



2024/2025 Preliminary Operating and Capital Budget

November 28, 2023

Our Budget Process

- **March GPC**
 - 2023 – 2025 Budgetary Pressures & Trends
- **June GPC**
 - 2024/2025 Budget Status Update
- **June/July/August**
 - 4 Special Budget Meetings to review pressures & options

March/June GPC Meetings 2024/2025 Budget Pressures

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

2023 Balanced Budget/Surplus

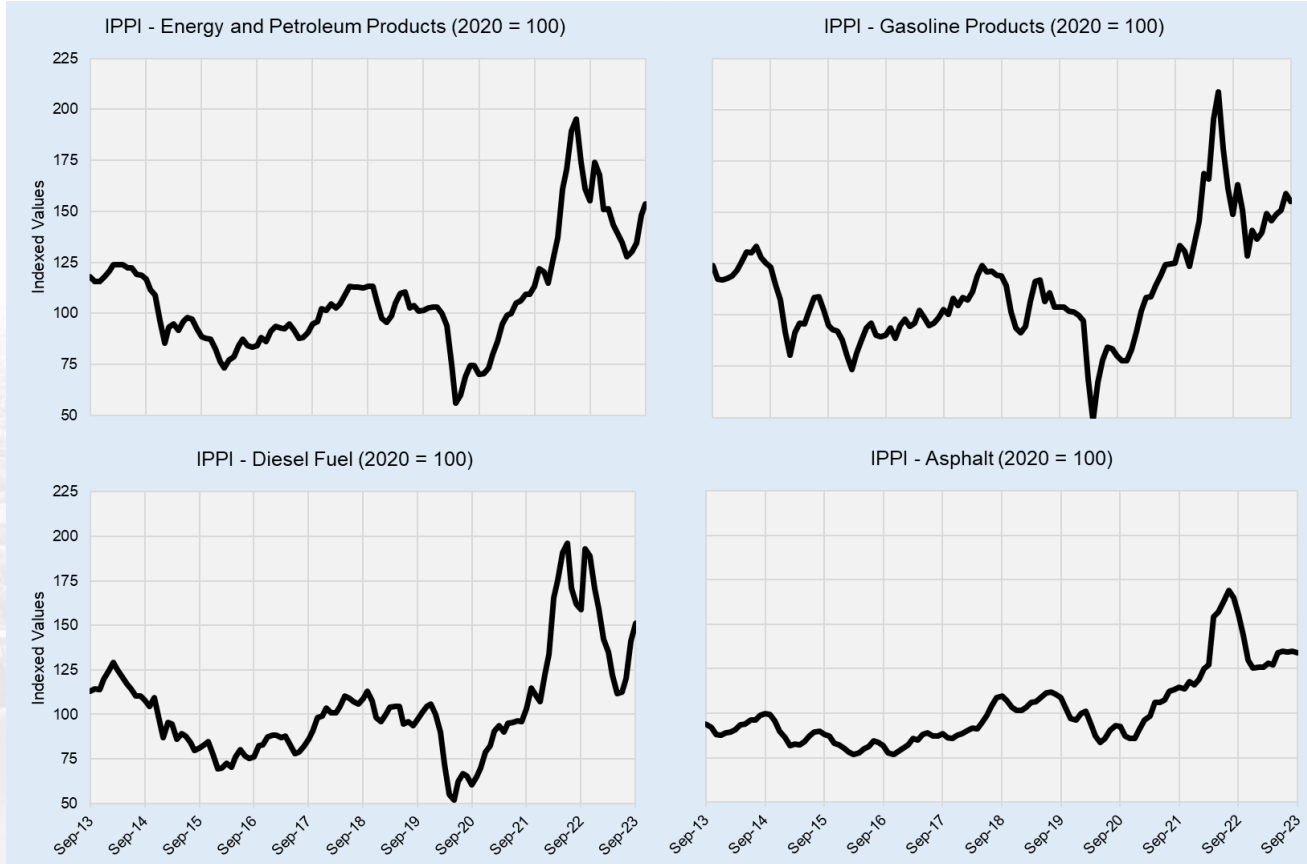
- Report forthcoming to Dec GPC on 2023 Q3 Forecasts
 - Indicates Balanced Budget/Surplus
- Intentional Efforts
 - Discretionary hiring, spending and training freeze
 - Deferred maintenance and adjusted service levels
- Positive Financial Environmental Factors
 - Higher interest rates, no snow events, transit revenue return, timely August rain, Harry Bailey Closure
- 2024 Challenges Remain
 - Inflation, service level maintenance, Covid Pandemic Funding fully utilized, base budget issues

