

## 2022 and 2023 Expenditure Projections

This document explains the budgetary expenditures that impact the indicative rate for 2022 and 2023 fiscal years. All amounts stated within this appendix will be shown as 2022 and 2023 respectively unless otherwise stated. The expenditures in this document include growth and inflationary adjustments, base budget adjustments, and in 2022 the reversal of the electrical rebate that was received in 2021. Land Development, Utilities expenditures and other non-mill rate programs are excluded as they are self-balancing and do not impact the proposed indicative rates.

Overall, the Administration is anticipating total expenditure increases for the indicative budget to be \$15,558,000 and \$17,576,600 respectively. In typical budget years the increase in revenues helps to offset any increases in expenditures; however, as shown in both Appendices 1 and 2, the revenue increases were abnormally low largely due to year-over-year decreases in interest revenues and Municipal Revenue Sharing. These revenue decreases have a large impact on the indicative rate.

To mitigate this revenue impact thereby producing a lower indicative rate, the Administration, excluding Saskatoon Police Service, implemented a cap on expenditures, not including salaries, to an increase of 1% where possible. This accounts for both growth and inflation. Some areas have mandated increases from contracts or agreements, therefore, reductions to 1% were not possible. To keep expenditure increases in the 1% range, where possible, the Administration has removed some proposed expenditure increases. These amounts are shown as "Administrative Adjustments" and are excluded from the indicative rate. Moreover, the Administration has spread out the amounts required over several years to lessen the property tax impact.

Ongoing expenditure impacts for COVID-19 are not included in these numbers and can be found in Appendix 1. These require one-time funding to balance the budget.

### Indicative Rate Inclusions

The expenditure amounts included in the indicative rate are explained below by business line, unless otherwise stated. All expenditures are shown in the business line where they originate for this report, but in the final budget deliberations, some of these expenditures will be allocated amongst various business lines. For example, the insurance increases, which are currently allocated to the Corporate Governance and Finance Business Line will be allocated in relative amounts to various Business Lines by the time documents are submitted for budget deliberations.

Table 1 Summarizes the 2022 and 2023 expenditure increases that are driving the indicative rate.

Table 1 – Expenditure Increases

| <b>Business Line</b>                            | <b>2022 Expenditure Increase/(Decrease)</b> | <b>2023 Expenditure Increase/(Decrease)</b> |
|---|---|---|
| General Increases (not business line specific)  | \$4,693,600                                 | \$3,026,200                                 |
| Electricity Rebate (not business line specific) | 1,020,800                                   | -   |
| Arts, Culture and Event Venues                  | 313,200                                     | 276,200                                     |
| Community Support                               | 664,300                                     | 1,108,500                                   |
| Corporate Asset Management                      | 463,700                                     | 615,900                                     |
| Corporate Governance and Finance                | 810,300                                     | 2,235,500                                   |
| Environmental Health                            | 383,300                                     | 435,600                                     |
| Recreation and Culture                          | 292,800                                     | 395,300                                     |
| Saskatoon Fire                                  | 492,000                                     | 681,000                                     |
| Saskatoon Police Service                        | 4,665,500                                   | 4,836,300                                   |
| Taxation and General Revenues                   | (360,600)                                   | 683,500                                     |
| Transportation                                  | 1,915,800                                   | 3,204,700                                   |
| Urban Planning and Development                  | 203,300                                     | 77,900                                      |
| <b>Total Expenditure Increase</b>               | <b>15,558,000</b>                           | <b>17,576,600</b>                           |

Overall Corporate Increases - \$4,693,600 (2022) and \$3,026,200 (2023) Expenditure Increase  
Expenditure estimates for salary collective bargaining increases, reserve contributions in accordance to bylaws, corporate utility increases, and increases to the Civic Building Comprehensive Maintenance (CBCM) Reserve have been prepared for the indicative rate process. They are included as General Increases but will be distributed to individual business line.

10% Electrical Rebate Removal - \$1,020,800 (2022) and \$0 (2023) Expenditure Increase  
In 2021 the City received a 10% Electricity Consumption Rebate as part of the Saskatchewan Government's plan to reduce electricity rates by 10% which amounted to \$1,020,800. Because the rebate was a one-time measure, it was removed from the 2022 budget, resulting in an expenditure increase. Again, for the purposes of the indicative processes, this amount is not yet allocated to any specific business lines.

Arts, Culture and Events Venues - \$313,200 (2022) and \$276,200 (2023) Expenditure Increase  
The City contributes to the Remai Modern and TCU Place CBCM contribution, resulting in an increase of \$167,300 and \$167,700 for Remai Modern and \$59,900 and \$20,500 for TCU Place. Additionally, an increase of \$86,000 and \$88,000 to the Remai Modern's operating subsidy is proposed to address inflationary increases.

