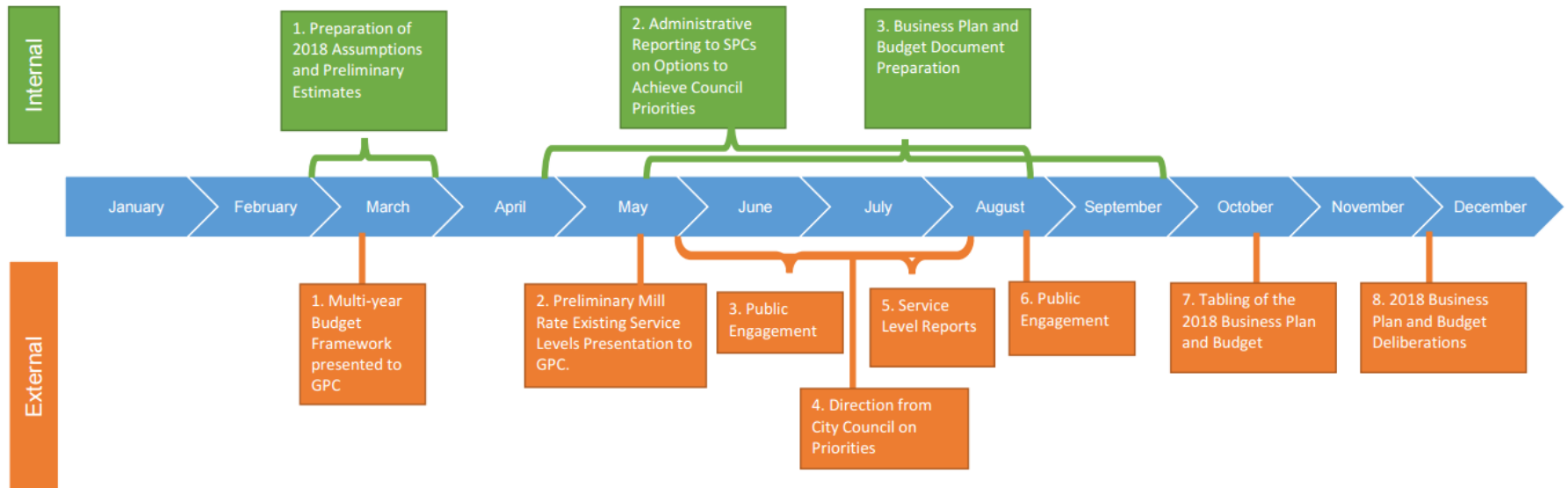


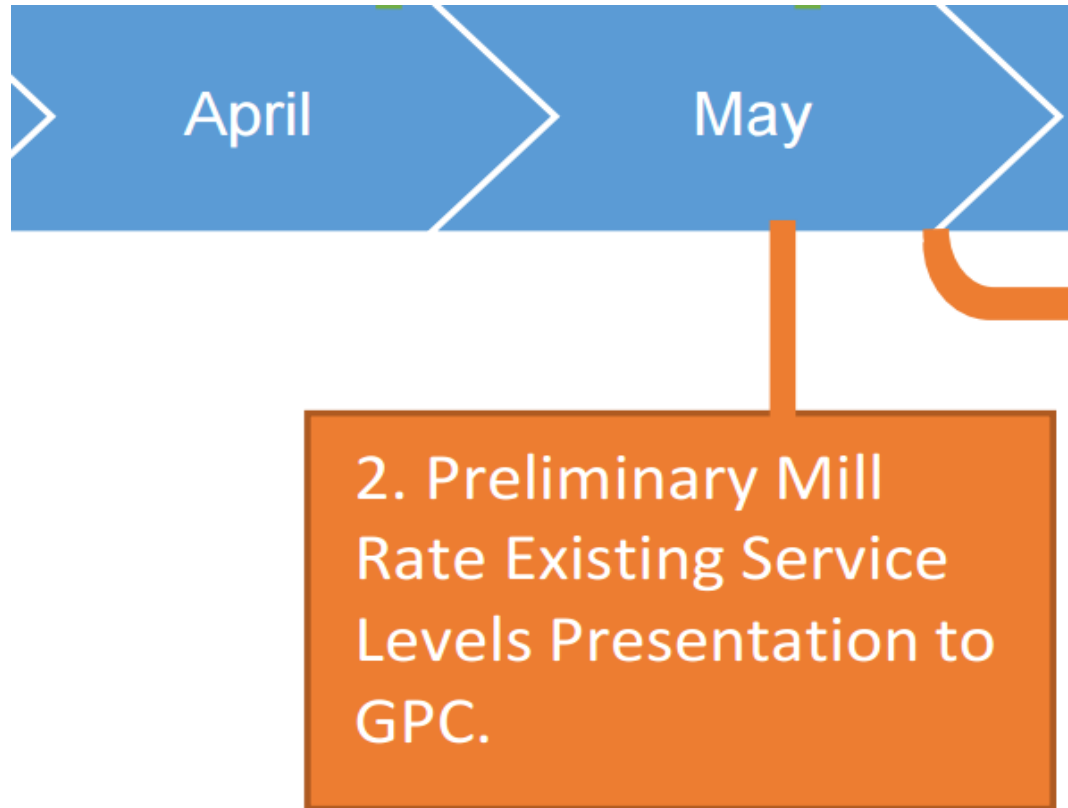
2018 Budget Indicative Rate

Governance and Priorities Committee – May 15, 2017

2018 Budget Process



2018 Budget Process



Indicative Rate Objective

- Provides starting point for discussion for 2018 Budget Deliberations
- Assists the Administration in preparing the 2018 Business Plan and Budget
- Provides an opportunity for Committee/Council to give guidance and an increased role in the setting the budget

Inflation

Expenditure Municipal Price Index Impacts

Estimated MPI= 1.62%

Higher than
Average MPI

- Electricity
- Water & Sewer
- Contracted & General Services
- Maintenance Supplies & Materials