June/July/August 2024/2025 Special Budget Meetings

- 58 Options were directed for Implementation
- \$34.9 million reduction to potential reliance on property taxes
- Additional reduction from Saskatoon Police Services

	2024	2025
Adjustments Reported Prior and Approved for inclusion in 2024/2025 Preliminary Business Plan and Budget	\$ (31,458,100)	\$ (5,129,300)

Stats Canada Inflation Records



Canada Wide Challenge

Calgary council passes 2024 budget adjustments, residential property taxes to jump 7.8 per cent

Thunder Bay administration proposes 'difficult' city budget as rising costs cause strain

News / Local News

Vancouver budget on track for nine-per-cent annual tax increases

Vancouver property owners could face nine per-cent annual tax increases without major budget changes, city staff have warned in a report.

POLITICS

Hamilton councillors staring at 14-per cent tax increase in opening budget discussions

Warman council faced with tough budget decisions

October 18, 2023

Edmonton

Edmonton city budget proposal calls for 7% property tax increase in 2024

Toronto & GTA / Columnists

LILLEY: Calls for huge tax hikes as Toronto begins budget planning

One presentation called for a 30% property tax hike and a new tax on school and church parking lots.

2024/2025 Investments

- The largest ever investment in the City's Roadway Maintenance and Rehabilitation Programs,
 - \$72 million in 2024 and \$78 million in 2025
- Investment in two new Firehalls to address emergency response for the city's expanding neighbourhoods;
- The largest ever investment in the City's Facility Maintenance Program to preserve and protect our assets,
 - \$10.8 million in 2024 and \$11.8 million in 2025
- Increased funding for Fire, Parks, Street Lighting, Sidewalks, and Transit, to help address public safety, protection, and servicing needs within Saskatoon, one of the fastest growing and diverse cities in Canada

Climate Budget

- Saskatoon's first Climate Budget
- Highlights:
 - recent progress on climate action;
 - summarizes funded and unfunded projects to reduce GHG emissions; and
 - identifies the resulting gap between those measures and the community's GHG target for the 2024/2025 budget cycle

PRELIMINARY OPERATING EXPENDITURES BY SERVICE

(VALUE IN THOUSANDS)



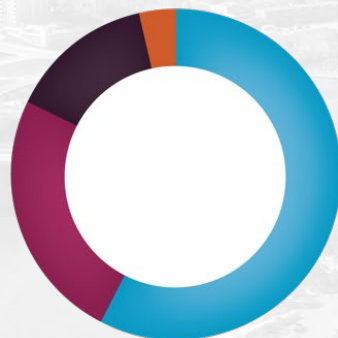
	2024	2025
● 21.33% Police	\$134,055.70	● 21.47% \$141,038.40
● 15.84% Transportation	\$99,528.10	● 16.28% \$106,943.30
● 9.86% Fire	\$61,966.80	● 9.77% \$64,190.10
● 9.90% Transit	\$62,236.90	● 9.81% \$64,470.20
● 9.04% Recreation	\$56,830.50	● 8.95% \$58,785.40
● 10.29% Corporate Support	\$64,646.00	● 10.41% \$68,415.20
● 7.13% Other	\$44,838.80	● 7.05% \$46,295.10
● 4.20% Debt Servicing	\$26,409.90	● 4.14% \$27,218.70
● 4.08% Parks	\$25,634.40	● 4.05% \$26,602.30
● 2.54% Garbage & Waste Reduction ..	\$15,980.80	● 2.48% \$16,291.70
● 2.86% Urban Planning	\$17,985.70	● 2.81% \$18,453.40
● 2.93% Grants & Affordable Housing ..	\$18,396.60	● 2.78% \$18,250.10
	\$628.5M	\$656.9M

