





# 202021

Multi-Year Budget

## INTRODUCTION TO THE 2020/2021 PRELIMINARY MULTI-YEAR BUSINESS PLAN AND BUDGET



LIVE + WORK + LEARN + PLAY

FOR CITY COUNCIL REVIEW  
November 25, 26 and 27, 2019



# MESSAGE FROM THE CITY MANAGER



October 30, 2019

***Your Worship and Members of City Council***

I am pleased to present the Administration's **Preliminary Multi-Year Business Plan and Budget for 2020 and 2021** for your consideration. As the City continues its transformational journey to improve processes and technology, its business planning and budget processes are changing too.

This first Multi-Year Business Plan and Budget is an important first step to further improving the City's strategic decision-making, transparency, accountability and most importantly, providing a clear framework for investments in services that matter most to Saskatoon citizens.

The 2018-2021 Strategic Plan and City Council's 10 priority areas provide foundational building blocks to help focus and guide the City's budget planning and decision-making process. Public input also continues to be integral, and the feedback received through the Civic Services and Performance Surveys has been considered in the development of the proposed business plan and budget.

To maintain the City's financial sustainability, the multi-year budget aims to control expenditures, keep property taxes and fees as low as possible in 2020/2021, manage debt levels, and maintain assets in an appropriate condition.

**Highlights of the proposed multi-year budget include:**

- A municipal property tax increase of 3.23% in 2020, and 3.54% for 2021, to meet the City's program and service delivery objectives. The 2020 and 2021 Operating Budgets propose total expenditures of \$530.0 and \$548.3 million respectively. This is an increase of \$19.6 million, or 3.8% in 2020, and \$18.4 million, or 3.5% in 2021.
- A continued focus on foundational infrastructure such as roads, transit, water and wastewater distribution systems. The Capital Budget proposes \$390.8 million and \$293.5 million in investments in 2020 and 2021 respectively.
- A four-step budget planning process will give the City flexibility to adjust its spending plans in order to focus on the right mix of programs and services to sustain Saskatoon's high quality of life, ensure the City's financial stability, and add greater accountability in the City's investments as we plan for the future.
- Delivery of core services at the level Saskatoon citizens and businesses expect. It's important that we make the right investments for a sustainable future, and we must also plan for and respond to the needs of a growing city.

Once approved, the successful implementation of the City's business plan and budget will be carried out through the hard work and dedication of civic employees. It's a true honour to work with such a great team of people who all do their part to help make Saskatoon a great place to live, work, learn and play for the citizens of Saskatoon.

Jeff Jorgenson  
City Manager

# **2020/2021 OPERATING AND CAPITAL BUDGET SUMMARY**



## SUMMARY OF THE 2020/2021 OPERATING AND CAPITAL BUDGETS

The City of Saskatoon (City) provides the infrastructure and delivers several programs and services necessary to improve 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, and visit. These core areas reflect the top priorities of the City and the public it serves.

To achieve these priorities, the City prepares an annual business plan and budget that allocates the financial, human, and technological resources to 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 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** is proposing 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.

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

- 1. The cost to maintain existing services.** Every year the City is faced with 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. 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 increase within the Business Plan and Budget to address inflation and growth pressures is \$14.2 million in 2020 and \$13.9 million in 2021 (excluding Police).**
- 2. Service level improvements.** Based on City Council's approved Strategic Plan, there are several areas that City Council has directed the Administration to prioritize over the next several years. While some of these Strategic Priorities can be achieved without financial impact, there are several initiatives that require financial investment in order to achieve the priority. Examples include enhanced maintenance and repairs to parks, sidewalk and bridge infrastructure, increased funding for recreation and culture, community partnerships through the City's Game Plan, and quicker implementation of the City's Active Transportation Master Plan, among other initiatives.

As required by *The Cities Act*, the City must pass a balanced operating budget each year. In other words, legislation mandates that the City cannot budget for an operating surplus or deficit unlike federal and provincial governments. As a result, 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.



### 2020/2021 Operating Budget

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% and 3.54% for 2020 and 2021 respectively.**

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

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 included in the Business Plan and Budget Review Agenda will outline the available options and recommendations for City Council.

More details on the 2020/2021 Operating Budget, including the proposed property tax increase, are provided later in this document.

In contrast to the City's Operating Budget, the City's Capital Budget provides the investments in hard infrastructure. This includes the construction of buildings (e.g. recreation centres and libraries), transportation assets (e.g. new roads and bridges), and neighbourhood infrastructure (e.g. sidewalks and water lines).



## 2020/2021 Capital Budget

For the Capital Budget, the City is investing \$390.8 million and \$293.5 million in 2020 and 2021 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, to name the most prominent. Although the City's Capital and Operating Budgets achieve different objectives, there is a relationship between the two.

To pay for some of the capital projects, the City transfers funds from the Operating Budget to various reserves. These reserves are then used to help pay 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.

Once the projects in the Capital Budget are fully constructed or operational, the City is required to pay for the maintenance and/or the operation of the project. 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. 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.





# **BUDGET BUILDING BLOCKS**



To increase the accountability and transparency of our business plan and budget process and to adopt a longer-term view on financial planning, the City of Saskatoon is undertaking a new multi-year business plan and budget for the years 2020 and 2021. Through this new approach, City Council's [Strategic Plan](#) and [City Council's 10 Strategic Priorities of Focus](#) will continue to drive the business planning and budget process.

The **2020-2021 Preliminary Multi-Year Business Plan and Budget** is created from foundational building blocks in order to work towards achieving the Vision for Saskatoon and the Mission for the City. Collectively, these various pieces will ensure the multi-year business plan and budget is deliberate, purposeful and on track.



## 2018-2021 STRATEGIC PLAN

In 2012, City Council adopted a 10-year Strategic Plan that reflected the visionary ambitions of people in Saskatoon through the community visioning process, *Saskatoon Speaks*. In August 2018, City Council approved a refreshed 2018-2021 Strategic Plan. The refocused plan now reflects the insights of our current City Council elected in 2016, and of course, those of their constituents.

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.



The updated plan still includes the public input from the community visioning process, and also incorporates the sentiment from the January 2017 *Let's Talk 2020* engagement initiative, where citizens shared their thoughts on what the City's priorities should be over the next four years.

The 2018-2021 Strategic Plan will keep us on track for realizing our vision for the future by re-focusing our efforts and shifting our resources to City Council's 10 strategic priority areas.

The investment decisions made in the City's 2020-2021 Multi-Year Business Plan and Budget will help us achieve our ultimate vision of making Saskatoon a great place to live, work, learn and play.

## City Council's 10 Strategic Priority Areas

To provide focused leadership, City Council identified 10 strategic priority areas and created a new leadership model to empower all of its members to take leadership roles - with support from the Administration in engaging citizens and stakeholders, and advancing these priority areas.

This leadership model is a new approach for the City. It is intended to address the pressures we are facing, get the most out of the opportunities in front of us, and unlock the full potential of our community through meaningful engagement.

Each of the 10 defined priority areas of focus have a dedicated City Councillor lead. As work advances in each priority area, there will be outcomes that could impact the City's business plan and budget process, or how the City approaches work. Once these outcomes are identified and approved by City Council, changes are made and the City moves forward.

The 10 priority areas will guide the focus of change over this City Council's four-year term and impact the allocation of resources through the business planning and budget process.



# THE TEN PRIORITY AREAS AND CITY COUNCILLOR LEAD

## **Community Safety and Well-being | Councillor Gough**

*City Council is prioritizing an integrated and effective system of services to promote community safety and well-being.*

*Challenges pertaining to safety, inequality, and housing accessibility remain considerable, and working towards a holistic community well-being requires multiple approaches and partnerships.*

## **Core Services | Councillor Iwanchuk**

*City Council is prioritizing continued improvement on the delivery of core public services, including through the use of technology to ensure maximum benefit to citizens.*

*The work within this priority area is broad and intersects directly with daily lives of the citizens of Saskatoon.*

## **Downtown Development | Councillor Block**

*City Council is prioritizing the development of the downtown as a neighbourhood, bringing more people, jobs, stores, restaurants, and amenities into the area.*

*A lively and energetic downtown is interconnected with other City goals, including infill, transit usage, economic development/diversification, and active transportation.*

## **Economic Development | Councillor Hill**

*City Council is prioritizing strategic economic development that will position Saskatoon to succeed in a changing global economy.*

*Working collaboratively will allow us to identify opportunities, align infrastructure investments, and create a regulatory environment that fosters business growth and good jobs for Saskatoon citizens.*

## **Environmental Sustainability | Councillor Gersher | Councillor Loewen**

*City Council is prioritizing the transformation of Saskatoon from one of the highest emitters of greenhouse gases to a model city of innovation in energy conservation, renewables, and waste diversion.*

*City Council has set ambitious targets relating to environmental sustainability and we have the potential to make significant strides and show leadership in this area.*

## **Information Technology | Councillor Jeffries**

*City Council is prioritizing using information technology as a means to improve services for the citizens of Saskatoon.*

*The world of IT is rapidly changing, and this impacts the expectations of citizens in terms of what services that are provided and how they are provided.*

## **Reconciliation, Inclusion, Diversity | Mayor Clark**

*City Council is prioritizing work to foster an inclusive community and charting a new path of partnership, cooperation, and respect.*

*The goal of creating an inclusive community where all people are valued and feel a sense of belonging is key to establishing a strong and growing quality of life for all people in Saskatoon.*

## **Recreation, Culture and Leisure | Councillor Davies**

*City Council is prioritizing the development of the right mix of recreation and culture amenities and programs to support our current and future citizens to be healthy, active, and have fun throughout all seasons.*

## **Regional Planning | Councillor Donauer**

*City Council is prioritizing the development of a vibrant, competitive, and well-planned region built on partnerships with surrounding urban and rural municipalities and First Nations. Building strong relationships with our partners will create certainty, efficiency, and provide the best opportunity for sustainable regional growth in the years to come.*

## **Transportation | Councillor Dubois**

*City Council is prioritizing the development of a mobility strategy that supports various transportation options and will serve our community for decades.*

# STRATEGIC GOALS



**A CULTURE OF CONTINUOUS IMPROVEMENT**



**ASSET AND FINANCIAL SUSTAINABILITY**



**QUALITY OF LIFE**



**ENVIRONMENTAL LEADERSHIP**



**SUSTAINABLE GROWTH**



**MOVING AROUND**



**ECONOMIC DIVERSITY AND PROSPERITY**

## Strategic Goals

The updated Strategic Plan maintains the seven Strategic Goals which are based on areas that the community and City Council identified in order to realize the City's Vision and Mission.

## Outcomes, Measures of Success, and Actions

Each of the seven Strategic Goals have outcomes identified that reflect general priorities of the current City Council, which align with their 10 strategic priority areas of focus. These outcomes describe what the City is striving to achieve.

The Strategic Plan includes various measures to help monitor the City's progress on achieving each outcome and specific actions that will align to the outcomes over the next four years. To ensure that resources are allocated to the outcomes, Administration will incorporate implementation strategies into the 2020-2021 Budget for each of the outcomes and actions included in the 2018-2021 Strategic Plan. This approach ensures the City's multi-year budget process aligns with City Council's 10 strategic priorities.

# THE 2020-2021 MULTI-YEAR BUSINESS PLAN

The 2020-2021 Business Plan includes initiatives and projects that are aligned with the 2018-2021 Strategic Plan and City Council's 10 priority areas. It will guide investments, projects, and service levels that the City will implement and achieve over the course of the next two years.



The 2020-2021 Business Plan supports City Council's priority areas, 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 outcomes identified in the 2018-2021 Strategic Plan. In addition, the multi-year business plan provides the framework which allows the City to quickly adapt, respond and adjust if needed to changing municipal, provincial, and federal environments.