Average MPI

- Wages & Benefits
- Vehicle & Equipment Charges

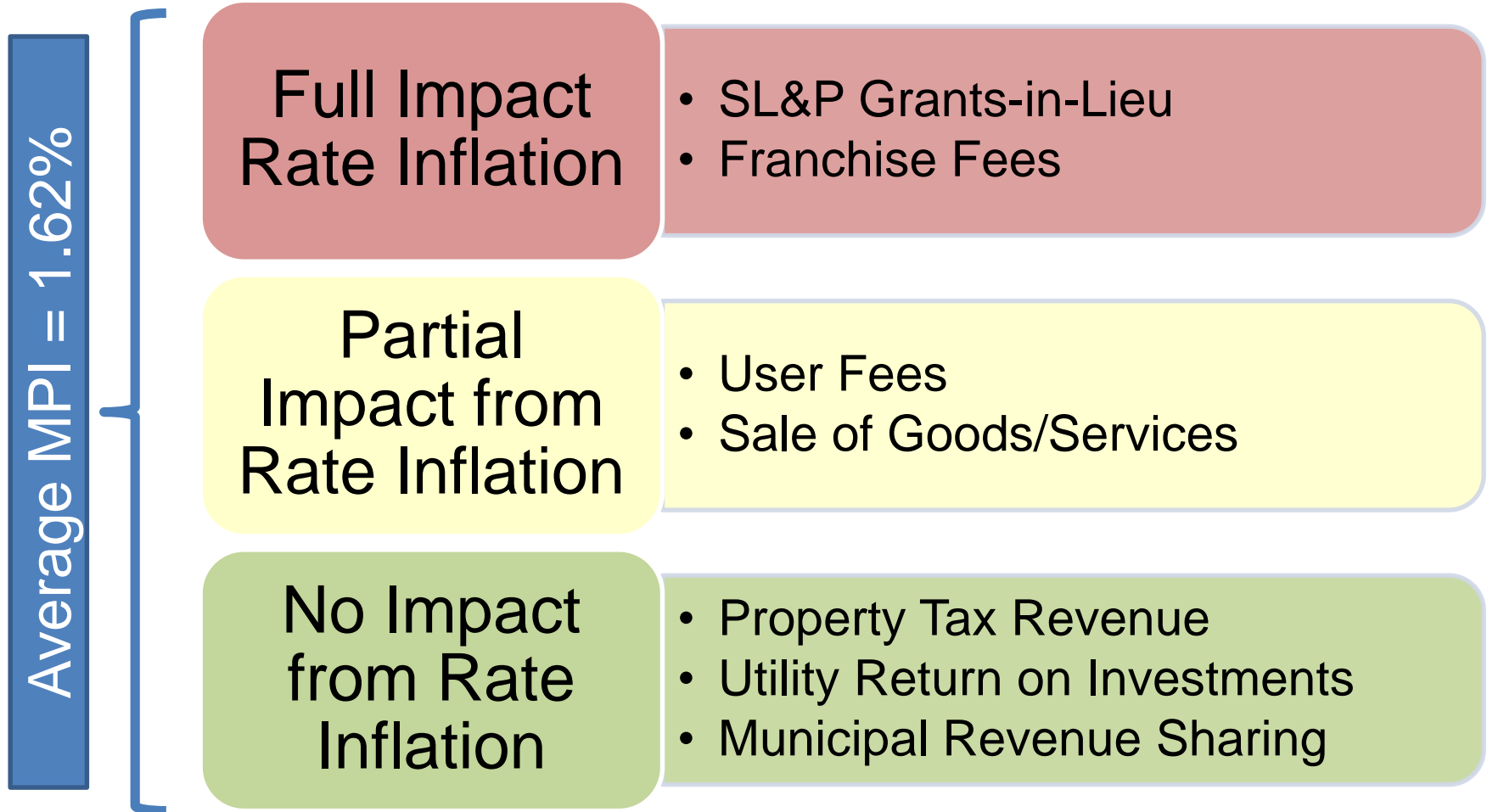
Lower than
Average MPI

- Debt Servicing Costs
- Natural Gas
- Maintenance & Rental Equipment
- Fuel

Expenditure Inflation (MPI – 1.62%)

- Civic budget - \$5.9 million expenditure increase
 - 1.53% increase over 2017
- 82% related to salaries, utilities and reserve bylaw-driven contributions
- 18% related to other inflationary impacts (contractual obligations, materials, etc.)

Revenue Inflationary/Rate Impacts



Inflation Revenue Gap

Inflation Impact Expenses = \$5.9 million