Community Support - \$664,300 (2022) and \$1,108,500 (2023) Expenditure Increase

- Animal Services expenditures are estimated to increase by \$48,200 and \$31,400 due to the contract with the Saskatoon Animal Control Agency.
- Administrative Adjustments: A phase-in of \$15,000 a year is required to the Animal Services Reserve; however, the Administration has removed this amount in 2022.
- Cemeteries expenditures are estimated to increase by \$600 in 2022 due to fuel increases.
- Community Development expenditures are estimated to increase by \$20,900 and \$8,400 for increase to water expenditures and grants associated with new rinks in Stonebridge and Rosewood, community association grants in Brighton, and an inflationary increase to the Heritage Reserve contribution.

- Community Investment and Support expenditures are estimated to increase by \$594,600 and \$1,068,700 for several items:
  - SPCA Cruelty Investigations, Youth Sports Subsidy, SREDA and Tourism, taxation abatements, increases to other organizations such as Meewasin, and Wanuskewin.
- Administrative Adjustments: The Youth Sports Subsidy requires an additional increase of \$49,800 in 2022, however, the Administration has not included this in the 2022 indicative rate.

#### Corporate Asset Management - \$463,700 (2022) and \$615,900 (2023) Expenditure Increase

- Facilities Management includes costs for increasing the safety protocols of arena ammonia plants, materials and supplies increases totaling \$76,400 and \$45,000. Additional workload for preventative maintenance and new buildings requires additional resources for a maintenance person and a building operator in 2023 for \$150,700. Utility expenditure increases of \$321,600 and \$355,000 are expected due to natural gas and water rates.
- Administrative Adjustments: Although an additional Building Operator is required in 2022, the Administration has removed the request for this position in the amount of \$80,300. An additional \$102,500 is expected within the natural gas increase, however, the Administration has not included this in the 2022 indicative rate.
- Fleet Services requires an additional mechanic in 2022 and a mechanic helper in 2023 for an estimated cost of \$85,700 and \$65,200 to maintain the fleet and equipment for Parks operations.

#### Corporate Governance and Finance - \$810,300 (2022) and \$2,235,500 (2023) Expenditure Increase

- Assessment and Taxation proposed expenditure increase of \$10,800 is required in 2023 related to software contracts.
- City Manager's Office proposed expenditure increases for \$18,300 and \$9,900 is required for inflationary items on salaries.
- City Solicitor's Office proposed expenditure increases of \$19,700 and \$10,000 are for publication, postage, and legal disbursement increases. Additionally, the City's insurance costs are expected to increase by \$520,300 and \$807,900 respectively.
- Administrative Adjustments: The insurance premium in 2022 is expected to be \$820,300, however, the Administration reduced that amount by \$300,000 for a net increase of \$520,300 in 2022.
- Corporate Support proposed expenditure increases of \$709,700 and \$978,000 includes:
  - Information Technology (IT) related expenditures for cyber security increases that have been spread out over the two years for \$425,000 in each year; four Project Managers are required within IT which will be partially offset from savings within the service line or partially funded through Utilities for a net expenditure of \$31,300, and software costs increases of \$203,300 in 2023.
  - New positions in Human Resources for a Talent Acquisition Specialist position in 2022 and an Organizational Development Consultant position in 2023 totaling \$105,000 and \$124,000; in Indigenous Initiatives for an Administrative Coordinator totaling \$34,500 in 2022; in Communications for a Communications Consultant and Administrative Coordinator in 2023 for \$144,100; and in Organization Performance for a Portfolio Manager totaling \$60,000 in 2022.

- Expenditure increases for computer equipment, additional software, and licensing in the amount of \$53,900 and \$81,600.
- Administrative Adjustments: Expenditure increases of \$1,251,700 and \$108,400 were not included by the Administration to keep the indicative rate lower. These expenditures were proposed for Microsoft licensing costs, a Media Relations Consultant, and a Communication Consultant.
- General Services expenditures are estimated to decrease by \$618,200 in 2022 and increase by \$403,200 in 2023, due to \$400,000 and \$403,200 for corporate increases on payroll related rates such as WCB, or CPP amounts. Additionally, there are savings of \$38,200 in 2022 for the EFAP office space rental that will not be required. The Administration does require Disability Case Management resources, however, the expenditure amount of \$250,000 is expected to be mostly offset through savings. Therefore, this amount is not included in the indicative rate. A small increase of \$6,000 in 2022 is required for banking fees and \$14,000 for World Council on City Data certification.
- Administrative Adjustments: The Administration made the decision to reduce an additional \$1,000,000 globally from expenditures in 2022 to keep the indicative rate lower. This is not an amount that is allocated to one area or service of the City and the Administration will be required to find global savings in all areas to offset this amount.
- Service Saskatoon expenditure increases of \$129,800 are required for hosted contact centre and an FTE for a Customer Service Manager.
- Legislative includes \$11,200 and \$2,900 for estimated increases in Mayor and Councilor expenditures.
- Revenue Services includes \$19,500 and \$3,700 for increases on software maintenance, equipment, and postage rates.
- Financial Services increases in 2023 of \$9,100 are for membership and inflationary increases.