## Our Performance Measures

To continue advancing the City's goals and to monitor our progress with transparency, a dashboard of performance measures and indicators each provide a snapshot of the current standing as related to specific performance measures, City Council strategic priority areas and outcomes.

The City has 25 corporate performance measures. These measures include 19 targets it is working to achieve and 6 indicators to evaluate progress towards corporate goals. Of the 19 targets, 13 are long-term targets and 6 are annual targets.

These targets and indicators, developed from citizen, stakeholder, and staff feedback, will be used as input to guide decisions in the multi-year business planning and budget process, and help to ensure City Council's investments are making a difference in achieving our Strategic Goals.



A more detailed overview on the City's Performance Improvement Plan, Strategic Goals, related performance measures, key strategies and progress is available on **Our Performance** webpage at [www.saskatoon.ca/strides](http://www.saskatoon.ca/strides).

## Listening to Citizens, an Important Building Block

Citizen input has always been an important part of our annual business plan and budget process. In 2018, the City gathered public input through two surveys: the *Civic Satisfaction & Performance Survey*, and the *Civic Services Survey: Performance, Priorities & Preferences*. Citizen feedback gathered through the two 2018 surveys will help to inform City Council in the development of the 2020-2021 Multi-Year Business plan and Budget.

### Engagement Purpose

There were several components of the community engagement plan for the multi-year business plan and budget. The annual Civic Satisfaction & Performance Survey for 2018 was conducted by an independent research firm using both telephone and an online panel, which is the subject of a separate report. A public link on **saskatoon.ca** was also provided for self-selected residents to complete the survey.

In conjunction with the research firm's work, the City of Saskatoon Communications Division conducted several "out in the community" outreach events. These events provided an opportunity to clarify participants' assessments and better understand their concerns or ideas through dialogue and discussion, as opposed to surveying.

### Engagement Goals

1. Educate residents about the transition to a multi-year business plan and budget.
2. Validate selected questions from the Civic Satisfaction & Performance Survey.
3. Understand participants' context and rationale for service ratings, key issues, and efficiency areas.

## How we will use the results

The purpose of the survey was to identify trends, develop baseline performance data, and identify opportunities and issues of importance. The results will help to inform decisions related to strategic priorities, budgeting, service delivery, and to highlight opportunities for continuous improvement.

## What We Asked

### Engagement Techniques (Methodology)

#### Community Outreach Events

##### 1. Understanding Satisfaction Ratings – 5 Key Areas

- *Method:* Plinko Board Survey
- *Description:* Participants played the game Plinko to determine which of the 5 survey questions they would answer. Some respondents were also asked survey questions by staff who were roaming at the events. Responses and explanations were captured on standard feedback forms.

##### 2. Important Issues for the City of Saskatoon

- *Method:* Dotmocracy Board
- *Description:* Participants were given stickers to place on the board to indicate whether they thought different issues required more, less, or the same level of attention. They were also able to indicate “don’t know”.

##### 3. Suggestions for Efficiency

- *Method:* Sticky-note Brainstorm
- *Description:* Participants were invited to brainstorm ideas on post-it notes and add to a larger poster board. Note that this exercise was not conducted at the Broadway Street Fair.

Date	Location	# Surveys	# Dots Placed	# Efficiency Ideas
September 4, 2018	University of Saskatchewan – Campus Expo	51	485	43
September 5, 2018	Saskatoon Farmers Market	7	23	19
September 8, 2018	Broadway Street Fair	72	553	0
	<b>TOTALS</b>	<b>130</b>	<b>1061</b>	<b>62</b>



## What We Heard

### 1. Understanding Satisfaction Ratings – 5 Key Areas

Participants were asked to answer at least one of the following questions. The five topics below were taken from the Civic Satisfaction & Performance Survey. These topics were seen as valuable for further engagement in order to better understand the rationale and context for participant ratings.

Participants were asked to rank each area on a scale of 1 to 10 from very unsatisfied to very satisfied, with 5 being neutral. The results below are presented with the average overall rating, along with the percentage of responses that were in the top 5 (satisfaction ratings of 6-10) to be comparable with the research firm's survey report.

### Ratings

Topic	Question	Average Rating	Top 5
<b>Quality of Services</b>	Overall, how satisfied are you the quality of the services provided by the City of Saskatoon?	7.24	90%
<b>Recreation, Culture and Sport</b>	Generally, how is the City doing with providing a mix of recreation, sport, and cultural facilities year-round?	7.78	94%
<b>City Communications</b>	Overall, how satisfied or dissatisfied are you with the quality of City communications?	6.56	72%
<b>Public Input on Decisions</b>	Do you think the City does enough, or not, to get the public's input on the decisions it makes?	7.04	88%
<b>Online Services</b>	Have you ever used any of the services the City of Saskatoon offers online? In your opinion, how effectively, if at all, does the City of Saskatoon provide services online?	6.86	86%

### Qualitative Comments

#### Quality of Services

##### *Comments on Rating*

Participants had a wide variety of reasons for their ratings. There was positivity about roads getting better, older area redevelopment, bus line improvements, and recreation centres. Reasons for lower scores included: the need for more upkeep in core areas (especially trees); desire for better protection of riverbank, walkways, and trails; inefficient transit system; issues with garbage collection and landfill hours; and lack of familiarity with many services.

### *Suggestions for Improvement*

- **Roadways:** Grade alleys and paint road lines more often; prioritize fixing roads; snow-clearing especially in bays and coves; improve signage in construction areas; improve crosswalks near Circle Drive.
- **Accessibility:** Improve access for seniors and people with disabilities; repairs to sidewalks at/near Farmer Market building; improved pedestrian crossings (ex. Avenue C & 22nd street)
- **Transit:** Better tracking accuracy of buses (stops); less expensive; warm bus shelters; notification when stops are relocated due to construction; shorter routes to north end; lack of sidewalks near bus stops in some areas (ex. north end); continue work on Bus Rapid Transit (BRT); bring in Light Rail Transit (LRT) similar to Edmonton.
- **Waste:** Desire for greater buy-in around compost program, more compost pickups and education; need for more recycling education, buy-in, awareness of rules, pickups, fines, and conveniently located depots for glass; concern about paying by weight for garbage.
- **Bike lanes:** More bike lanes; like the accessibility, but lanes make traffic slow.
- **Low-Income Access Programs:** desire for more information about the program (availability, access, and intent).
- **Safety:** Improve police response on weekends and weeknights (especially Lorne, 33rd, bus depot downtown); improve safety of bike lanes and education about lanes and etiquette for drivers and users.

## **Recreation, Culture & Sport**

### *Comments on Rating*

Participants noted that there were many opportunities and activities to take advantage of, including pools, civic centres, parks, festival spaces, community gardens, playgrounds, the river valley, as well as arts and culture. A few participants were displeased with this area; one commenter specified that they wanted to see more City-run recreational sports leagues.

### *Suggestions for Improvement*

- **Promotions:** Invest in more advertising, social media coverage
- **Outdoor Washrooms:** Year-round bathrooms in Rotary Park and along Meewasin Trail for cyclists and runners; want porta-potties on both sides of river trails.
- **Pools:** Would like warmer water for indoor pools; want to see a splash park or pool at Kinsmen Park; smoother surfacing for paddling pools; more outdoor pools.
- **Sports & Recreation:** More gym times available; hockey program; sports programs in city center areas and in Evergreen; more winter activities.
- **Access:** Ensure affordability of facilities and programs; have family rates.
- **Other:** Establish a public square near the Banks condos along the river

## City Communications

### *Comments on Rating*

Participants appreciated getting emails, texts and text alerts, and the responsiveness on Facebook and Twitter. Several mentioned park maps – one participant complimented their accuracy but requested street view, while another said they were hard to find online. Some would like to see more posts on Facebook and Twitter, and more of an effort to reach university students.

### *Suggestions for Improvement*

- **Fast Response:** Would like 24/7 replies; Communications channels staffed and open for more hours; respond to tweets.
- **Information Quality:** Make concise and easy to access; make maps more accessible.
- **Varied Channels:** Use a variety of communications channels to reach people, including more email and mail for some; more social media including Facebook events; use radio; get more community partners to share posts.

## Public Input on Decisions

### *Comments on Rating*

Overall, many participants were somewhat satisfied with the level of public input on decisions though they saw room for improvement. Some were unsure how to participate, felt that information was sometimes missing, or that they didn't know enough about what the City is doing. One participant recognized that the City sends many surveys, but said they needed to be simplified and were "too wordy". Two participants suggested it is not the City's job to make people interested, and that it is City Council's job to make decisions. One participant said the City is making insufficient efforts to hear student voices.

### *Suggestions for Improvement*

- **Variety of Methods:** Nice to have face-to-face opportunities along with online and "smart-phone friendly" methods; ensure City is reaching out to non-online audiences (ex. phone, door-to-door); make more "modern and accessible".
- **Demonstrate Value:** Public engagement at Western Development Museum was good, showed value in public opinion which was reflected in final decision; uncertainty about whether information and feedback gets into the right hands or whether decisions have already been made.
- **Timing:** Have more opportunities that aren't in evenings.
- **Communication:** Better advertising for ways to have input; find ways to reach multi-unit residents; simplify language and information.
- **Other Ideas:** Ask for help from educated people and students in the field; more public forums during election time with candidates outside of your ward too; up to residents to get engaged – can start early with school programs; concentrate on community associations; bring back the welcome wagon; assign neighbourhood block representatives.

## Online Services

### *Comments on Rating*

Several participants mentioned that they had never used the City's online services, or that they refuse to use them. One individual was concerned about hackers, because they have friends who successfully hacked the City of Saskatoon's website. Some said the website's maneuverability and user experience had improved, while others reported challenges finding what they were looking for due to the site having too many sections and outdated content. One person appreciated the ease of paying parking tickets online, while another said they had trouble trying to sign up for online bills.

### *Suggestions for Improvement*

- **Website Navigation:** Could be simplified; add better search options; reduce large menus with too many options; make easier to navigate from user perspective.
- **Services and Tools:** Make purchase and reloading of transit passes available online; improve interactive transit map.
- **Security and Other:** Improve your online security; note that when City advertises charity events, the email is recognized as spam.

## *2. Important Issues for the City*

This question utilized the list of key issues facing the City that were identified by respondents in the Civic Satisfaction Survey. Participants were then asked: "in your opinion, what level of attention do the below services or issues require?" (Answer options: more/less/the same/don't know).

Category	Same	More	Less	Don't Know
Public Transit	7	102	5	5
Public Safety/Crime/Policing	24	67	5	3
Garbage/Recycling/Composting	15	79	4	2
Road Maintenance	22	64	4	2
Poverty	9	81	1	4
Active Transportation	15	63	1	5
Housing	21	53	3	5
Road Construction	26	29	18	3
Property Taxes	20	13	26	15
Employment	14	50	5	3
Infrastructure	24	39	6	1
Traffic	25	30	12	2
Other* (added by participants)	3	20	0	6

\*Other included:

- **Environment:** connecting wildlife corridors; addressing bird window strikes on downtown buildings; addressing light pollution.
- **Parks, Recreation & Facilities:** improving parks; new arena development; more gym time; cycling instruction.
- **Accessibility:** sidewalk snow removal to become more wheelchair accessible.
- **Waste (other):** access to hazardous waste disposal for those who don't drive; used battery drop-off at City facilities.
- **Planning:** infill and densification; motion lighting sensors.
- **Transit:** better hours for busing.
- **Policing:** improve policing in Pleasant Hill.
- **Communication:** better and more updated communication on website and roads (construction).

### 3. *Suggestions for Efficiency*

Similar to the Civic Satisfaction & Performance Survey, participants were asked to identify opportunities for efficiency. They were asked: "The City is continuously looking for ways to become more efficient in service delivery. Do you have a suggestion for innovative, creative or simple things we can do to achieve this?"