Rate Impact on Revenue = \$1.2 million



Net Inflation Funding Gap = \$4.7 million

Growth

Expenditure Increases from Growth (0.73% or \$3.5 million)



Increasing Park/Green Space 2018
= 51.14 HA added



Increasing Roadway Network 2016
= 30 KM added (0.7%)

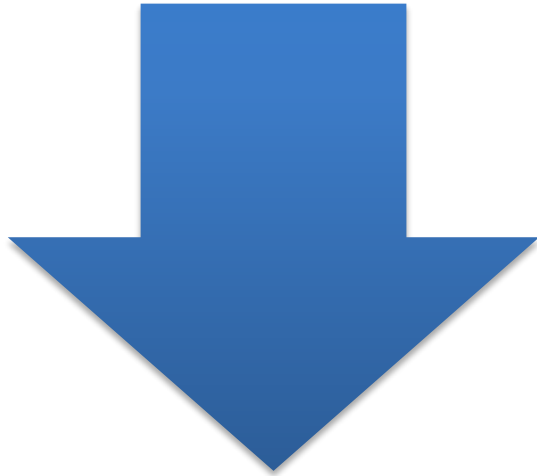


2018 Population Growth of
1.5% to 272,000



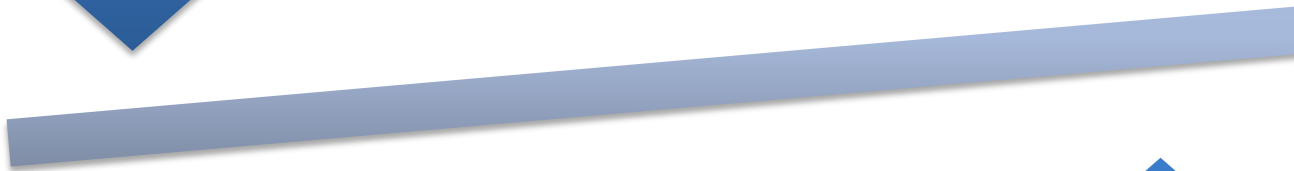
Full Year Remei Operations
(Maintenance & Reserve Contributions)

Impacts on Revenue from Growth



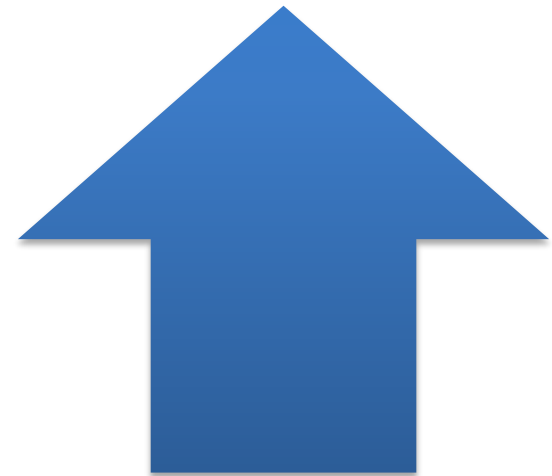
Volume Decreases to Revenue

- Landfill Revenue (\$0.7M)
- Traffic Violations (\$0.5M)



