

## Year-End Projection for Period Ending July 31, 2020 – Business Lines

After applying transfers from reserves, the year-end projection for the period ending July 31, 2020 is indicating an approximate 2.75% unfavourable variance from budget. It is cautioned that this forecast relies on seven months of performance and is subject to substantial variance as the remainder of the year proceeds. A summary of this projected deficit is below.

Table 1 – Year to Date/Annual Variance

Business Line	July YTD Actuals	2020 YTD Budget	YTD Variance (Surplus) /Deficit	July Forecast	2020 Budget	Variance (Surplus) /Deficit
Arts, Culture & Events Ven.	\$5.7	\$5.0	\$0.7	\$15.4	\$8.5	\$6.9
Community Support	\$11.4	\$9.4	\$2.0	\$15.4	\$16.2	(\$0.8)
Corporate Asset Mgmt.	\$7.2	\$7.0	\$0.2	\$12.4	\$11.9	\$0.5
Corporate Gov. & Fin.	\$16.6	\$38.7	(\$22.1)	\$66.7	\$65.6	\$1.1
Environmental Health	\$9.3	\$9.8	(\$0.5)	\$17.8	\$16.8	\$1.0
Fire & Protective Services	\$28.7	\$30.7	(\$2.0)	\$52.0	\$51.9	\$0.1
Land Development	(\$0.8)	(\$0.0)	(\$0.8)	\$0.1	\$0.0	\$0.1
Policing	\$54.1	\$59.3	(\$5.2)	\$99.7	\$99.7	\$0.0
Recreation & Culture	\$18.7	\$19.1	(\$0.4)	\$35.3	\$32.8	\$2.5
Taxation & General Revs.	(\$372.5)	(\$251.1)	(\$121.4)	(\$425.7)	(\$430.5)	\$4.8
Transportation	\$79.6	\$70.3	\$9.3	\$129.5	\$120.2	\$9.3
Urban Planning & Dev.	\$4.1	\$4.1	\$0.0	\$5.7	\$6.9	(\$1.2)
<b>Operating Deficit (Surplus)</b>	<b>(\$137.9)</b>	<b>\$2.3</b>	<b>(\$140.2)</b>	<b>\$24.3</b>	<b>\$0.0</b>	<b>\$24.3</b>
Transfers from Reserves <sup>1</sup>	\$0.0	\$0.0	\$0.0	(\$9.7)	\$0.0	(\$9.7)
<b>Operating Deficit (Surplus) After Transfers from Reserves</b>	<b>(\$137.9)</b>	<b>\$2.3</b>	<b>(\$140.2)</b>	<b>\$14.6</b>	<b>\$0.0</b>	<b>\$14.6</b>
Utilities	\$2.3	\$0.1	\$2.2	\$4.6	\$0.0	\$4.6
Utility Reduction to Capital Contribution	\$0.0	\$0.0	\$0.0	(\$0.8)	\$0.0	(\$0.8)
Transfer from Utility Res. <sup>2</sup>	(\$0.0)	\$0.0	(\$0.0)	(\$3.8)	\$0.0	(\$3.8)
<b>Operating Deficit<sup>3</sup> (Surplus)</b>	<b>(\$135.6)</b>	<b>\$2.4</b>	<b>(\$138.0)</b>	<b>\$14.6</b>	<b>\$0.0</b>	<b>\$14.6</b>

In millions (000,000's)

1 includes SaskTel and TCU Place expected transfers from reserves

1-3 calculated for annual forecast only

The YTD columns in Table 1 include all revenue and expenditures to date. These three columns are not an indication of the variance to be expected at year-end as the revenue expected may not have been received or expenditures projected to year-end have not been incurred. Additionally, the YTD budget is an estimate of when expenditures and revenue may occur, but this may not be an accurate timing of when actuals amounts will be incurred or received.

### Significant Variances

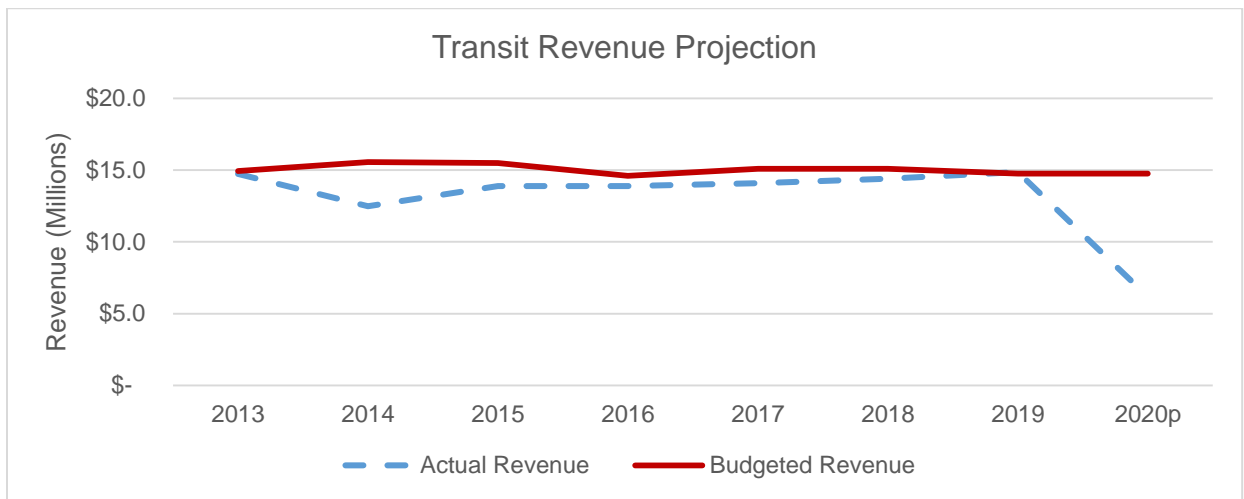
The City of Saskatoon (City) has been transparent regarding base operating budget challenges that have presented themselves over the past several years. These challenges included budgetary gaps in waste services, transit, traffic violations, leisure centres, parks maintenance and leisure centre admissions to name a few. Significant