Due to the high volume of participants, staff members did not have the chance to clarify the question's intent, or ask further probing questions. As a result, many of the comments are reiterating suggestions for improvement, or voicing specific concerns. Very few participants identified efficiency areas. Below is a short summary of what was shared, by thematic area.

- **Active Transportation**
  - Bike sharing program; better and more connected bike lanes, corridors, and routes; improved biking conditions and infrastructure; more direct routes from suburbs to core; expert guidance on cycling infrastructure development (instead of special interest groups); special sidewalks for people with disabilities.
- **Garbage/Recycling/Organics**
  - Bring in city-wide organics program; ban plastic bags; recycle plastic bags; waste receptacles for all streams in public places; add cost of organics carts to property taxes (not utility).
- **Civic Facilities**
  - Invest in libraries; keep Fieldhouse open to 5pm on summer weekends.
- **Moving Around**
  - Improve roads and connectivity; transparent process and information about sidewalk repairs and replacements; snow removal and accessibility in the winter; repair potholes; address lack of parking in key areas (ex. Farmers Market); move the railway track; bring in Uber.

- **Transit**
  - Better public transit; better waiting shelters; introduce a campus shuttle; subway or LRT to connect with buses in high-traffic areas; more efficient services; add Wi-Fi on buses; no BRT and no dedicated BRT lane on Broadway; weekend bus services to key destinations; add bus route around Circle Drive for reducing commuter traffic.
- **Environment**
  - Habitat plantings for wildlife in dense urban clusters (ex. using parking lots)
- **Efficiency Ideas**
  - Develop a legacy fund, a self-sustaining passive income source; lower City employee salaries; incentivize local production and value-added products; use local courier services.

## Next Steps

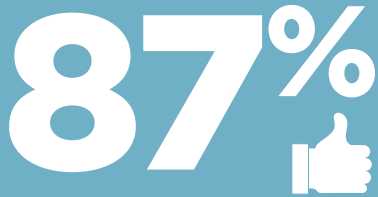
The results from the 2018 engagement activities are to be used to inform business planning and budgeting for the 2020-2021 Multi-Year business Plan and Budget. The engagement results also provided valuable information in advance of last year's 2019 budget deliberations.



# 2018 RESULTS

## CITIZEN SATISFACTION & PERFORMANCE SURVEY

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87%

### Quality of Life & Satisfaction

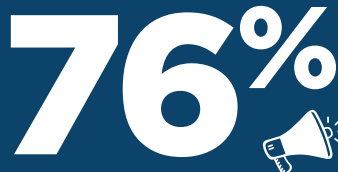
**87%** of respondents say that they are satisfied with living in Saskatoon. **84%** of respondents rate the quality of life in Saskatoon as good or very good.

### Quality & Value of Services

**82%** agreed that they are satisfied with the quality of services provided by the City of Saskatoon. **82%** say they receive very good or good value from the services provided by the City.



82%  
A



76%

### Communications

**76%** of respondents are satisfied with the quality of City communications.

### Customer Service/Contact the City

**52%** agree the City provides good customer service, averaged across five categories. **62%** of respondents preferred contacting the City by telephone, followed by email **48%**.



52%  
@



49%

### Community Engagement and Volunteering

**49%** of respondents say the City does enough to get the public's input on decisions. **40%** of participants say that they volunteer in their community.

### Balancing the Budget

**35%** participants prefer a combination of both property tax and user fee increases to balance the budget.



35%

These are the average percentages taken from Telephone and Online Panels.

# 2018 RESULTS

## CITIZEN SATISFACTION & PERFORMANCE SURVEY

### Strategic Goal Performance Indicators

92%



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

agreed that the City is effectively providing online services.

90%



80%



feel Saskatoon is an inclusive and welcoming city.

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

73%



69%



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

feel the City is effectively balancing growth throughout the City.

65%



50%



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

47% feel the City is making downtown an appealing destination.  
38% feel the City is making downtown an appealing place to live.

47%



These are the average percentages taken from Telephone and Online Panels.



## Planning the Multi-Year Business Plan and Budget

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

As recommended by the City's internal auditor, the Administration conducted an internal pilot project in 2019 where the MYBB was tested and refined.

The building blocks and subsequent framework of the MYBB are largely based on processes that were previously developed by municipalities with extensive experience in preparing multi-year budgets, such as Edmonton and Calgary.

The City's approach to multi-year business 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, 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 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.



# Services, Savings and Sustainability

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

For more than a decade, the City has been on a journey of becoming a more sustainable organization by finding new savings and efficiencies. We continue this work, through our drive for continuous improvement.

Our focus on continuous improvement means empowering our people to continuously explore, take on new challenges, and come up with practical solutions to meet the changing needs of our community.

The [2018 Saskatoon Strides: Service, Savings & Sustainability](#) report demonstrates the City is working hard to achieve its vision of being the best-managed city in Canada. It highlights our achievements and progress made in 2018 to drive service improvements, savings for taxpayers, and sustainability initiatives across Saskatoon.

None of this would be possible without the hard work, dedication and commitment of our employees who work together to make 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.

In order 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 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 also increasing the possibility and magnitude of benefits that could result from seizing an opportunity.

### **RBM Program Vision**

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

This understanding and analysis has allowed the Administration to continue to make progress in managing the City's key strategic risks. Of the 23 risks identified in the strategic risk assessment, current risk management activities have resulted in a decrease in severity of several risks, with four now in their target zone.



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.

More information on the Corporate Risk Office's annual reports is available on the City's website at [saskatoon.ca/city-hall/budget-finance/corporate-risk-management](https://saskatoon.ca/city-hall/budget-finance/corporate-risk-management).

# **2020/2021 BUDGET IN BRIEF**



# THE 2020/2021 OPERATING BUDGET

The overall vision for the 2020/2021 Business Plan and Budget was to have a more integrated process whereby City Council's Strategic Plan drives the business planning process and is the basis for budget preparation. This concept is illustrated below:



Utilizing this vision, the 2020/2021 Business Plan and Budget followed a four-step process:



## Step 1 Determine Cost to Maintain Service Levels

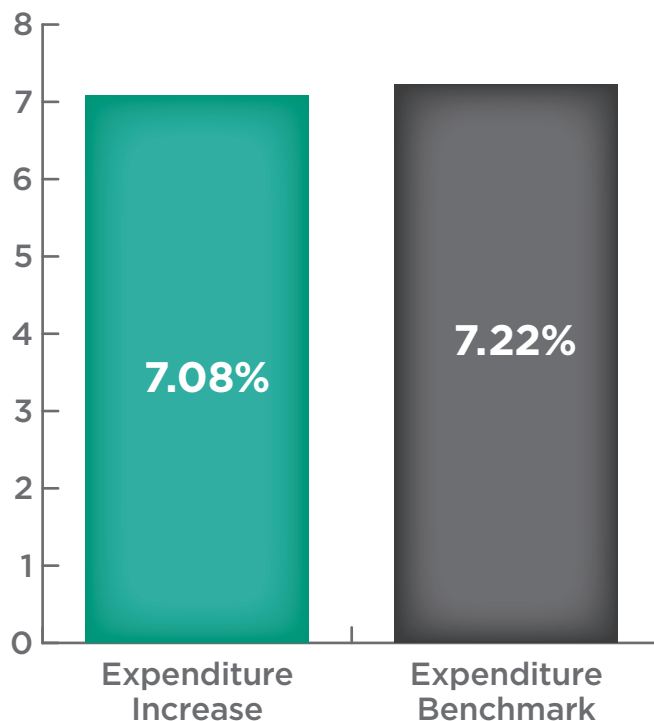
As part of developing the cost to maintain services, City Departments were given a 0% expenditure increase as a starting point. Any requests for increases were thoroughly reviewed on an individual basis by the Budget Committee comprised of the City Manager, Department Heads and senior Finance Division staff. Through this review, considerations were given to:

- reviews of historical results;
- opportunities for absorption and continuous improvement within existing budgets;
- contractually obligated inflationary increases; and
- growth in service areas (roadways, park space, population, etc.).

This process resulted in a projected property tax increase of 3.94% and 4.17% in 2020 and 2021 respectively. These property tax increases were based on the following:

2020/2021 Item	Dollar Change (In millions)	% Change
Civic Expenditure Increases due to Growth and Inflation	\$28.70	7.08%
Police Expenditure Increases due to Growth and Inflation	\$8.86	8.44%
Revenue Increases	(\$22.66)	4.44%
<b>2020/2021 Preliminary Revenue Gap to Maintain Services</b>	<b>\$14.90</b>	
Previous direction of a 2 year phase in of the Organics Program and correction of the Waste Handling Services Deficit	\$4.88	
<b>Total 2020/2021 Preliminary Revenue Gap</b>	<b>\$19.78</b>	

## 2020/2021 EXPENDITURE INCREASE



As included in the preliminary revenue gap estimate above, a total of \$28.70 million (or 7.08%) increase in civic expenditures over 2020 and 2021 was projected. In order to properly benchmark the City's expenditure increases, the City has historically used the benchmark of inflation plus growth. **Over 2020 and 2021, the City is projecting approximately 1.75% in growth and 1.86% in inflationary impacts based on the City's Municipal Price Index formula. Compounding these impacts over two years, the city has projected a combined expenditure benchmark of 7.22% over 2020 and 2021. Civic expenditures are currently below this benchmark at 7.08%.**

While benchmarking is important to ensure reasonability in the City's forecast it is important to note that every expenditure increase is extensively reviewed to ensure it is required. Alternative operational strategies including continuous improvement or efficiencies are also factored in.

In addition, while civic expenditures were forecasted to increase by nearly **\$28.70 million in order to maintain services for inflation and growth**, it is important to note that a significant amount of these increases had few options other than increasing the expenditure base, based on past agreements and policies.

Approximately 75% of the total expenditure increases can be summarized as follows:

- Approximately \$12.0 million in additional expenditures over two years as a result of anticipated collective bargaining agreements, utility increases, and reserve bylaw/policy inflationary increase requirements.

- Growth increases of \$3.82 million to the City's debt servicing costs in order to fund previously approved or upcoming major infrastructure as included in the Civic Facilities and Major Transportation Infrastructure Funding Plans. These funds will be utilized to pay for projects such as Bus Rapid Transit, Recovery Park, Fire Hall redeployments, Civic Operations Centre and other projects.
- Approximately \$1.6 million in gross operating budget impact over two years from the Carbon Tax, which includes approximately \$1.2 million in tax on fuel and \$400,000 on utilities.
- Over \$1.5 million in additional expenditures to cover increasing gasoline and diesel costs required to deliver civic programs.
- The Building Better Roads Program requires inflation and growth allocations in order to maintain the service level of a 1 in 20 year treatment cycle. Increases of \$1.4 million to this program have been included in order to support this.
- Approximately \$750,000 in increases to Community Support subsidies and grants based on current policies and past City Council decisions and agreements, such as the Youth Sport Subsidy, SREDA and SPCA grants, increased cost to provide provision of civic services to community events, Cultural Capital Reserve and Social Services grant programs.

## Step 2 Determine Property Tax Target

**Step 2** of the City's 2020/2021 Business Plan and Budget process consisted of utilizing the cost to maintain existing services to set a property tax target or indicative rate.

Setting an indicative rate is an important step in the development of a singular or multi-year business plan and budget. A key risk to any business plan and budget is the continuous reworking of assumptions and plans due to moving targets and lack of parameters set at the beginning of the planning cycle.

