

BACKGROUNDER

2027 PRELIMINARY BUDGET

SUMMARY OF PROPOSED BUDGET ADJUSTMENTS

As part of year two of the City's multi-year budget cycle, Council may increase or decrease proposed operating or capital budget adjustments for any item presented by Administration, or bring forward other items for consideration.

The proposed 2027 Budget adjustments, subject to City Council review during its November 24, 2026, budget deliberations, reflect updated assumptions and the trade-offs needed to balance service levels, infrastructure needs for a growing city and affordability for Saskatoon residents, businesses and institutions.

City Administration Proposed Adjustments

Since City Council preliminarily approved the 2027 Operating Plan on November 25, 2025, Administration has identified several changes to the original budget assumptions that require Council's consideration.

Through these changes, the net impact is a decrease of $1.19 million to the approved 2027 Operating Plan for budget areas under the City Manager's responsibility.

Some of the most significant proposed 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 and is recommending increasing the diesel estimate to $1.86/litre which would increase the fuel budget in 2027 by $2.80 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.

- 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, Administration is recommending a reduction to the budgeted revenue in the amount of $1.00 million.

- **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, Administration is recommending a reduction to the budgeted revenue by $1.00 million.

Including the four items identified above, the City is forecasting a total of $9.10 million in budgetary pressures requiring adjustments to the 2027 budget.

To offset these pressures, the City has also identified 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 Administration is proposing an $8.0 million increase to the 2027 investment income operating budget projection.

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

Including the two items identified above, the City is forecasting a total of $10.28 million in adjustments that would positively impact the 2027 budget.

Through these changes, the net impact is a decrease of $1.19 million to the approved 2027 Civic Operating Budget for service areas under the City Manager's responsibility.

Civic Budget Proposed Fee Changes

The only proposed change to civic rates or fees compared to what was approved in the 2027 Operating Plan's fee schedule are the Building Standards Proposed 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 Proposed 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.

Proposed 2027 Adjusted Budget Increases

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

Transportation

$207.94 million total expenditures in the Transportation proposed 2027 Adjusted Budget, which is an 8.6% increase over 2026, and included:

- **$4.50 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.

- **$1.70 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.

- **$8.45 million or 14.2% increase** in **Transit Operations** which includes:
  - **$1.0 million** for the newly created Transit Police,
  - **$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,
  - **$2.1 million** for additional fuel increases, and
  - **$1.0 million** for the inflationary costs of collective agreements.

Saskatoon Police Services (SPS)

Saskatoon Police Service has not proposed 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)

$77.22 million total expenditures for the Saskatoon Fire proposed 2027 Adjusted Budget which is a 9.1% or $6.44 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 $1.51 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

The original approved 2027 Preliminary Budget proposed a 5.81% property tax increase to maintain service levels, fund strategic initiatives and, importantly, help the City balance the operating budget, as required by law.

If approved by City Council, the reductions of $1.19 million to the original 2027 plan would result in a revised lower property tax increase of 5.45%.

City Council will review and deliberate the 2027 Preliminary Approved Budget and Administration's proposed 2027 Budget adjustments during budget deliberations beginning at 9:30 a.m. on November 24, 2026, in the Council Chamber at City Hall.

Members of the public who wish to submit a letter or speak to City Council during budget deliberations must submit their request by 5:00 p.m. on Monday, November 23.

Watch the live stream video of budget deliberations here.

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City of Saskatoon