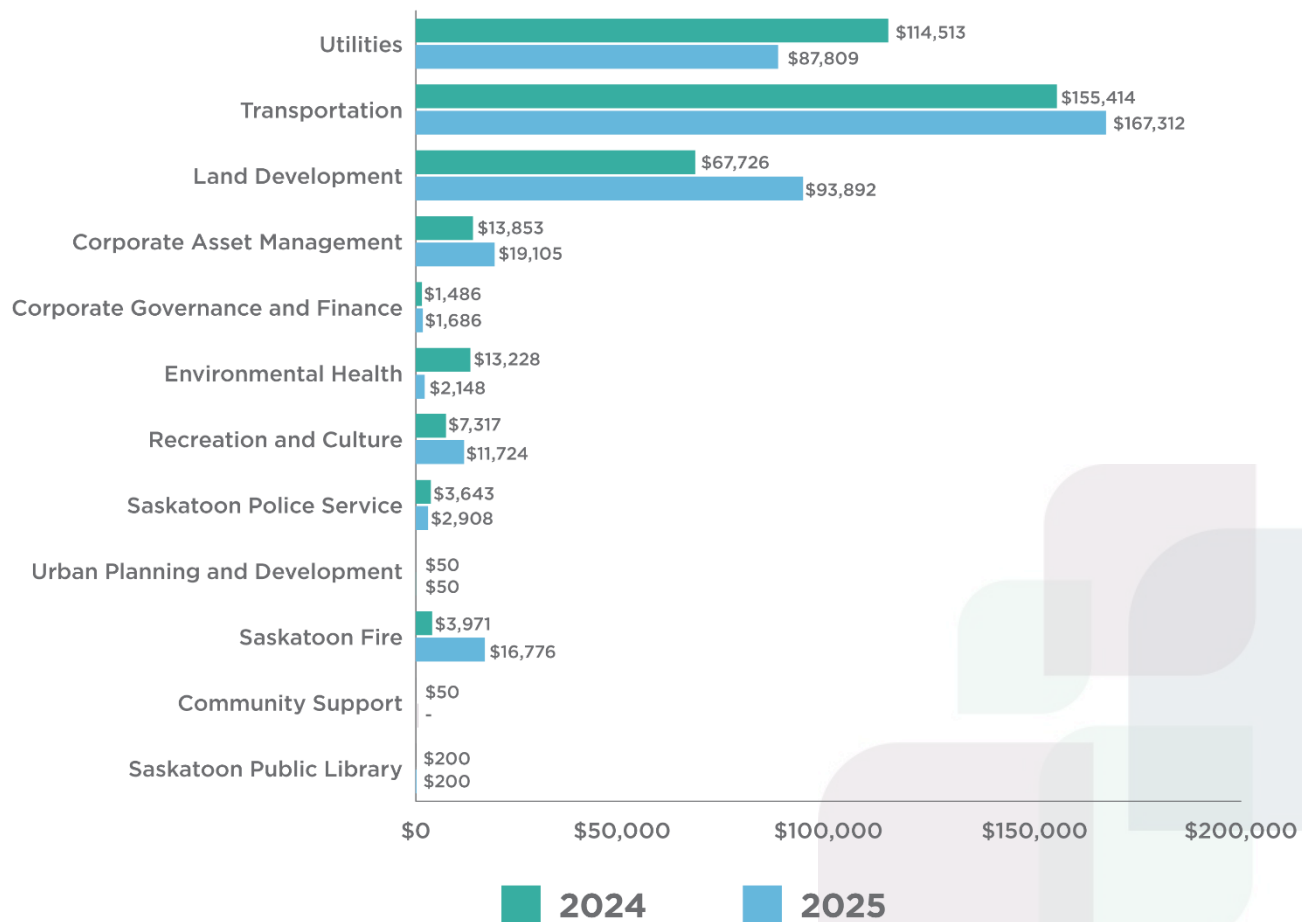
THE 2024/2025 CAPITAL BUDGET

The City’s Capital Budget directs funding towards the construction or refurbishment of major capital infrastructure projects such as roads, bridges, buildings, and water and sewer lines.

The 2024/2025 Capital Budget not only addresses Saskatoon’s growth, but also its basic infrastructure needs with continued emphasis on roads, transit, water, and wastewater distribution systems.

The City continues to develop funding plans for major infrastructure assets not only resulting from growth, but also for maintenance and replacement due to aging of the assets. One of the key funding strategies in previous budget cycles has been to dedicate property tax increases for the maintenance of roads, snow removal, or traffic noise attenuation for instance. As the required funding base was built, this helped in meeting the long-term needs and in achieving the service levels desired by the citizens of Saskatoon. **The City’s 2024/2025 Capital Budget provides a total capital investment of \$785.1 million, including \$381.5 million in 2024 and \$403.6 million in 2025.** An overview of the capital investment by Business Line is shown below.