2024 TOTAL OPERATING EXPENDITURES BY CATEGORY



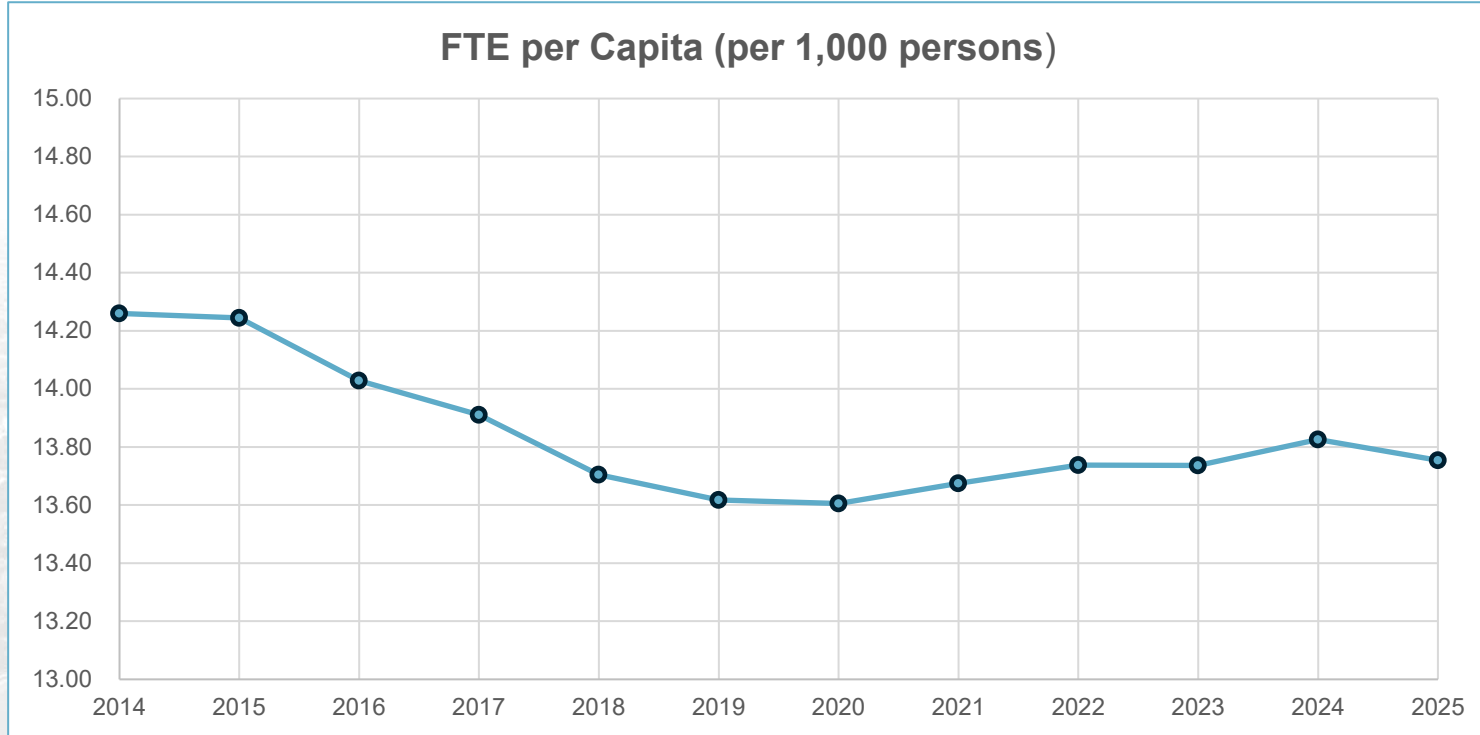
- 58.1% Staff Compensation
- 24.5% Operating Cost
- 13.3% Transfers to Capital/Reserve
- 4.1% Debt Charges

2025 TOTAL OPERATING EXPENDITURES BY CATEGORY



- 57.7% Staff Compensation
- 24.6% Operating Cost
- 14.1% Transfers to Capital/Reserve
- 3.6% Debt Charges

Historical Operating FTEs per 1,000 Population



Staffing Review – City Auditor

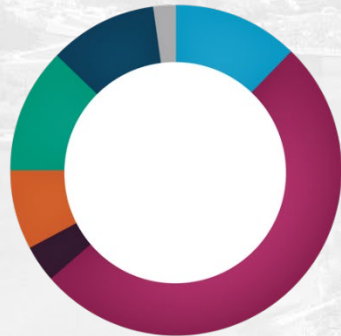
- "The City's FTEs grew at a consistent rate when compared with the population of Saskatoon."
- From 2018 to 2022 "the budgeted FTE cost per resident when adjusted for inflation, fell by \$ 21.03, which equates to a cumulative decrease of 2.1%"
- "The City's operating FTEs per thousand residents for 2022 fell slightly below the midrange when compared to some other municipalities."