Based on Step 1 of the process, there was a projected **preliminary revenue gap of \$19.78 million** over 2020/2021 that must be addressed through either:

1. decreased expenditures;
2. increased operating revenues; or
3. a property tax increase

**If this gap were to be addressed by a property tax increase it would be equivalent to a 3.94% and 4.17% property tax increase in 2020 and 2021.**

These forecasts were presented to the Governance and Priorities Committee (Committee) on June 17, 2019.

**Committee was given several options at this meeting on how to proceed, which were:**

1. **Target a two-year municipal property tax increase less than 3.94% and 4.17% for 2020 and 2021, respectively. This option would require the Administration to reproduce a budget less than the current estimated cost to maintain existing services, and implement the city-wide organics and waste handling service deficit correction phase-ins.**
2. **Target a two-year municipal property tax increase equivalent to 3.94% and 4.17% for 2020 and 2021, respectively. This option would direct the Administration to proceed with the current estimated costs to maintain existing services. This would include as a priority the 1.00% annual budgetary allocation for resolving the structural solid waste budget issues and fund the implementation of a city-wide organics program. This option would not leave any additional budgetary room for adding further resources to Business Plan Options.**
3. **Target a two-year municipal property tax increase higher than 3.94% and 4.17% for 2020 and 2021, respectively. This option would provide sufficient funding to maintain existing service levels, continue the phase-in of the city-wide organics program, and provide funding for the implementation of Business Plan Options.**

After consideration of these three options, Committee directed Administration to **target a lower property tax than the current forecasted 3.94% and 4.17% in 2020 and 2021.**

This new target helped form the next stages of the process as outlined in Step 3.





**Step 3**

## Develop Corporate Business Plans to Achieve City Council's Priorities

**Step 3** of the 2020/2021 Business Plan and Budget process consisted of the Administration forming working committees to develop strategies and initiatives in order to achieve City Council's priorities and the previously directed property tax target.

At the July 29, 2019, regular meeting of City Council, the Administration presented several options to Council in order to reduce the originally estimated property tax of 3.94% and 4.17% in 2020 and 2021. At this meeting, City Council directed the Administration to implement the following options:

Option Implemented	2020 Property Tax Reduction	2021 Property Tax Reduction
\$10.0 million of the \$14.1 million one-time additional Federal Gas Tax funding that was received in 2019 was allocated towards the future organics program for bin purchases. The original plan included debt as the funding source for bin purchases and required a phase in of property taxes to repay the borrowing. This decision has reduced the property tax increase in 2020 through 2023 by 0.13% in each year.	0.13%	0.13%
\$906,000 of the unallocated Multi-Material Stewardship Funding was allocated towards correcting the waste handling deficit.	0.19%	0.19%
All Bylaw and Policy required inflationary increases to reserve transfers were deferred.	0.15%	0.17%
Phase-in of building maintenance of the Remai Modern was reduced from a \$200,000 increase in each of 2020 and 2021 to a \$100,000 increase each year.	0.04%	0.04%
The final phase-in of \$241,700 for Recovery Park debt repayments were deferred in 2020 to a future year as construction is not anticipated to be completed during this two-year budget.	0.10%	-
The City's Major Transportation Funding Plan intended to fund major transportation initiatives, most notably the Bus Rapid Transit project was revised to be phased in over five years instead of the originally planned four years.	0.10%	0.10%
<b>Total Property Tax Reduction</b>	<b>0.71%</b>	<b>0.63%</b>

City Council directed Administration to include the above six property tax reduction measures in the Preliminary 2020/2021 Business Plan and Budget; **these six options have been included in the Preliminary Business Plan and Budget document resulting in the proposed property tax increase of 3.23% and 3.54% for 2020 and 2021, respectively.**

In addition to property tax reduction options the Administration continued to work in cross-divisional working committees utilizing City Council's renewed Strategic Plan to develop options and initiatives that would directly contribute to achieving these priorities. At the August 19, 2019, Governance and Priorities Committee the Administration presented Committee with:

1. An overview of initiatives currently underway utilizing existing resources aimed at achieving City Council priorities; and
2. In order to maintain transparency a listing of operating options that require resources aimed at accelerating the achievement of City Council's priorities was also presented.

At this meeting, Committee referred the entire listing of operating budget options to the Business Plan and Budget review meetings at the end of November, 2019. Based on this direction, the Administration has not included any of these Business Plan options within the Preliminary 2020/2021 Business Plan and Budget.

## Expenditures

The City's 2020 and 2021 Operating Budget includes total expenditures of \$530.0 and \$548.3 million, respectively. Schedule II of the 2020/2021 Preliminary Detailed Operating and Capital Budget provides more details on the breakdown of these expenditures.

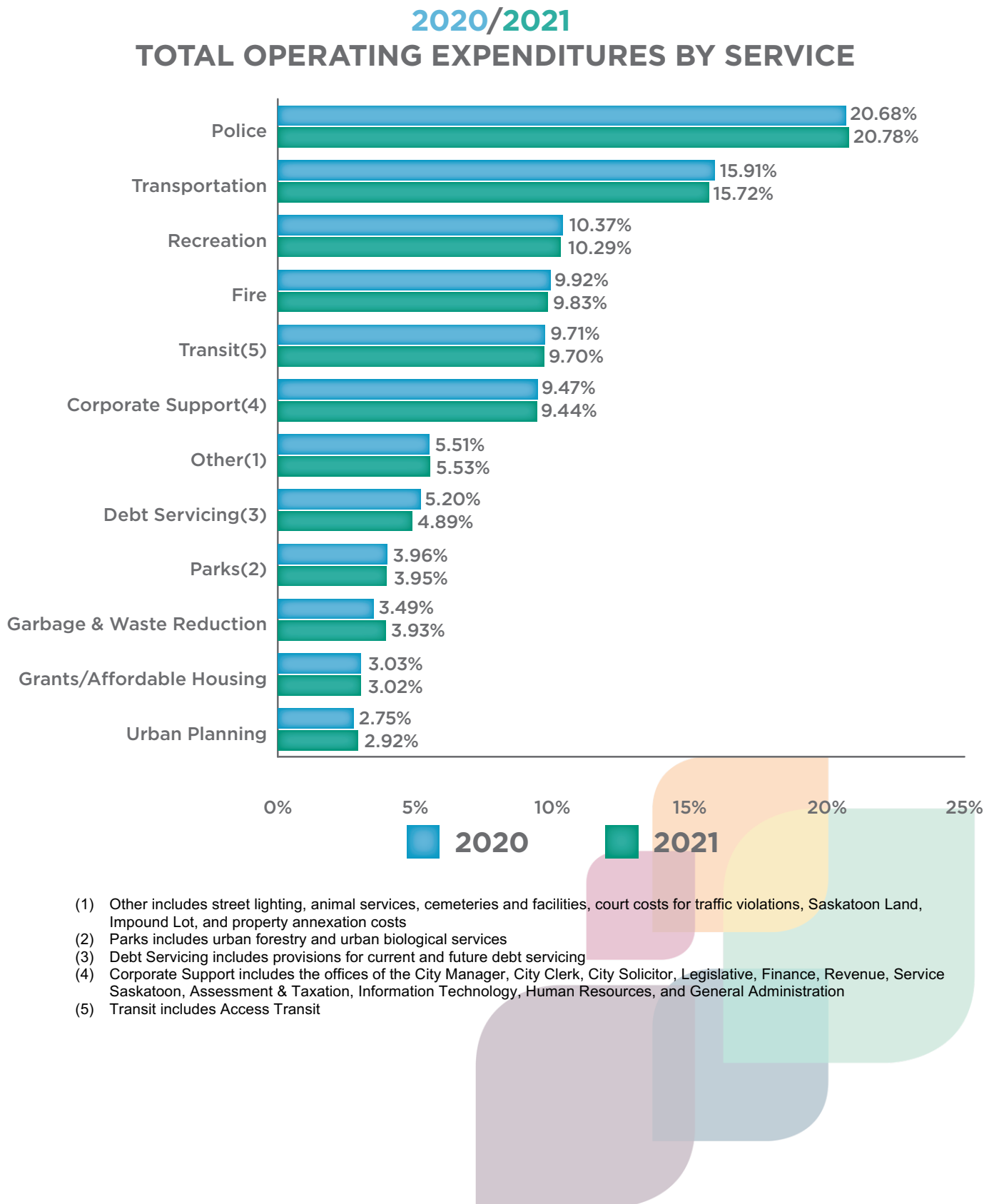
For the 2020 and 2021 Operating Budget, expenditures are increasing by 3.84% and 3.47%, respectively. It is important to note that the increase in expenditures is comprised of the following:

### Police and Civic Expenditure Changes

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%
<b>Total</b>	<b>\$ 510.4</b>	<b>\$ 530.0</b>	<b>\$ 19.6</b>	<b>3.84%</b>	<b>\$ 548.3</b>	<b>\$ 18.4</b>	<b>3.47%</b>

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

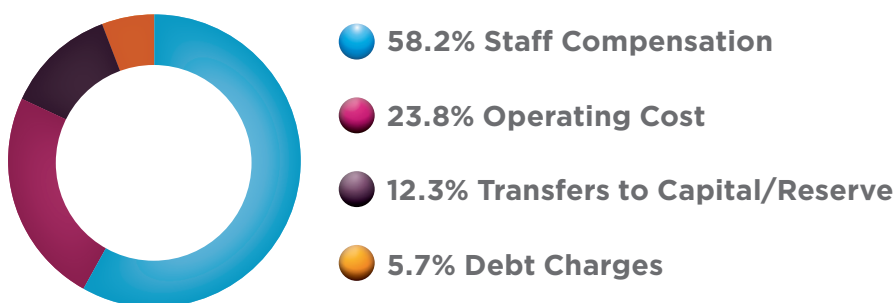
Policing represents the largest portion of the City's operating expenditures at approximately 21%, or \$109.6 million in 2020 and \$114.0 million in 2021.



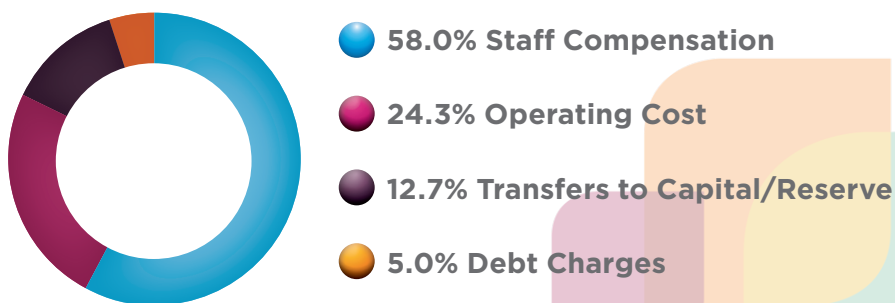
The chart below shows the percentage share of major expense categories within the proposed 2020/2021 Operating Budget.

- The majority of expenditures for the Operating Budget, \$308.5 million in 2020 and \$318.0 million in 2021, are for staff salaries and payroll costs.
- Transfers to Capital and Operating Reserve account for \$65.4 million in 2020 and \$69.5 million in 2021 of the Operating Budget (includes capital down payments for funding plans).
- Debt servicing costs (principal and interest) excluding utilities are \$30.0 million in 2020 and \$27.7 million in 2021 of the Operating Budget. These are funded by \$7.5 million in 2020 and \$7.7 million in 2021 from re-allocated Federal Gas Tax funds, and \$22.6 million in 2020 and \$20.0 million in 2021 from property taxation.