CAPITAL INVESTMENT BY BUSINESS LINE (\$000’S)



Utility-related projects make up 30.0% of the total capital investment in 2024, and 21.8% in 2025 including:

- \$23.2 million (2024) and \$22.8 million (2025) for Saskatoon Light & Power's new installations or upgrades to electrical distribution, street lighting, substations and equipment, including conversion of existing 4.16kV neighbourhoods to 14.4kV systems or 25kV systems;
- \$18.5 million (2024) and \$17.4 million (2025) to address the City's storm water assets, including maintenance and replacement of existing assets;
- \$23.9 million (2024) and \$16.8 million (2025) for upgrades and maintenance to the Wastewater Treatment Plant, including replacement/rehabilitation projects, growth and expansion; and
- \$56.4 million (2024) and \$30.6 million (2025) in upgrades and maintenance at the Water Treatment Plant, including the rehabilitation and replacement of the water distribution system and the capital development expansion plan.

Land Development represents 17.8% of the total capital investment for 2024 and 23.3% for 2025, required for various infrastructure requirements in Holmwood, Brighton, Aspen Ridge, North Industrial, Kensington, Hampton Village Business Park, Willows, including trunk sewer in the North East Sector, and fillmain to service the Blairmore Catchment area, among other developments.

Transportation represents 40.7% of the total capital investment for 2024, and 41.5% for 2025. Some of the notable investments include:

- \$73.1 million (2024) and \$78.0 million (2025) for the implementation of a Bus Rapid Transit system.
- \$40.2 million (2024) and \$42.3 million (2025) for paved roadway and sidewalk preservation.
- \$26.1 million (2024) and \$25.2 million (2025) for Saskatoon Transit bus replacements.

The remaining 11.5% in 2024, and 13.5% in the 2025 Capital Budget is allocated among various smaller projects.

FUNDING THE 2024/2025 CAPITAL BUDGET

The largest source of funding for the 2024/2025 Multi-Year Capital Budget comes from reserves.

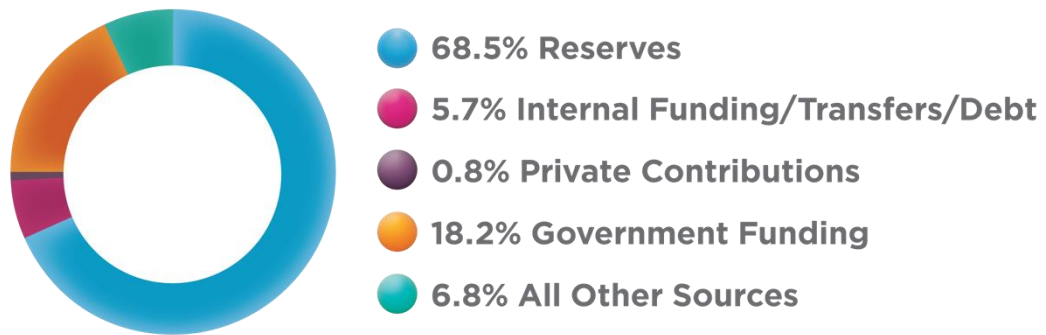
For the 2024/2025 Budget cycle, approximately \$530.8 million (67.6%) of the entire Capital Budget is funded through reserves that the City has set aside for capital replacement, enhancement, and new capital work.

Approximately \$147.1 million (18.74%) in Government Funding is planned for 2024 and 2025 combined, which will largely be used for the Bus Rapid Transit System.

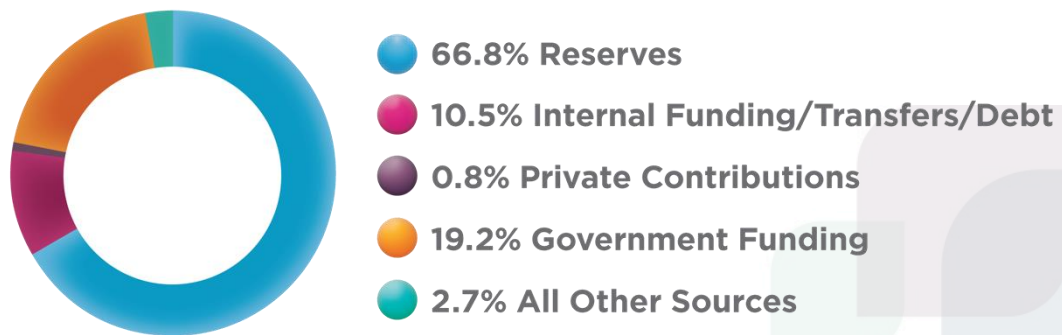
The remaining \$107.1 million (13.6%) of the Capital Budget is split among various other sources including private contributions, internal funding/transfers, and debt.

