

BACKGROUNDER

2027 APPROVED BUDGET BREAKDOWN

SUMMARY OF BUDGET INVESTMENTS, ADJUSTMENTS

The 2027 Budget continues the City's multi-year budget approach, providing greater certainty for residents, businesses and community partners while allowing Council to respond to updated information and changing economic and community conditions in the second year of the budget cycle.

Council's final decisions considered the City's long-term financial sustainability, revised revenue forecasts, cost pressures and financial impacts, and the risks and trade-offs of reducing, deferring or proceeding with priority investments in transportation, public safety and core City services for a growing city.

City Council Approved Adjustments as Follows:

Since City Council preliminarily approved the 2027 Operating Plan on November 25, 2025, several changes have been made to the budget.

Through these changes, the net impact is a decrease of $1.87 million to the approved 2027 Operating Plan for budget areas under the City Manager's responsibility.

Some of the most significant adjustments placing additional pressure on the City include:

- **Diesel expenditures** have been volatile in 2026 with the cost per litre paid by the City ranging from $1.08/litre to $2.24/litre. Administration estimates that the average price in 2027 will be higher than the original estimate of $1.46/litre. City Council approved an increase of the diesel estimate to $1.76/litre which increased the fuel budget in 2027 by $2.10 million.

- **Municipal Revenue Sharing**, which is funding the City receives from the Province of Saskatchewan based upon PST revenues received, was originally forecast at $77.6 million in 2027. The amount is now expected to be $2.22 million lower because PST revenues were below the province's original estimates. A reduction of $1.0 million was approved bringing the new forecast amount to $76.6 million.

- Between 2019 and 2025, the number of **tickets for Provincial and Municipal traffic violations** decreased by 44%; however, the budget has not been adjusted to reflect that decrease. To partially correct this base budget issue, a reduction to the budgeted revenue in the amount of $0.75 million was approved.

- **Grants-in-Lieu (GIL)** revenue has been lower than expected largely due to the removal of the carbon charge from the Saskatoon Light and Power rates. To partially correct this base budget issue, a reduction to the budgeted revenue of $1.00 million was approved.

To offset these pressures, City Council also approved adjustments that would positively impact the 2027 budget. These include:

- As presented to the September 2, 2026, Standing Policy Committee on Finance through the Investment Income Follow Up report, investment income has been higher than budget for several years. While maintaining a conservative operating budget remains important to provide flexibility for fluctuating investment income and to support a sustainable investment income reserve approach, there is room to increase the 2027 investment income included in the operating budget as it is considered overly conservative. As a result, the $8.0 million increase to the 2027 investment income was approved.

- Property Tax Assessment Growth Revenue is expected to be $2.04 million higher than the original plan.

Civic Budget Fee Changes

The only change to civic rates or fees compared to what was approved in the 2027 Operating Plan's fee schedule are the Building Standards Program Fee changes for plumbing permit fees, swimming pool permit applications and building permit applications as outlined in Appendix 3 of the November 18, 2026, Administrative Report.

Utility Budget Adjustments

Most of the City's Utility programs are remaining the same as the 2027 budget submission, except for the Waste Services Utility where budgeted revenue is expected to increase by $40,300 from the 2027 Operating Plan for operating the new multi-unit organics program for three months. Corresponding expenditures increased by the same amount resulting in a net $0 increase.

Rate changes are expected in the multi-unit organics program and the organics processing facility as outlined in Appendix 4 and Appendix 5 of the November 18, 2026, Administrative Report.

Approved 2027 Budget

More than half of the approved 2027 Budget increases provide dedicated support for three key business lines: **Transportation, Saskatoon Police Service and Saskatoon Fire:**

Transportation

The 2027 Budget for Transportation includes $207.29 million in total expenditures, which is an 8.2% increase over 2026, and included:

- **$4.4 million or 7.0% increase** in the **City's Road Maintenance** program largely due to a $3.37 million or 6.8% increase to the contribution toward the Road Maintenance Reserves, bringing the total 2027 allocation up to $53.1 million. This increase is aimed at achieving a 1-in-20-year treatment cycle for City roadways.

- **$1.67 million or 8.6% increase** in the **City's Snow & Ice Management Program** for inflation, a growing roadway network and an additional $100,000 to set aside for large scale responses. This brings the total annual investment to $21.5 million.

- **$7.92 million or 13.3% increase** in **Transit Operations** which includes:
  - **$1.0 million** for the newly created Transit Police Program,
  - **$3.5 million** for the Link program to phase-in the operations of Link infrastructure, and service hour increases starting in January 2027 through to full launch of the Link rapid transit system in 2029,
  - **$1.6 million** for additional fuel increases; and
  - **$1.0 million** for the inflationary costs of collective agreements.

Saskatoon Police Services (SPS)

Saskatoon Police Service did not have any changes to their originally approved 2027 operating plan of **$167.8 million total expenditures,** which was a 6.2% or $9.73 million increase over 2026.

The increases are largely due to the addition of 33 Full-Time Equivalents (FTEs) to support a growing city, as well as increased costs of collective agreements. The SPS 2027 Budget was presented and approved by the Board of Police Commissioners on October 15, 2026.

Saskatoon Fire (SFD)

$77.37 million total expenditures for the Saskatoon Fire 2027 Budget which is a 9.3% or $6.59 million increase over 2026, and contained:

- **An increase of $2.14 million** for inflationary costs of collective agreements for Fire Services as well as an increase of $1.65 million for new FTE's, largely for the staffing of new Fire station No. 11.

- **An increase of $196,600** needed for maintenance of apparatus and equipment, which was the second year of a four-year phase-in, and is required to align the budget with the actual level of expenditure needed for inflationary costs for SFD's aging fleet.

- **An Increase of $610,400** required for encampment-response staffing and clean-up coordination.

SUMMARY

After one and a half days of deliberations, City Council approved the 2027 Budget to maintain service levels, fund strategic initiatives, and importantly, to help the City balance the operating budget, which is a requirement under Saskatchewan legislation.

The $1.87 million reduction to the originally proposed 2027 plan, results in a revised property tax increase of **5.26%.** The original approved 2027 Preliminary Budget had proposed a 5.81% property tax increase.

A homeowner with a single-family detached home with an average assessed value of $394,200 would have a municipal property tax increase of $11.10 per month in 2027.

The 2027 property tax rate will provide $19.0 million in additional funding to balance the budget and fully fund City Council's directed service levels over the next year.