## 2020 TOTAL OPERATING EXPENDITURES BY CATEGORY



## 2021 TOTAL OPERATING EXPENDITURES BY CATEGORY



### Staffing

The 2020 Budget includes an additional 57.8 FTEs over 2019 (a 1.5% increase). The 2021 Budget includes an additional 38.5 FTEs over 2020 (a 1.0% increase), excluding the Saskatoon Public Library. The following table shows the total staffing requirements and change over 2020 and 2021:

## Summary of Full-Time Equivalents (FTEs)

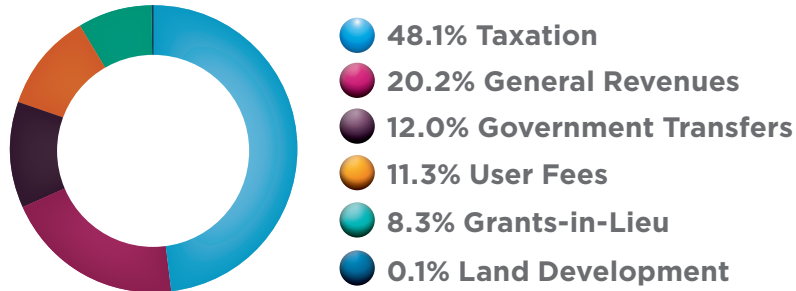
(FTEs)	2019	2020	2020 Change	2021	2021 Change
<b>CIVIC, POLICE &amp; CONTROLLED CORPORATIONS</b>					
<b>Civic Operations</b>					
Community Support	29.6	29.6	-	29.6	-
Corporate Asset Management	245.9	251.4	5.5	254.4	3.0
Corporate Governance & Finance	420.5	429.0	8.6	434.0	5.0
Environmental Health	111.0	115.2	4.2	115.2	-
Fire	337.0	340.0	3.0	340.0	-
Recreation & Culture	302.9	308.3	5.4	311.6	3.2
Transportation	631.1	635.4	4.3	637.9	2.5
Urban Planning & Development	50.3	55.7	5.4	57.7	2.0
<b>Total Civic Operations</b>	<b>2,128.2</b>	<b>2,164.6</b>	<b>36.4</b>	<b>2,180.3</b>	<b>15.7</b>
<b>Police</b>					
Police	666.5	673.5	7.0	679.3	5.8
<b>Total Police</b>	<b>666.5</b>	<b>673.5</b>	<b>7.0</b>	<b>679.3</b>	<b>5.8</b>
<b>Controlled Corporations</b>					
Remai Modern	47.6	47.6	-	47.6	-
SaskTel Centre	47.7	52.3	4.6	52.3	-
TCU Place	62.6	62.6	-	62.6	-
<b>Total Controlled Corporations</b>	<b>157.8</b>	<b>162.4</b>	<b>4.6</b>	<b>162.4</b>	<b>-</b>
<b>TOTAL CIVIC, POLICE &amp; CONTROLLED CORPORATIONS</b>	<b>2,952.5</b>	<b>3,000.5</b>	<b>48.0</b>	<b>3,022.1</b>	<b>21.5</b>
<b>NON TAX-SUPPORTED SERVICES</b>					
Building and Plumbing	58.0	58.0	-	58.0	-
Licenses and Permits	10.6	10.6	-	10.6	-
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	2.7	2.7	-	2.7	-
Land Development	18.4	18.4	-	18.4	-
<b>Sub-total</b>	<b>119.1</b>	<b>119.1</b>	<b>-</b>	<b>119.1</b>	<b>-</b>
<b>Utilities</b>					
Utilities	361.4	367.9		370.3	
New FTEs	5.8	5.0	5.0	4.0	4.0
Transfer to Operating	-	(2.3)	(2.3)	-	-
Transfer to Capital (Utilities)	0.7	(0.3)	(0.3)	-	-
<b>Total Utilities</b>	<b>367.9</b>	<b>370.3</b>	<b>2.4</b>	<b>374.3</b>	<b>4.0</b>
<b>TOTAL NON TAX-SUPPORTED SERVICES</b>	<b>487.0</b>	<b>489.4</b>	<b>2.4</b>	<b>493.4</b>	<b>4.0</b>
<b>Capital</b>					
Capital	299.9	307.5		314.8	
New	8.9	10.9	10.9	13.0	13.0
Transferred to Operating	(0.6)	(3.8)	(3.8)	-	-
Transferred from Operating (Utilities)	(0.7)	0.3	0.3	-	-
<b>Total Capital</b>	<b>307.5</b>	<b>314.8</b>	<b>7.3</b>	<b>327.8</b>	<b>13.0</b>
<b>FTE TOTAL</b>	<b>3,747.0</b>	<b>3,804.8</b>	<b>57.8</b>	<b>3,843.3</b>	<b>38.5</b>
<b>LIBRARY</b>	<b>149.6</b>	<b>150.6</b>	<b>1.0</b>	<b>152.6</b>	<b>2.0</b>
<b>FTE TOTAL WITH LIBRARY</b>	<b>3,896.6</b>	<b>3,955.4</b>	<b>58.8</b>	<b>3,995.9</b>	<b>40.5</b>

## Revenues: Where the Money Comes From

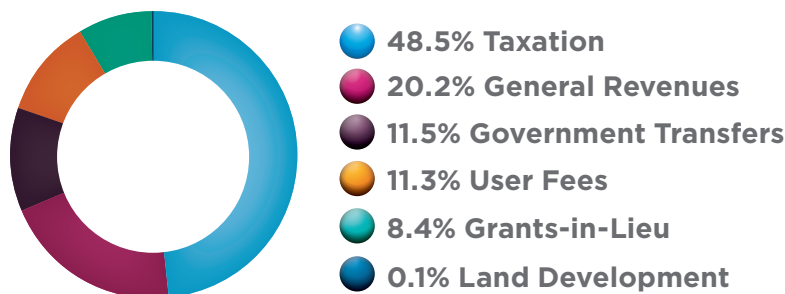
The City of Saskatoon generates operating revenues from five sources to pay for the delivery of its programs and services: taxation, general revenues, user fees, government transfers, and grants-in-lieu of taxes.

The percentage of revenue sources that pay for all civic programs and services in the City's 2020 and 2021 Operating Budget is shown in the graphs below.

## SHARE OF 2020 OPERATING REVENUES



## SHARE OF 2021 OPERATING REVENUES



As illustrated, almost half (48.1% and 48.5%) of the City's 2020 and 2021 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 five primary revenue sources** in more detail.

## General Revenues

For 2020 and 2021 respectively, general revenues make up 20.2% and 20.2% 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 currently includes the Recycling, and Leaves and Grass programs) 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 table below summarizes the utility contributions to City revenues for the 2019 to 2021 budget years. The increased revenue included in the Operating Budget is approximately \$2.8 million in 2020 and \$1.6 million in 2021.

### Utility Contributions

	2019 Budget	2020 Budget	2020 Change	2021 Budget	2021 Change
<b>Recycling</b>	<b>53,500</b>	<b>53,500</b>	<b>0</b>	<b>53,500</b>	<b>0</b>
Admin. Recovery	53,500	53,500	0	53,500	0
<b>SL&amp;P</b>	<b>47,737,800</b>	<b>48,230,800</b>	<b>493,000</b>	<b>49,028,300</b>	<b>797,500</b>
Admin. Recovery	431,100	431,100	0	431,100	0
GIL	22,647,000	23,140,000	493,000	23,937,500	797,500
ROI	24,659,700	24,659,700	0	24,659,700	0
<b>Storm</b>	<b>51,800</b>	<b>51,800</b>	<b>0</b>	<b>51,800</b>	<b>0</b>
Admin. Recovery	51,800	51,800	0	51,800	0
<b>Waste Water</b>	<b>13,108,400</b>	<b>14,048,500</b>	<b>940,100</b>	<b>14,390,400</b>	<b>341,900</b>
Admin. Recovery	4,369,700	4,369,700	0	4,369,700	0
GIL	4,769,700	4,853,000	83,300	5,009,000	156,000
ROI	3,969,000	4,825,800	856,800	5,011,700	185,900
<b>Water</b>	<b>16,563,600</b>	<b>17,895,200</b>	<b>1,331,600</b>	<b>18,382,000</b>	<b>486,800</b>
Admin. Recovery	3,923,900	3,923,900	0	3,923,900	0
GIL	7,158,700	7,307,100	148,400	7,537,300	230,200
ROI	5,481,000	6,664,200	1,183,200	6,920,800	256,600
<b>Grand Total</b>	<b>77,515,100</b>	<b>80,279,800</b>	<b>2,764,700</b>	<b>81,906,000</b>	<b>1,626,200</b>

## 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.

This revenue source totals \$44.2 million in 2020 and \$45.8 million in 2021 and comprises 8.3% and 8.4% of the City's projected revenues. These figures represent an annual increase of \$1.2 million in 2020 and a \$1.6 million increase in 2021.

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

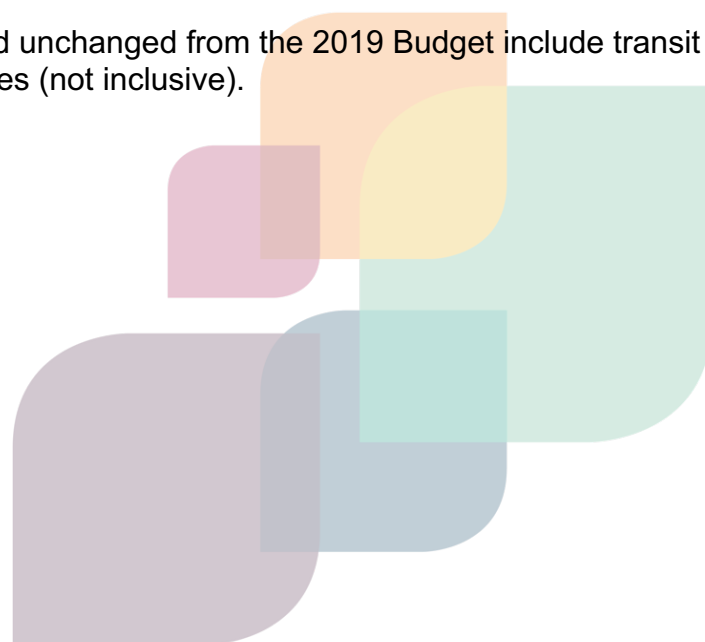
## User Fees

User fee revenue from services comprises 11.3% of the total 2020 and 2021 Operating Budget.

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 instance, 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 table provides a 2019-2021 comparative summary for some of the City's significant user fee changes. This information includes the proposed fee changes effective January 1, 2020, unless otherwise noted.

Other significant user fees that have remained unchanged from the 2019 Budget include transit rates, and landfill tipping and entrance fee rates (not inclusive).