An overview of all budget funding sources is shown in the following graphs.

2024 CAPITAL BUDGET FUNDING SOURCES



2025 CAPITAL BUDGET FUNDING SOURCES



2024/2025 Capital Budget Funding Summary

GENERAL CAPITAL: (\$000's)	2024	2025
Reserves	91,088	95,528
Borrowing	19,250	42,226
Provincial Government	23,374	25,074
Federal Government	39,860	47,828
Private/External Contributions	-	-
Operating Contributions	50	62
Other	25,389	10,989
Saskatoon Public Library Reserve	200	200
TOTAL GENERAL CAPITAL	199,211	221,907
UTILITY CAPITAL: (\$000's)		
Reserves	102,970	80,106
Borrowing	2,250	-
Provincial Government	1,157	363
Federal Government	5,138	4,343
Private/External Contributions	2,747	2,998
Operating Contributions	250	-
Other	-	-
TOTAL UTILITY CAPITAL	114,512	87,810
TOTAL GENERAL & UTILITY CAPITAL	313,723	309,717
LAND DEVELOPMENT: (\$000's)		
Reserves/Developers	67,172	93,892
Operating Contributions	554	-
TOTAL LAND DEVELOPMENT	67,726	93,892
TOTAL CAPITAL FUNDING	381,449	403,609

General Capital refers to capital projects that are non-utilities, transportation capital projects are one example of such. The following pages provide more detail on each of these funding sources.



Reserves

Reserves accumulate funds from various sources and are used to fund many capital projects. Annual contributions are made to designated capital reserves based on formulas and provisions as described in *Bylaw No. 6774, The Capital Reserve Bylaw*, and Council Policy No. C03-003, Reserves for Future Expenditures.

Schedule XI (Capital Reserve Sufficiency) of the 2024/2025 Preliminary Detailed Operating and Capital Summary Budget reflects the sufficiency of these reserves.

The balances of the City's capital and stabilization reserves heading into 2024 and 2025 remain healthy, with a total projected balance of \$174.5 million in 2024, and \$198.2 million in 2025.

Capital and Stabilization Reserve Sufficiency

Estimated Reserve Balances		(\$ millions)		
	Jan/23	Jan/24	Jan/25	
Capital Reserves:				
General	57.3	67.1	81.4	
Prepaid Services (Land Development)	56.0	42.0	56.8	
Property Realized	19.3	25.7	18.8	
Boards/Commissions (Including Saskatoon Public Library)	22.7	15.9	16.7	
Capital Reserves Total	155.3	150.7	173.7	
Stabilization Reserves:				
Fiscal Stabilization	2.8	1.6	1.6	
Land Operations Stabilization	4.1	4.2	4.2	
Fuel Stabilization	0.4	0.0	0.0	
Utilities Stabilization	14.0	13.0	13.0	
Building Permits/Inspections Stabilization	1.4	3.3	3.2	
Other	2.2	1.7	2.5	
Stabilization Reserves Total	24.9	23.8	24.5	
Total Reserves Balance	180.2	174.5	198.2	

The Reserve for Capital Expenditures (RCE) has been established by City Council to provide funding for discretionary capital projects.

In total, approximately \$4.4 million has been made available to fund the discretionary capital projects for 2024 and 2025.

These funds are available for City Council to use for the prioritized Capital options or other capital strategic initiatives at the Budget Review meeting.

External Borrowing

The 2024 and 2025 Preliminary Capital Budget includes \$21.5 and \$42.2 million respectively in projected borrowing requirements to fund the Transit Replacement Project (2024 and 2025), the Water Capital Development Expansion Plan initiatives Project (2024), Landfill Optimization Project (2024), Wastewater Biosolids Forcemain Project (2024), Transit Implementation Plan (2025), and Fire Hall #10 (2025).

The total outstanding long-term debt as of December 31, 2022, was \$277.0 million.

The forecasted borrowing is projected to peak at approximately \$488.6 million in 2027 including:

- \$67.5 million for the new Central Library project;
- \$35.4 million for the Bus Rapid Transit Funding Plan;
- Future borrowing requirements for a variety of utility projects.

In 2014, City Council approved the application to the Saskatchewan Municipal Board for an increase in the City's debt limit to \$558.0 million. Most of this increase in project debt is associated to the Public-Private Partnerships projects (P3), such as the Civic Operations Centre, and the Chief Mistawasis and Traffic Bridge Replacement projects. The total debt projections, including the P3 debt, are within the City's debt limit.