Growth Increases to Revenue

- Assessment Growth (\$3.2M)
- Water & Waste Water ROI (\$1.5M)



Growth Impact

Expenditure Growth Estimate = \$3.5 million



Revenue Growth Estimate = \$3.4 million



Growth Funding Gap = \$0.1 million

Summary

Tax Impacts to Maintain Current Service Delivery

Item	Expenditure Impact*	Revenue Impact*	Net Impact*	Impact on Property Taxes
MPI/Inflation	\$5.9	\$1.2	\$4.7	2.16%
Growth	\$3.5	\$3.4	\$0.7	0.07%
Revenue Sharing	-	(\$3.0)	\$3.0	1.35%
Provincial GIL Reduction	-	(\$3.1)	\$3.1	1.42%
Provincial Funding GIL Replacement	-	???	???	???
TOTAL	\$9.4	(\$1.5)	\$10.9	5.00%

* in millions

Service Level Changes

Service Level Changes



Snow Removal Service
(0.55% = \$1.2 million)

Service Level Changes

- Service Level reports to be presented to appropriate SPC from now to Oct/Nov
- Confirm or Adjust Service Levels
- Options for Service Level Adjustments and corresponding impacts
- SPC makes recommendations to City Council

Service Level Reports

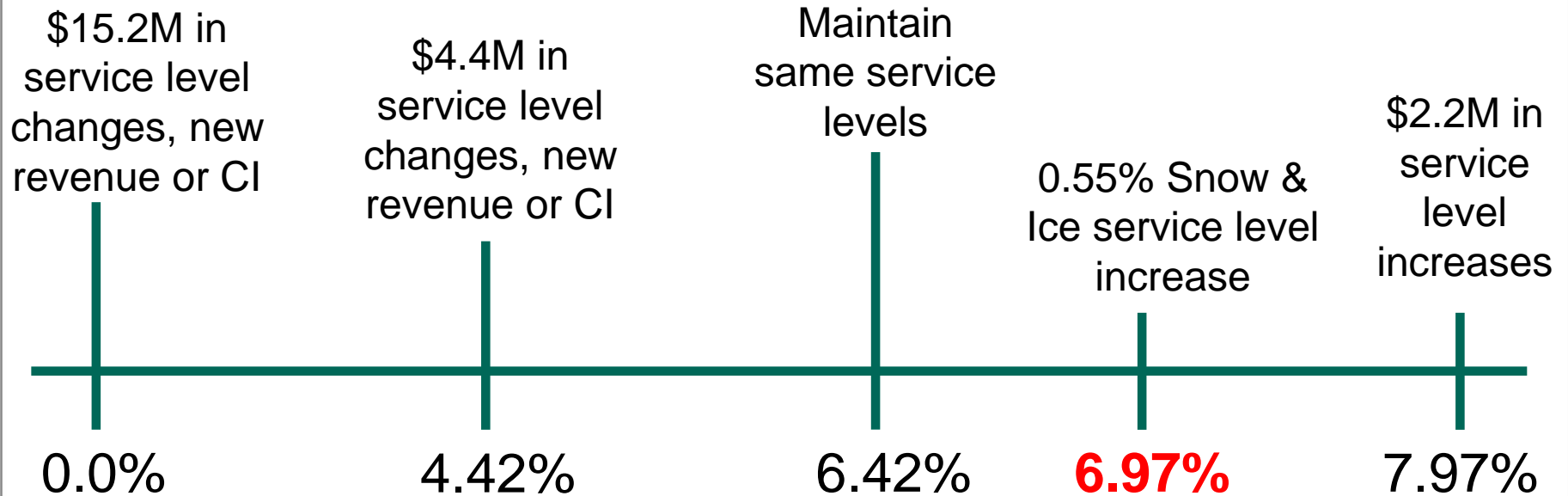
- Road Maintenance & Sidewalks
- Snow & Ice Management
- Water Utility
- Street Cleaning & Sweeping
- Parks
 - Maintenance & Design
 - Urban Forestry
- Fire Services
- Waste Handling

Saskatoon Police Service Estimate

Saskatoon Police Service Estimate

- \$3.1 million or 3.27% increase in expenditures due to inflation
- Equivalent to a 1.43% property tax increase
- Total 6.97% property tax increase, including Saskatoon Police Service and Snow & Ice Service Level increase

Indicative Rate Options



- Full Snow & Ice Program
- Partial AMP & Partial Snow & Ice
- Room for Other Service Level Changes