## Municipal User Fees Rates Table – Comparative Summary

	2019 Rates	2020 Rates	Change (\$)	Change (%)	2021 Rates	Change (\$)	Change (%)
<b>Indoor Rink Admission:</b>							
Adult	\$ 5.75	\$ 5.75	\$ -	0.0%	\$ 5.75	\$ -	0.0%
Youth	\$ 3.75	\$ 3.75	\$ -	0.0%	\$ 3.75	\$ -	0.0%
<b>Forestry Farm Park &amp; Zoo:</b>							
Adult	\$ 12.50	\$ 13.00	\$ 0.50	4.0%	\$ 13.50	\$ 0.50	3.8%
Youth	\$ 7.50	\$ 7.80	\$ 0.30	4.0%	\$ 8.10	\$ 0.30	3.8%
Family <sup>(1)</sup>	\$ 25.00	\$ 26.00	\$ 1.00	4.0%	\$ 27.00	\$ 1.00	3.8%
Adult Season Pass	\$ 40.00	\$ 42.50	\$ 2.50	6.3%	\$ 45.00	\$ 2.50	5.9%
Youth Season Pass	\$ 24.00	\$ 25.50	\$ 1.50	6.3%	\$ 27.00	\$ 1.50	5.9%
Family Season Pass	\$ 80.00	\$ 85.00	\$ 5.00	6.3%	\$ 90.00	\$ 5.00	5.9%
<b>Leisure Cards:</b>							
Adult 1 Month	\$ 50.00	\$50.00	\$ -	0.0%	\$50.00	\$ -	0.0%
Youth 1 Month	\$ 30.00	\$30.00	\$ -	0.0%	\$30.00	\$ -	0.0%
Family 1 Month	\$ 100.00	\$100.00	\$ -	0.0%	\$100.00	\$ -	0.0%
<b>Nutrien Playland:</b>							
General Admission	\$2.00	\$2.25	\$ 0.25	12.5%	\$2.25	\$ -	0.0%
Playpack	\$20.00	\$22.50	\$ 2.50	12.5%	\$22.50	\$ -	0.0%
<b>Recycling and Leaves &amp; Grass Subscription Program:</b>							
Residential Recycling: (per month)	\$5.65	\$7.38	\$ 1.73	30.6%	\$7.47	\$ 0.09	1.2%
Multi-unit Recycling: (per month)	\$3.11	\$3.71	\$ 0.60	19.3%	\$3.86	\$ 0.15	4.0%
<b><u>Leaves &amp; Grass subscription fee: (per season)</u></b>							
Early Rate (January - April)	\$55.00	\$60.00	\$ 5.00	9.1%	\$60.00	\$ -	0.0%
Standard Rate (May - December)	\$75.00	\$75.00	\$ -	0.0%	\$75.00	\$ -	0.0%
<b>Saskatoon Light &amp; Power (Electrical):</b>							
(yearly increase) <sup>(2)</sup>	4.0%	4.6%			4.15%	-	-
<b>Water/Wastewater: (yearly increase)<sup>(3)</sup></b>							
	9.25%	4.1%			3.9%	-	-

- (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 are determined by SaskPower rate changes. 4.0% for 2019 is estimated based on historical trend from SaskPower
- (3) Saskatoon Water and Wastewater rates have previously been approved by City Council.

## Government Transfers

In order to provide necessary and essential public services and programs for residents, the City receives funding from other orders of government. For 2020 and 2021, government transfers account for 12.0% and 11.5% 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 \$49.8 million and \$51.6 million in MRS in 2020 and 2021 respectively; this is an increase of \$6.4 million (14.7%) and \$1.8 million (3.6%) in each year.



## 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.

**The 2020/2021 Operating Budget proposes a municipal property tax increase of 3.23% and 3.54% in 2020 and 2021, respectively.**

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.

### Proposed 2020/2021 Property Tax Increase

Municipal 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



# Municipal Property Tax Distribution

The following shows how the municipal property tax (City taxes only) is proposed to be shared between the various services the City provides.

Total property tax and assessment information for individual properties can be found on ‘**The Property Assessment and Tax Tool**’ on the City’s website at **saskatoon.ca**

## 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.

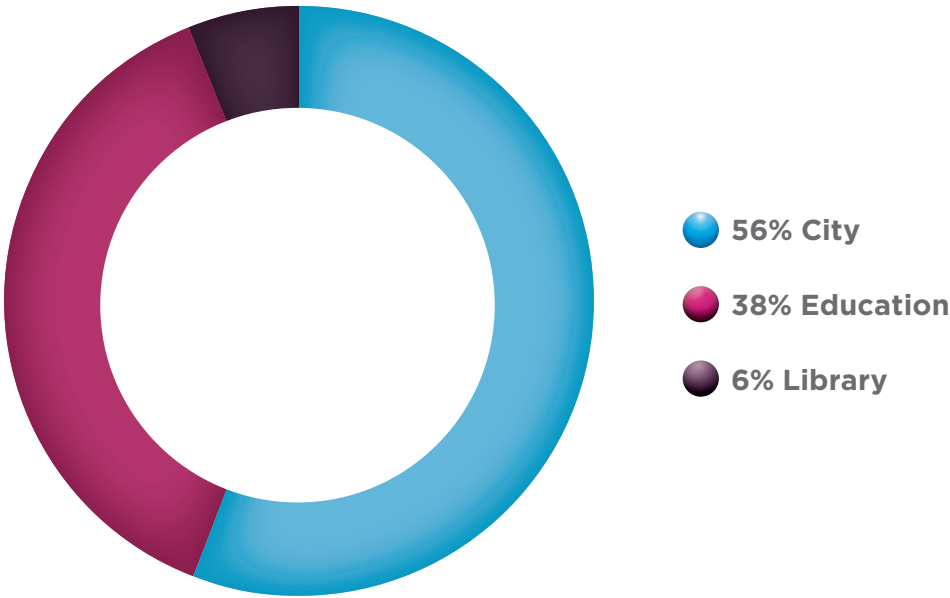


- (1) Includes street lighting, animal services, cemeteries and facilities
- (2) Includes urban forestry and urban biological services
- (3) Includes provisions for current and future servicing
- (4) Includes the offices of the City Manager, City Clerk, City Solicitor, Finance, Revenue, Assessment & Taxation, Information Technology, Human Resources, General Administration, Legislative, and Service Saskatoon
- (5) Includes Access Transit

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% is remitted to the Province of Saskatchewan to pay for education.

**DISTRIBUTION OF PROPERTY TAX (2019)**



## Budget Assumption Risks

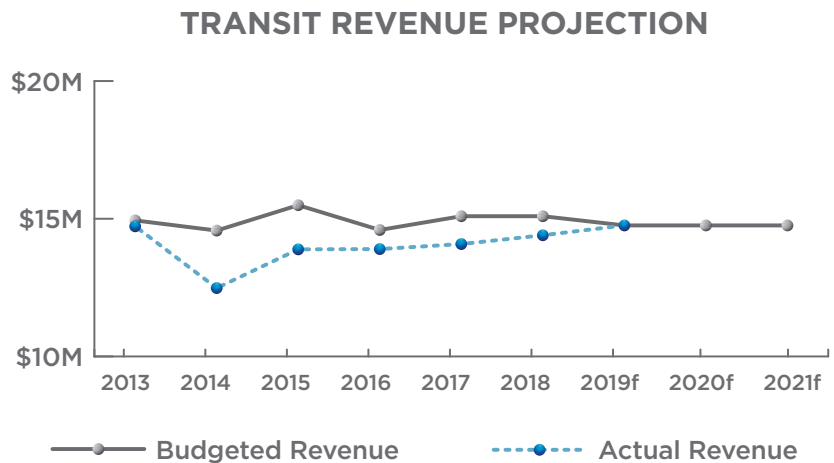
In preparing the 2020/2021 Preliminary Business Plan and Budget, assumptions were made to form the basis of many budget figures. The following section identifies the risks or opportunities contained within key budget categories.

This analysis compares the 2020 and 2021 Operating Budget against the previous year's budget, as well as the actual results from 2018 and the projected 2019 year-end forecast.

### Transit Revenue Projection

From 2014 to 2017, Saskatoon Transit experienced relatively flat revenues of about \$14.0 million per year. Since 2018, revenues and ridership have begun to increase significantly closing the revenue deficit that was \$1.60 million in 2015.

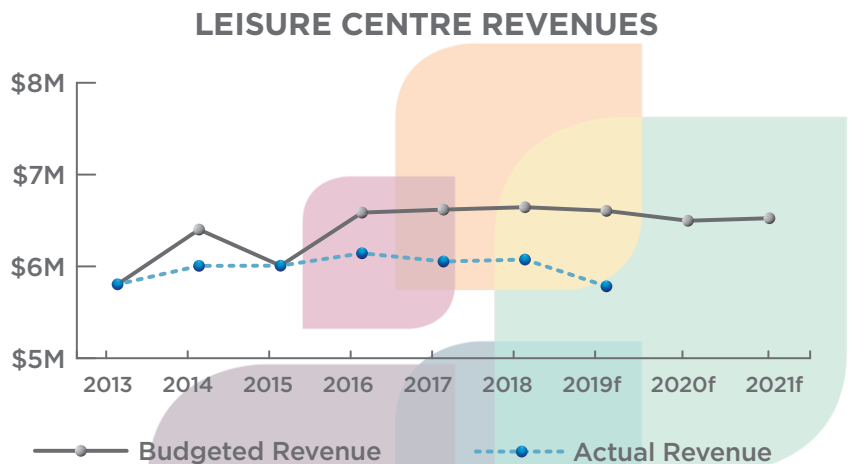
Transit experienced a revenue deficit of \$691,000 in 2018. There were continued increases in ridership and revenue along with a \$350,000 budgeted revenue decrease in 2019. This budget variance is expected to be significantly mitigated by the end of 2019. However, there is a risk that revenue growth could be less than anticipated resulting in the budget not being reached in 2019 or beyond. It is estimated that the potential risk is approximately \$300,000.



### Leisure Centre Revenue

Over the past number of years, the deficit in Leisure Centre Revenues has continued to grow. In 2019 a deficit of approximately \$800,000 was forecasted at June 30, 2019 largely due to an overall downward trend in admissions as well as temporary planned closures at several facilities.

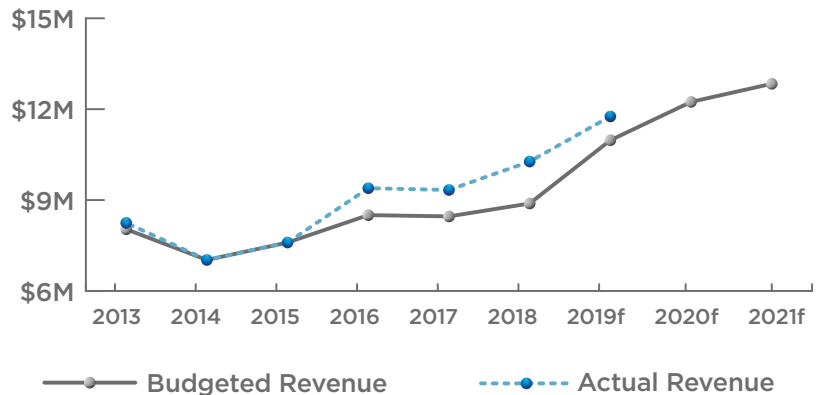
The Administration is hopeful that with current initiatives, including a previously approved rate change and a \$100,000 decrease to the budgeted target in 2020 that this deficit can be significantly reduced. However, based on historical experiences, there is an approximate \$500,000 risk in relation to Leisure Centre revenues.



## Facilities Management

Facilities Management experienced a \$1.4 million deficit in 2018 largely due to higher than anticipated costs to maintain the Remail Modern and historically under budgeted areas such as Corporate Security and Snow Management. While 2019 is still forecasting an approximate \$750,000 deficit as at June 30, 2019, the Administration is hopeful that through the 2020/2021 budget cycle and factoring in administrative initiatives, that this deficit can be significantly reduced.

### FACILITIES MANAGEMENT

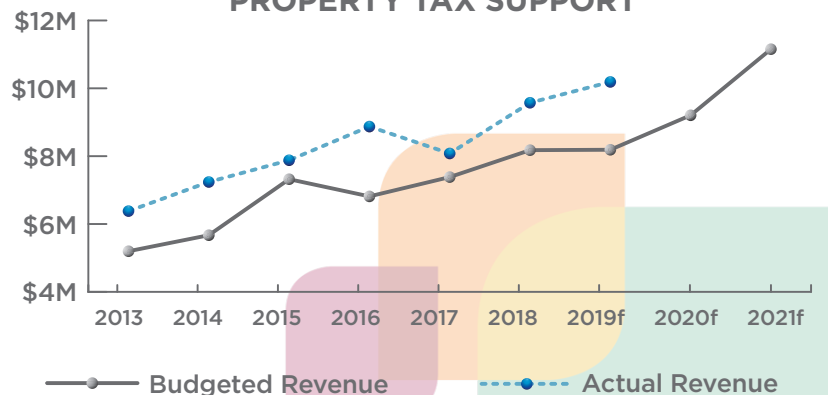


Most notably, in 2020 the Facilities Management budget is proposed to increase from \$10.97 million to \$12.24 million which includes funding to address a significant portion of the historical deficits related to Remail Modern, Corporate Security and Snow Management. While the proposed adjustments fund a significant portion of the gap, Facilities Management has also been tasked with addressing the remaining portion through efficiencies and operational improvements. With that, there remains a risk that Facilities Management may not be able to reach the targeted budget and efficiencies. This risk has been estimated at approximately \$500,000.