#### Environmental Health - \$383,300 (2022) and \$435,600 (2023) Expenditure Increase

- Sustainability proposed expenditure increases of \$118,600 and \$109,800 for increases to the Household Hazardous Waste Days and automation of greenhouse gas tracking and monitoring software.
- Administrative Adjustments: Additional proposed expenditures of \$193,000 and \$109,500 for base budget items for the Household Hazardous Waste growth are not included in the indicative rate.
- Urban Biological Services expenditures are estimated to increase by \$400 and \$12,800 due to impacts from new park development.
- Urban Forestry expenditures are estimated to increase \$33,400 in 2023 for a Contract Administrator and additional tree planting.
- Administrative Adjustments: Expenditures of \$11,300 for tree planting in new parks is not included in the indicative budget in 2022. The Administration will work to absorb this proposed cost within the existing budgets.
- Waste Handling Service proposes expenditure increases of \$169,300 and \$111,000 attributed to increased collection containers due to growth and inflationary costs, including fuel.

- Waste Reduction proposes expenditure increases of \$95,000 and \$168,600 for additional resources such as an Environmental Coordinator, Environmental Protection Officer and Environmental Operations Superintendent.
- Administrative Adjustments: Expenditures of \$128,300 are not included in 2022. These expenditures were estimated for contract increases for compost operations and overtime and municipal engineering services expected.

#### Recreation and Culture - \$292,800 (2022) and \$395,300 (2023) Expenditure Increase

- Community Partnerships proposed expenditures of \$47,400 and \$47,000 to move an Open Spaces Consultant position from Capital projects into operating over the two-year period. The duties of this position are tied to the partnership administration process.
- Forestry Farm Park and Zoo proposed expenditures of \$33,500 and \$24,400 allocated to a new utility vehicle, additional security patrols, and contractual increases for feed and maintenance.
- Leisure Centres proposed expenditure increases of \$23,100 and \$18,700 to pay for increases to instructor contracts and radio shop service.
- Administrative Adjustments: Expenditures of \$169,900 are not included by the Administration. These are for program staffing and utility volume increases in 2022.
- Marketing Services proposed an expenditure increase of \$26,000 in 2023 to transition a Communications consultant from part-time to a full-time position.
- Administrative Adjustments: Expenditures of \$82,000 for a Marketing Coordinator was not included in 2022.
- Outdoors Pools is estimating an expenditure decrease of \$13,500 in 2022 due to Utility savings.
- Outdoor Sports Fields projects expenditure increases of \$77,200 and \$38,800 due to improvements to infield shale and maintenance inflationary costs.
- Parks Maintenance and Design expenditure increases of \$103,600 and \$240,400 are for the operating impacts of the new park development including additional Labourer positions in 2023.
- Playground and Recreation Areas increase of \$21,500 in 2022 is for a partial recreation position and a contracted social worker.

#### Saskatoon Fire \$492,000 (2022) and \$681,000 (2023) Expenditure Increase

- Emergency Management requires \$14,000 in 2022 for a base budget adjustment as the amounts for cost recovery have been too high in past years. An additional \$110,000 is required in 2023 for an EMO Business Continuity Manager.
- Fire Services estimated expenditures includes additional funding for the Apparatus and Small Equipment reserves, apparatus maintenance, as well as purchase of new equipment in the amounts of \$240,000 in each year. 0.5 FTE additional Bylaw Inspector is required in 2022 which will be recovered by demolition cost recovery resulting in an \$8,000 decrease to the expenditures, and an additional Bylaw Inspector in 2023 for an expenditure increase of \$85,000. Fire Building Maintenance has been underfunded in previous years by approximately \$30,000. The Administration has phased this amount in over both 2022 and 2023 for \$15,000 each year to help keep the indicative rate lower. 5.0 additional Firefighters are required and will be hired in July 2022 to help spread the increase over the two years for \$231,000 required in each year.