SOURCES OF 2024 OPERATING REVENUES



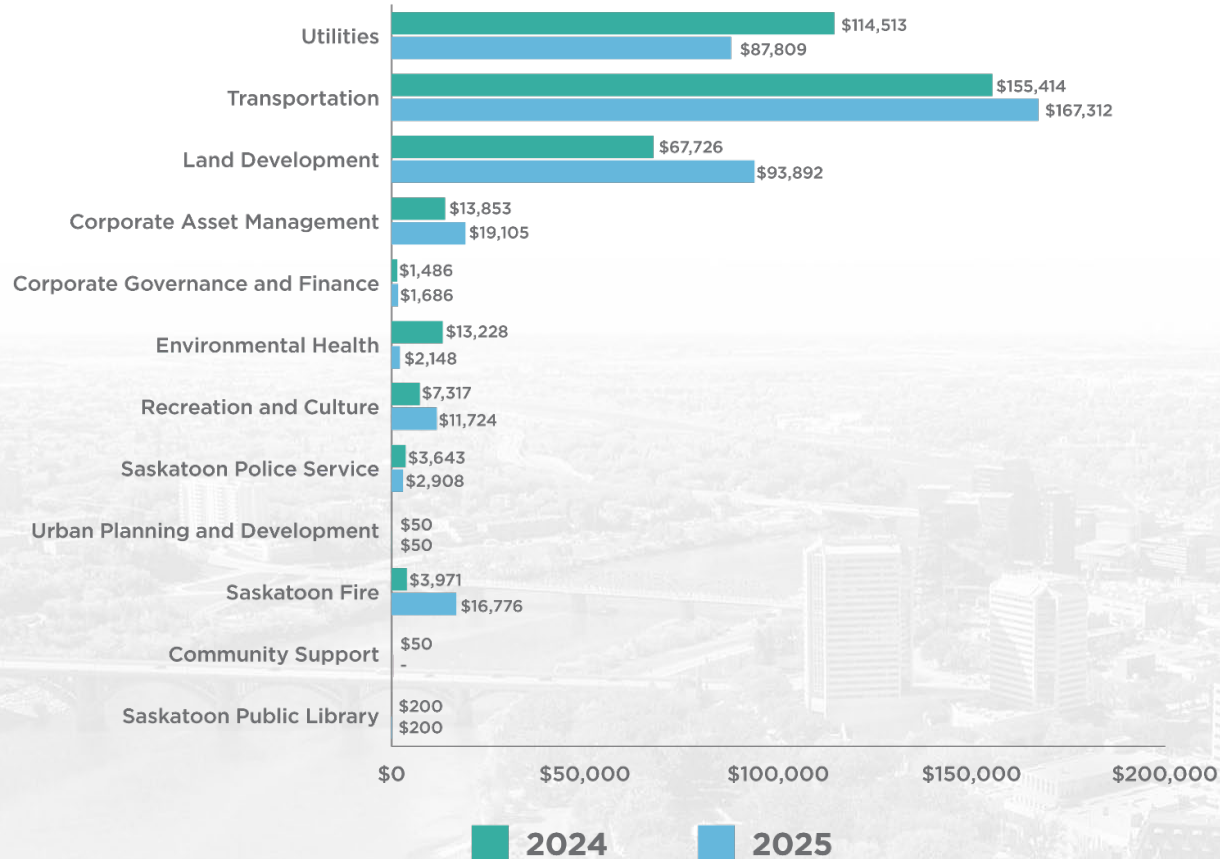
- 12.8% General Revenues
- 50.6% Taxation
- 3.6% Franchise Fees
- 7.8% Grants-in-Lieu of Taxes
- 12.3% Government Transfers
- 10.7% User Fees
- 2.2% Investment Income

SOURCES OF 2025 OPERATING REVENUES



- 12.3% General Revenues
- 51.5% Taxation
- 3.5% Franchise Fees
- 7.8% Grants-in-Lieu of Taxes
- 12.2% Government Transfers
- 10.5% User Fees
- 2.2% Investment Income

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



Revisions to Proposed Property Tax Increase

The revisions made after the Multi-Year Business Plan and Budget Document are:

- An increase in Saskatoon Police operating budget in 2024
- A decrease in the Assessment Growth revenue in 2024
- An increase in the Municipal Revenue Sharing revenue in 2025
- **Following these refinements, the revised proposed property tax increases are 7.22% for 2024, and 5.58% for 2025.**

Impact of Proposed Multi-Year Property Tax Increase

Municipal Tax	2024	2025
Increase Per Average Household (\$344,000 Assessment)	Total City Services 7.22%	Total City Services 5.58%
Approximate Total Increase (\$ per year)	\$150.33	\$124.56
Approximate Total Increase (\$ per month)	\$12.53	\$10.38