## Waste Handling Services

Waste Handling Services, which includes Landfill and Collections has experienced several years of significant deficits largely due to reduced revenue from regional competition and higher costs from increased usage and subsidization of the Green Cart and Compost Depot programs.

### WASTE HANDLING SERVICE PROPERTY TAX SUPPORT



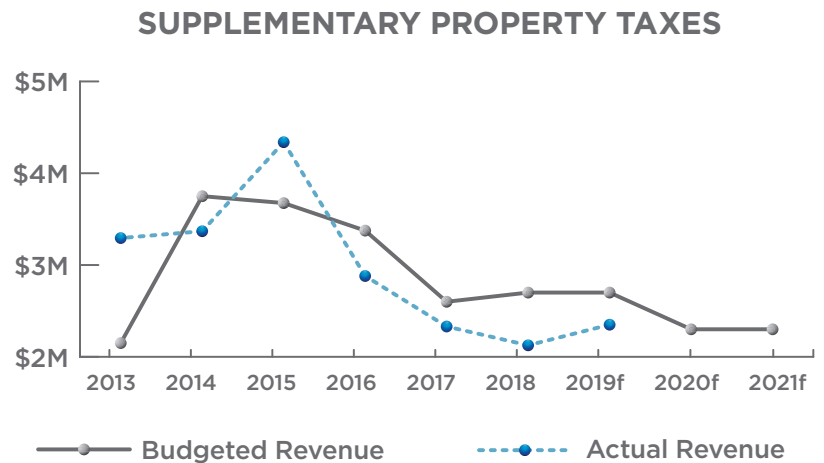
While the Administration continue to take every reasonable opportunity to reduce expenditures within

Waste Handling Service, **City Council has also approved a 1.53% dedicated property tax increase over the next several years to address this on ongoing deficit as a plan to ensure financial sustainability of waste handling services moving forward.** There is a risk that the 2020 increase is not sufficient to fully address the ongoing deficit, however by 2021 the historical deficit should be fully resolved.

## Supplementary Property Taxes

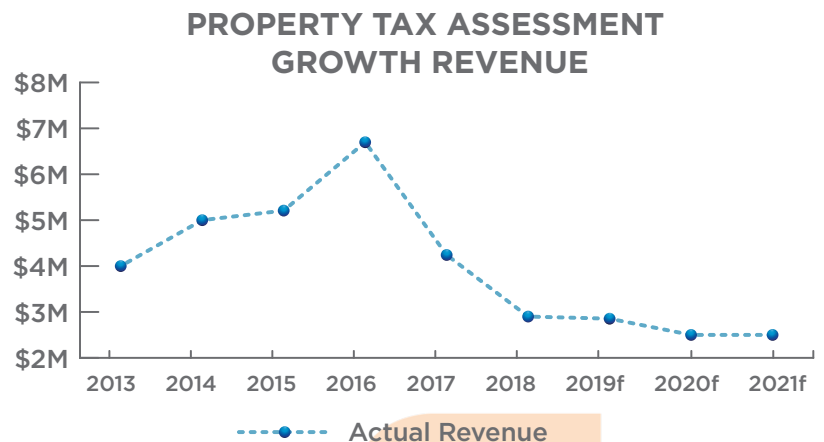
Supplementary property taxes are those taxes levied to new properties completed in the budget year and not included in the tax base at the time of tax billing. Supplementary taxes are based on building permits issued, as well as the City's Assessment and Taxation sections estimates of building completion dates.

This graph is difficult to project accurately, as evidenced by prior year's fluctuations between budget and actuals outlined in the corresponding chart. The 2020 and 2021 current estimates are \$2.3 million for each year which is a reduction from the 2019 budget of \$2.7 million. It is estimated that there is a \$250,000 risk with this estimate based on timing of construction being completed.



## Assessment Growth

Assessment growth is the amount of new taxes that are included in the property tax base resulting from new and increased property values over the prior year. The 2020 and 2021 Budget is based on building permit information, property assessment appeal decisions, approved economic incentives and estimated construction completion dates.



The 2020 and 2021 assessment growth is currently estimated at \$2.5 million for each year and will be finalized near the end of November 2019 and 2020 just prior to the Business Plan and Budget Review. There is a risk that the assessment growth will be lower than expected as this is based on a variety of estimates. There is a \$500,000 risk within this projection for each year.

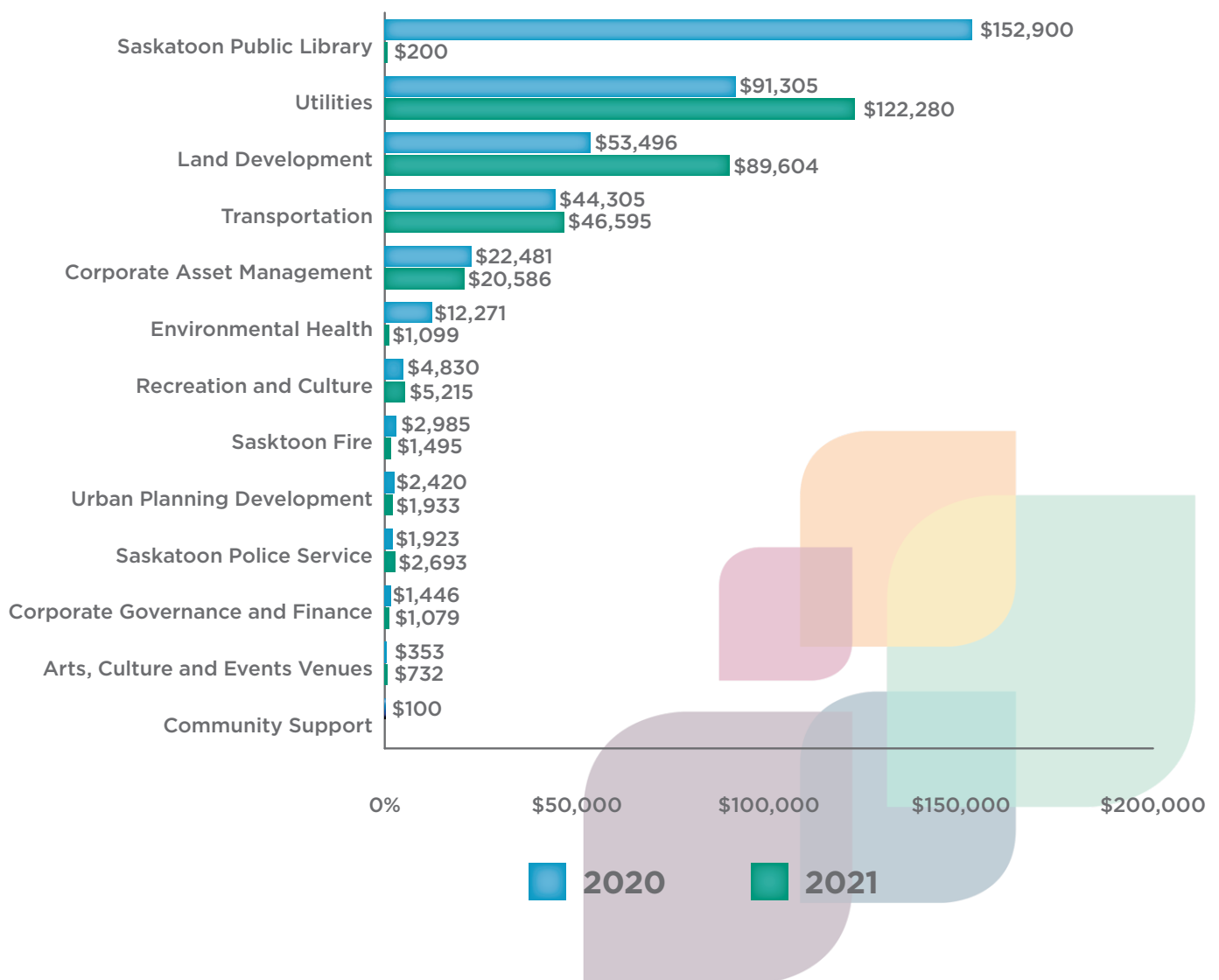


## THE 2020/2021 CAPITAL BUDGET

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 2020/2021 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 asset. One of the key funding strategies in prior years' budgets was to dedicate property tax increases, solely for the maintenance of roads. 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 2020/2021 Capital Budget provides a total capital investment of \$684.3 million, including \$390.8 million in 2020 and \$293.5 million in 2021. An overview of the capital investment by Business Line can be seen below.

### CAPITAL INVESTMENT BY BUSINESS LINE (\$000'S)



**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.

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

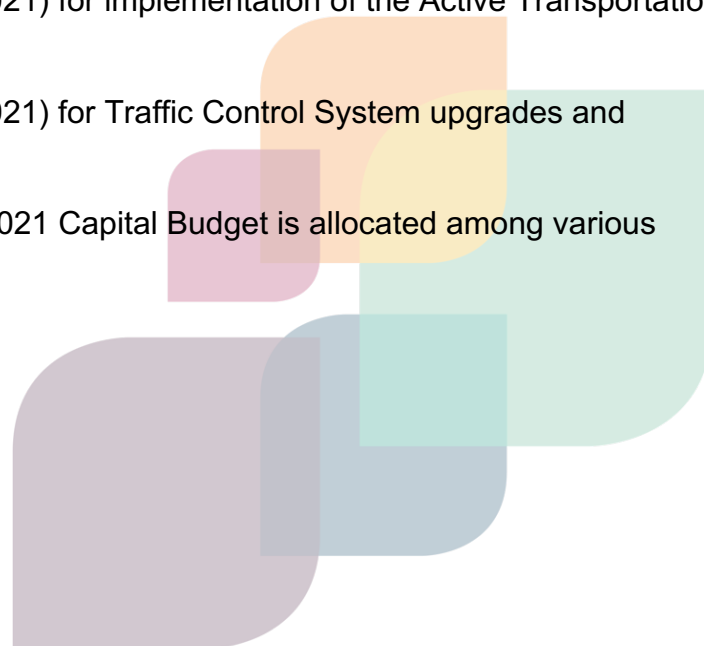
- A \$39.3 million investment in upgrades and maintenance at the Water Treatment Plant in 2020 and \$62.8 million in 2021 for rehabilitation and replacement of the water distribution system, replacement of the existing sand separator (2020), low lift pumping station upgrades, chlorine capacity upgrades (2021), a new meter shop and receiving facility (2021) and an additional reservoir and pumping facility;
- A \$22.9 million investment in upgrades and maintenance at the Wastewater Treatment Plant in 2020 and \$28.5 million in 2021 for rehabilitation and replacement of the wastewater collection system, lift station upgrades, major replacements of bioreactor pumps and components; and
- Over \$18.4 million in investment in 2020 and \$17.8 million in 2021 as Saskatoon Light & Power upgrades electrical distribution, substations, transmission lines and streetlights.

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. Some of the notable investments include:

- \$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.

The remaining 12.5% in 2020 and 11.9% in 2021 Capital Budget is allocated among various smaller projects.