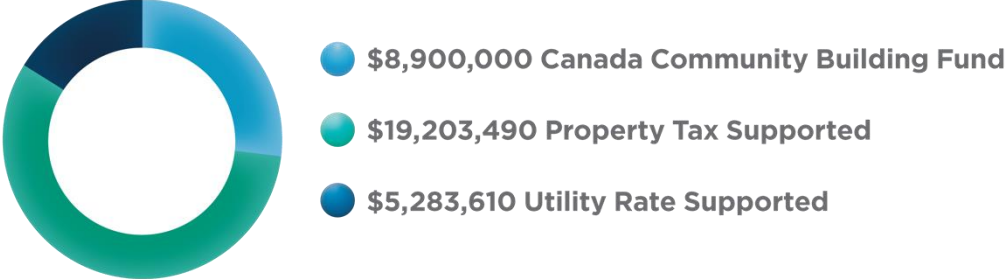
Borrowing related to the utility projects will be repaid through utility rates. The repayment of the debt related to the other projects is funded through the general Operating Budget and through the overall borrowing strategy, using Canada Community Building Funds re-allocation revenue from the federal government.

In 2024 and 2025 respectively, total debt servicing costs, including internal debt, are budgeted at \$33.4 million and \$28.9 million. These are made up of principal payments of \$21.3 million and \$17.1 million in 2024 and 2025 respectively, and interest payments of \$12.1 million and \$11.8 million in 2024 and 2025 respectively.

The 2024/2025 property tax-supported funding source is \$19.2 million and \$18.7 million respectively; \$8.9 million in 2024 and \$7.4 million in 2025 is Canada Community Building Funds re-allocation funded, with the remaining \$5.3 million in 2024 and \$2.8 million in 2025 being utility rate supported.

The total funding sources for all City debt servicing costs in 2024/2025 are shown in the following graphs.

2024 BUDGETED DEBT SERVICING COST BY FUNDING SOURCE



2025 BUDGETED DEBT SERVICING COST BY FUNDING SOURCE



Operating Budget Impact of Capital Investments

Capital projects contained in the 2024/2025 Capital Budget will impact future City operating programs. The additional operating costs as a result of capital projects are summarized below.

Operating Impacts of 2024/2025 Capital Projects (\$000's)

Business Line	2023	2024	2025	2026	2027
Corporate Asset Management	-	-	175.0	-	-
Corporate Governance and Finance	-	-	50.0	-	-
Environmental Health	-	-	22.0	-	-
Land Development	-	-	16.1	132.7	15.6
Recreation and Cultural Services	-	-	56.0	885.0	-
Saskatoon Fire	-	-	1,897.5	1,897.5	-
Transportation	-	-	38.5	-	-
Urban Planning and Development	-	-	-	-	-
Utilities	-	-	58.6	-	-
Policing	171.0	128.0	85.0	85.0	85.0
Total	\$171.0	\$128.0	\$2,398.7	\$3,000.2	\$100.6



Definitions/Explanations

The [2024/2025 Preliminary Business Plan and Budget](#) document contains key terms, titles, and references as defined below.

Base Adjustment: The budgetary change from the prior year's budget that would include all inflationary changes, transfers, and other adjustments to deliver the same service levels as in the previous year (excludes growth and service level adjustments).

Business Line: The higher categorization of major businesses that the City undertakes for its citizens.

Cost Recovery: The recovery of expenses by one business line that is charged out to other business lines to recoup the costs of providing a service to that unit. The recovery is meant to be charged out at cost (in other words there should not be a mark-up in costs, otherwise this would be reclassified as revenue) and may be direct and indirect costs for that service.

Growth: A budgetary change as a result of population, workload, or capital growth, usually aimed at providing the same service level as in the previous year.

Reserve for Capital Expenditures: A reserve that is funded through an annual contribution from the Operating Budget as well as any other discretionary funds allocated to it that is used to fund capital projects at the discretion of City Council. These projects would normally not have a dedicated reserve as the source for funding.

Service Level Adjustment: A budgetary change to address an increase or decrease in a program's service level.

Service Line: A program or service which falls within the broader business line (see definition above) and has its own program definition, budget, and outcomes.

Staff Compensation: Includes items such as salaries, payroll costs, car allowance, uniform allowance, and other direct employee costs.

Unfunded Capital Projects: Projects that have been proposed but there is no source of funding, or a lack of reserve funding available. These projects are presented at the annual Business Plan and Budget Review for consideration if other funding becomes available.

