



December 2, 2020

NSBA Submission re: 2021 Civic Budget Deliberations

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His Worship the Mayor and City Council
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Re: Proposed Changes to 2021 Budget

Dear Mayor Clark and Members of Council,

In an effort to assist the City of Saskatoon Council in preparation for upcoming deliberations, the NSBA Taxation Committee has reviewed the proposed 2021 budget adjustments.

We feel it is important to begin by acknowledging the difficult task being faced by both Administration and Council. This has been an unprecedented year, with both the City and our local businesses facing challenges they never could have anticipated, both economic and otherwise. Our collective focus must be pushing towards a common goal of health and stability on a local and global scale.

Overall Detail on Changes

We would start by pointing out that the proposed changes in the operating budget are extremely high-level. The changes are only broken down by department totals, and then discussed on an overall basis within a few large categories across the budget as a whole. No specific breakdown within each department is provided. We would strongly encourage Council to request a breakdown of the changes by budget line, similar to the breakdown provided in the initial budget. This information would already be prepared by Administration, and therefore should be simple to obtain. Without this information, it is not possible for Council to properly review the proposed budget changes, or to assess the reasonability of various assumptions being made around COVID-19.

Safe Restart and Stimulus Funding

The City has proposed that the \$19.05M in federal Safe Restart funding be utilized to offset budgetary overruns, resulting in no overall net change to the 2021 operating budget. In reviewing the Safe Restart agreement, the funding is intended to help address the impact of COVID-19 and to help municipalities deliver essential services such as transit. We would make two points on the proposed use of this Safe Restart Funding:

- The Safe Restart funding being used to cover budget changes is \$19.05M. This exceeds the net COVID-19 impact of \$17.2M outlined in the operating budget. Therefore, some of the Safe Restart Funding is being used to cover items unrelated to COVID-19.
- Some components of the \$17.2M in COVID-19 changes in the civic budget likely do not meet the spirit of what the Safe Restart funding is meant for. However, that is difficult to determine with the level of detail being provided to Council. We feel it is important to scrutinize the changes in each department in order to make this determination. This reinforces our point that Council requires more detailed information to review the proposed budget changes.

We would encourage Council and Administration to consider very carefully how all funding is spent. Federal and provincial funds received by the City should be spent in a manner consistent with their intended use, and with the greatest economic benefit of our city in mind. At a time when local business are challenged, stimulus funds such as the MEEP should be used for new projects that will help drive the local economy, and not to assist with a municipal deficit. Business owners are looking to the various levels of government to act in their best interest, and this includes doing everything they can to stimulate the economy.

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Expense Management

As it stands, there is no net change being proposed as compared to the initial 2021 budget, so the property tax increase will remain at the 3.87% approved last year, which is well ahead of inflation. With many locally owned businesses struggling to keep afloat through the pandemic, it is more important than ever that Council and Administration be thinking like business owners. We would encourage a continued search for efficiency and savings throughout every department; technology, efficiency, and creativity will be paramount. Our business owners in Saskatoon are sacrificing and making some hard choices right now, and the City needs to be as well. We would like to commend Administration for their continued focus on staffing, with most departments having no FTE increases beyond what was proposed in the initial budget. We trust that any additions to headcount will continue to be carefully scrutinized.

Performance Metrics

As we noted last year, the NSBA has seen great improvement in the original budget document with the inclusion of performance metrics for each department. We would encourage the inclusion of some of these metrics each year in the budget update documents when Council is reviewing proposed budgetary changes. This serves as a great opportunity for Council to review progress towards established goals and ensure the spending taking place is continuing to support those goals.

We appreciate the time and effort Administration has put into the budget, and the time spent by Mayor and Council deliberating and approving the final budget. This is a significant undertaking, and we are happy to help provide insight where we can.

Sincerely,

Keith Moen
Executive Director