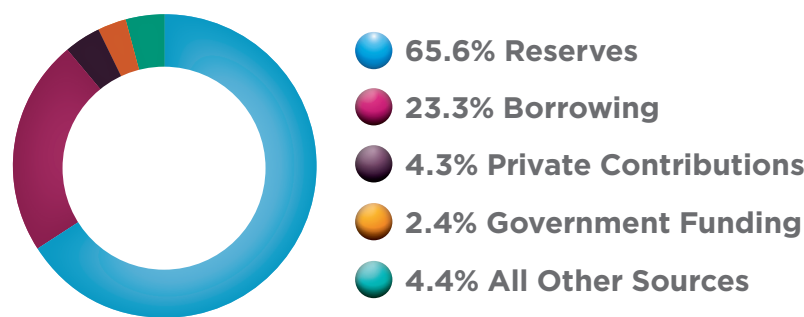
**PAYING FOR THE 2020/2021 CAPITAL BUDGET**

The largest source of funding for the 2020/2021 Capital Budget comes from reserves. For this budget cycle, approximately \$523.7 million (76.5%) of the entire Capital Budget is funded through reserves that the City has set aside for capital replacement, enhancement, and new capital work.

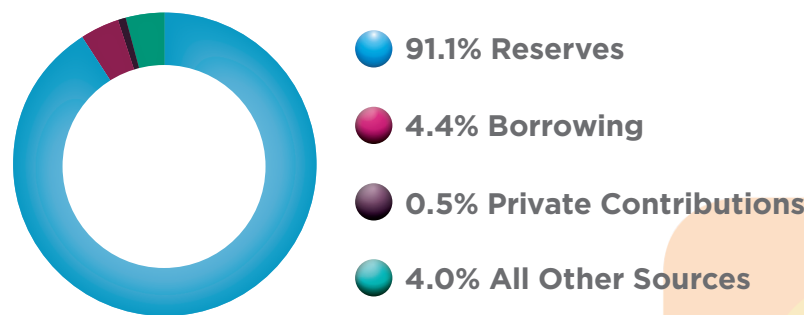
Approximately \$103.8 million (15.2%) in borrowing is planned for 2020 and 2021, with the most significant portion, \$87.5 million, to fund a part of the New Central Library Construction.

The remaining \$56.8 million (8.3%) of the Capital Budget is split among various sources. An overview of all sources can be seen in the following charts.

**2020 CAPITAL BUDGET FUNDING SOURCES**



**2021 CAPITAL BUDGET FUNDING SOURCES**



(1) Other sources include \$15.0 million of private contribution and \$4.6 million in land sales to fund the ew Central Library

## 2020/2021 Capital Budget Funding Summary

<b>GENERAL CAPITAL: (\$000's)</b>	<b>2020</b>	<b>2021</b>
Reserves	174,055	165,867
Borrowing	87,915	-
Provincial Government	250	-
Federal Government	9,100	-
Private/External Contributions	15,565	-
Operating Contributions	250	50
Other	7,775	5,314
Saskatoon Public Library Reserve	-	-
<b>TOTAL GENERAL CAPITAL</b>	<b>294,910</b>	<b>171,231</b>
<b>UTILITY CAPITAL: (\$000's)</b>		
Reserves	82,382	101,393
Borrowing	3,060	12,870
Provincial Government	-	-
Federal Government	5	-
Private/External Contributions	1,420	1,570
Operating Contributions	340	1,430
Other	1,940	3,360
<b>TOTAL UTILITY CAPITAL</b>	<b>89,147</b>	<b>120,623</b>
<b>TOTAL GENERAL &amp; UTILITY CAPITAL</b>	<b>384,057</b>	<b>291,854</b>
<b>LAND DEVELOPMENT: (\$000's)</b>		
Reserves/Developers	6,758	1,657
<b>TOTAL CAPITAL FUNDING</b>	<b>390,815</b>	<b>293,511</b>

General Capital refers to capital projects that are non-utilities, such as transportation capital projects. 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 2020/2021 Preliminary Detailed Operating and Capital Budget reflects the sufficiency of these reserves.

The balances of the City's capital and stabilization reserves heading into 2020/2021 remain healthy, with a total projected balance of \$197.7 million in 2020 and \$183.5 million in 2021.

### Capital and Stabilization Reserve Sufficiency

Estimated Reserve Balances		(\$ millions)		
Capital Reserves:	Jan/19	Jan/20	Jan/21	
General	53.5	\$ 41.5	\$ 51.0	
Prepaid Services (Land Development)	58.9	\$ 57.9	\$ 56.0	
Property Realized	30.9	\$ 18.8	\$ 20.5	
Boards/Commissions (Including Saskatoon Public Library)	50.7	\$ 51.8	\$ 29.1	
<b>Capital Reserves Total</b>	<b>194.0</b>	<b>170.0</b>	<b>156.6</b>	
Stabilization Reserves:				
Fiscal Stabilization	5.0	4.3	4.3	
Land Operations Stabilization	3.6	3.8	3.9	
Fuel Stabilization	0.3	0.4	0.4	
Utilities Stabilization	11.4	8.7	8.7	
Building Permits/Inspections Stabilization	7.0	5.1	4.3	
Other	5.7	5.5	5.5	
<b>Stabilization Reserves Total</b>	<b>33.0</b>	<b>27.7</b>	<b>27.0</b>	
<b>Total Reserves Balance</b>	<b>227.0</b>	<b>197.7</b>	<b>183.5</b>	

The Reserve for Capital Expenditures (RCE) has been established by City Council to provide funding for discretionary capital projects. In total, approximately \$2.2 million has been made available to fund the discretionary capital projects in each of 2020 and 2021 as seen in the table below. RCE is mostly funded by an annual mill rate contribution.

### Reserve for Capital Expenditure (RCE) Reserve Forecast

Reserve for Capital Expenditures (RCE) Reserve Forecast	2020	2021
Projected January 1 Opening Balance	839,150	750,000
Contribution from Operating Budget	2,868,400	2,868,400
River Landing Operating Funding	(709,800)	(718,400)
Minimum Balance Retained	(750,000)	(750,000)
<b>Allocated to RCE Capital Projects</b>	<b>2,247,700</b>	<b>2,150,000</b>

## External Borrowing

The 2020 and 2021 Capital Budget includes \$103.5 million in projected borrowing requirements with the most significant portion, \$87.5 million, to fund a portion of the new Central Library construction. The total outstanding debt as of December 31, 2018 was \$354.0 million.

The forecasted borrowing is projected to peak at approximately \$439.0 million in 2025 including:

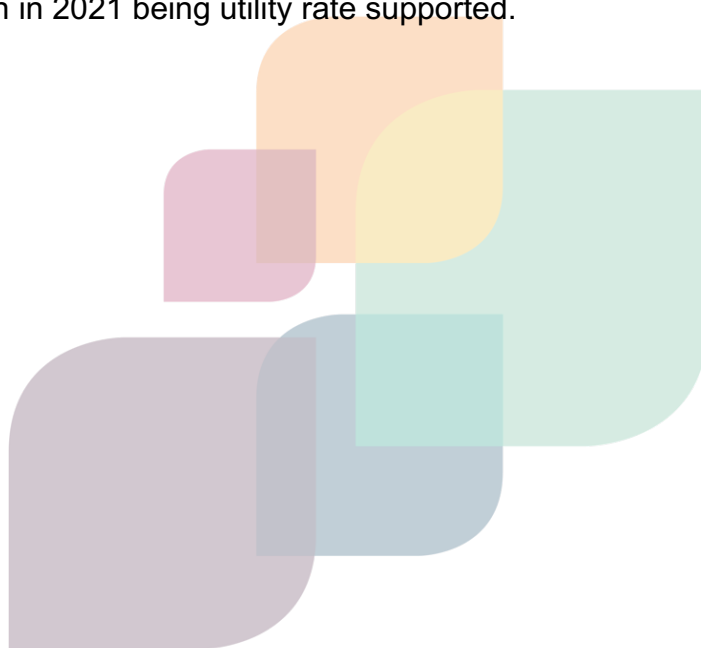
- \$87.5 million for the new Central Library project;
- \$31.4 million for the Bus Rapid Transit Funding Plan; and
- future borrowing requirements for a variety of utility projects.

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 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 Gas Tax re-allocation revenue from the federal government.

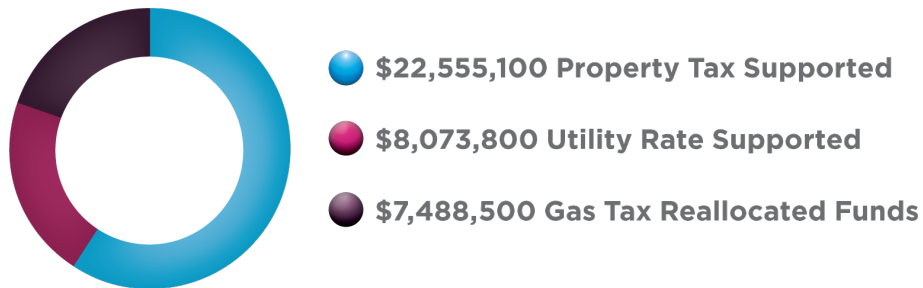
In 2020 and 2021 respectively, total debt servicing costs are budgeted at \$38.1 million and \$35.7 million. These are made up of principal payments of \$24.0 million and \$22.4 million in 2020 and 2021 respectively, and interest payments of \$12.9 million and \$13.3 million in 2020 and 2021 respectively.

The 2020/2021 property tax supported funding source is \$22.6 million and \$20.0 respectively; \$7.5 million in 2020, and \$7.7 million in 2021 is federal Gas Tax re-allocation funded, with the remaining \$8.1 million in 2020 and \$8.1 million in 2021 being utility rate supported.

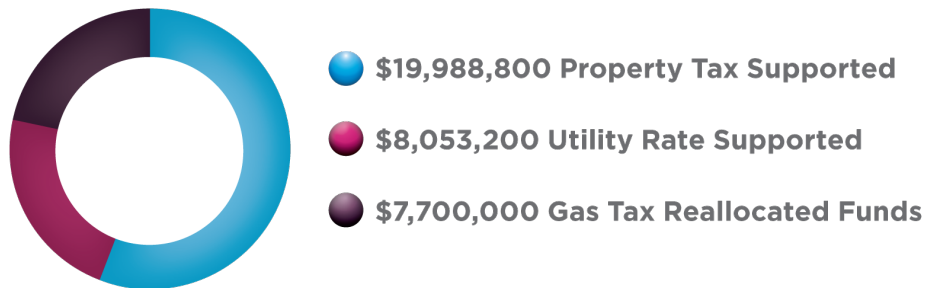


The total funding sources for all City debt servicing costs in 2020/2021 are shown in the following chart.

## 2020 BUDGETED DEBT SERVICING COST BY FUNDING SOURCE



## 2021 BUDGETED DEBT SERVICING COST BY FUNDING SOURCE



## Operating Budget Impact of Capital Investments

Capital projects contained in the 2020/2021 Capital Budget will impact future City operating programs. The additional operating costs as a result of capital projects are summarized below.

### Operating Impacts of Funded Capital

Business Line	2020	2021	2022	2023	2024
(000's)					
Community Support	-	-	10.0	-	-
Land Development	-	-	481.1	58.9	199.5
Recreation and Cultural Services	-	-	11.5	38.2	-
Transportation	60.0	2.1	-	44.3	44.3
Urban Planning and Development	-	-	153.0	-	-
Utilities	105.0	105.0	-	-	-
Policing	-	52.0	3.0	36.0	3.0
<b>Total</b>	<b>\$165.0</b>	<b>\$159.1</b>	<b>\$658.6</b>	<b>\$177.4</b>	<b>\$246.8</b>

## DEFINITIONS/EXPLANATIONS

The **2020/2021 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.