strides have been made over the past several years in addressing these gaps, including service level reports, base budget adjustments and other initiatives.

While the forecast was set to illustrate the significant effort that has been put towards correcting these challenges, the City, like the rest of the world, was hit with the COVID-19 pandemic, which has had a dramatic effect on City services, revenues, expenses, etc. An overview of some of the significant variances are included in the remainder of this appendix.

### **Saskatoon Transit - Projected \$7.0 Million Deficit**

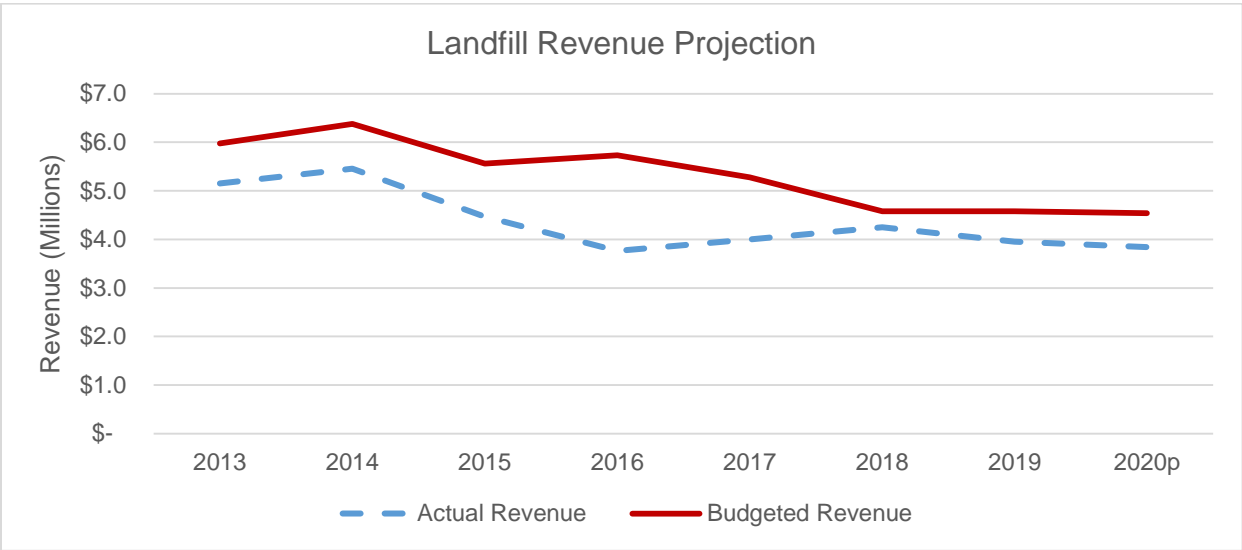
From 2015 to 2019, Saskatoon Transit experienced relatively flat revenues of about \$14.0 million per year. In 2020, Saskatoon Transit is projecting to see a significant drop in ridership, and is currently anticipating that transit revenues will be approximately \$8.6 million lower than budgeted, which will also be offset by anticipating program savings of approximately \$1.6 million from reduced salaries, fuel and maintenance costs.



### **Waste Handling Services - Projected \$1.3 Million Deficit**

Waste Handling Services, which includes Landfill Operations, is currently projecting a \$1.3 million overall deficit, with \$850,000 of the shortfall related to revenues and \$416,000 related to operating expenditures.

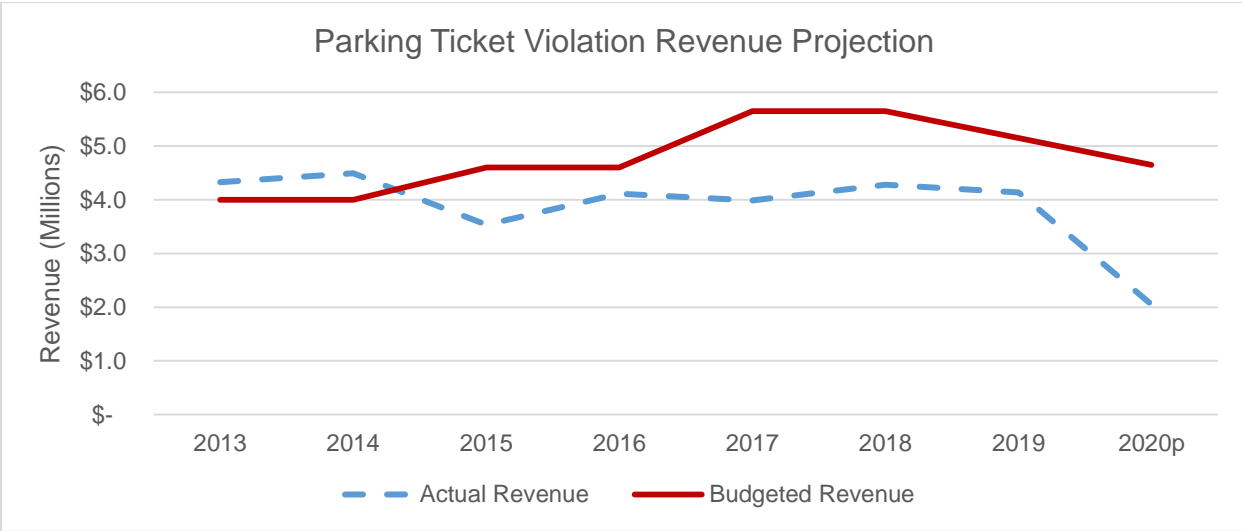
Over the past number of years due to increased regional competition, tonnages of waste received at the Landfill has decreased, resulting in reduced revenues.



While the Administration continues to take every reasonable opportunity to reduce expenditures within Waste Handling Services, this continued deficit has materialized in 2020 and will need to be offset by the Fiscal Stabilization Reserve or savings in other areas.

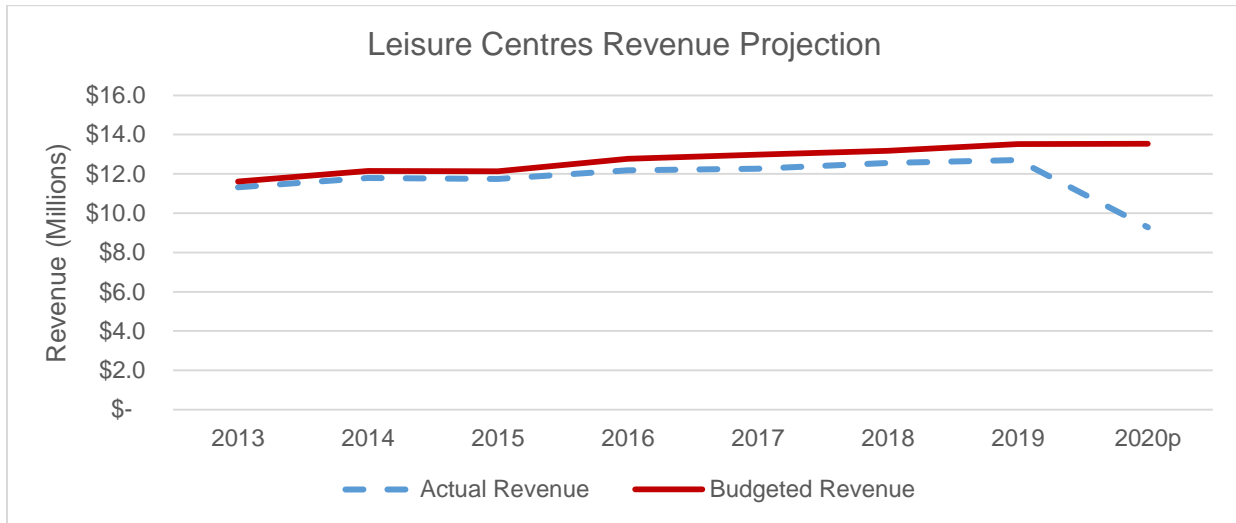
**Fines and Penalties - Projected \$4.1 Million Deficit**

The Fines and Penalties program is projecting a \$4.1 million deficit in 2020, primarily due to COVID-19 and reduced ticket issuance, as well as a reduction in red light camera ticket issuance due to a change in vendor and not all cameras being operational.



### Leisure Centres - Projected \$2.6 Million Deficit

Leisure Centres are currently projecting a \$2.6 million deficit mainly due to the closure of facilities in March 2020. While leisure centres started to reopen in August 2020, there are restrictions in place to limit capacity, resulting in continued reduced revenues. To offset some of the revenue losses, savings have been realized by reduced staffing requirements, program and customer service costs.



### Parking - Projected \$2.5 Million Deficit

Parking is currently projecting a \$2.5 million deficit mainly due the waiving of parking fees between mid-March to May 25, 2020. While parking fees were reinstated at the end of May 2020, there is still an expectation of reduced revenues for the balance of the year due to many city residents continuing to work from home. To offset some of the revenue losses, savings have been realized by reduced staffing requirements and costs relating to collecting parking revenues.