Saskatoon Police Service - \$4,665,500 (2022) and \$4,836,300 (2023) Expenditure Increase  
Saskatoon Police Service provided this estimate for their indicative budget requirements; however, they continue to work through the details of their budget and will refine further in preparation of their presentation to the Saskatoon Police Board in August 2021.

Taxation and General Revenues - \$360,600 (2022) Expenditure Decrease and \$683,500 (2023) Expenditure Increase

- General Revenue includes a transfer from the Interest Stabilization Reserve in the amount of \$650,000 in 2022 to partially offset the interest revenue reduction that is expected. In 2023 there is an equal amount transferred back to replenish this reserve when revenue is expected to increase. The Interest Stabilization Reserve has a balance of \$1,065,500 before these transfers.
- Other Levies expenditure increases of \$289,400 and \$33,500 are for The Banks tax abatement and River Landing tax transfer.

Transportation - \$1,915,800 (2022) and \$3,204,700 (2023) Expenditure Increase

- Transit and Access Transit estimated expenditure increases of \$998,300 and \$945,200 are due to increases in reserve contributions, inflationary increases for the Civic Operation Centre operations, operating impacts from the Masabi system, Trapeze Cloud Managed Services, Transit Master, fuel and inflationary increases.
- Administrative Adjustments: The Administration has not included \$450,400 in 2022 for maintenance costs and fuel consumption.
- Bridges, Subways and Overpasses includes inflationary adjustments of \$63,700 and \$64,900 for the Chief Mistawasis and North Commuter Parkway operations.
- Engineering estimated expenditure increases of \$43,200 in each of 2022 and 2023 are for operational support work on the redevelopment initiative, connection desk, and GIS work.
- Administrative Adjustments: Impound Lot has no expenditure increases as the Administration chose not include \$15,800 and \$6,000 expenditures to balance the Impound Lot for a historical overage and security increases.
- Parking expenditure increases of \$14,400 and \$35,100 are for Commissionaires contract increases, lot lease increases, and Cale Web Office increase.
- Road Maintenance increases of \$322,300 and \$1,391,800 include gasoline and diesel inflationary increases, additional resources for Operation Maintenance Coordinators and Superintendents, and additions to capital reserves in 2023.
- Administrative Adjustments: An expected amount of \$1,229,400 for transfer to reserves was not included in 2022. This removal of the transfer may affect the Building Better Roads Asset Management Plans; however, it will depend on contract pricing therefore the Administration opted to remove the transfer to keep the indicative rate lower.
- Snow and Ice Management projected expenditure increases of \$282,800 and \$283,500 are for growth related to additional lane kilometers, additional Equipment Operators and inflationary costs.
- Street Cleaning and Sweeping estimated expenditure increases of \$52,200 and \$69,000 are growth related for additional lane kilometers, gas and diesel and inflationary increases.
- Street Lighting estimated expenditure increases of \$82,100 and \$194,700 are for operations of additional streetlights in 2023 and an increase in electrical rates for both years.

- Administrative Adjustments: The increase in additional streetlights in 2022 was not included in the amount of \$50,400
- Transportation Services expenditure increases of \$56,800 and \$177,300 are growth related to additional lane kilometers for signing and marking, signalized intersections and pedestrian crossings and computer replacements.
- Administrative Adjustments: Expected expenditures related to growth of \$130,600 are excluded from the Transportation Services amounts.

#### Urban Planning and Development - \$203,300 (2022) and \$77,900 (2023) Expenditure Increase

- Business Improvement Districts estimated expenditure increases of \$200,200 and \$6,500 are for increases to the Business Improvement District grants which are offset by a transfer to the Streetscape Reserve and for inflationary increases.
- Development Review expenditure increases of \$139,300 and \$79,100 are for an additional Customer Service Manager and an FTE identified as an operating impact from the Zoning Bylaw Review Capital Project. The 2023 increase is the transfer to the stabilization reserve, which is an offset to increased revenues.
- Administrative Adjustments: Long Range Planning has no expenditure increase as the Administration chose not to include an increase of \$47,000 to move 0.3 of an FTE that is currently funded from the Planning Levy to the mill rate. The Planning Levies received annually are not sufficient to cover all expenditures allocated to the levy.
- Neighbourhood Planning expenditure increases of \$493,700 and \$9,500 are for the Community Safety Officer program which is offset by a reduced transfer to the Streetscape Reserve.
- Regional Planning expenditure increase of \$6,500 and an expenditure decrease of \$5,700 are due to the P4G grant and an offset in 2023 due to the District Planning Office winding down.
- Research and Mapping expenditure increase of \$1,000 is for staff training in 2022.
- Urban Design expenditure decreases of \$637,400 and \$11,500 are for a reduction in the transfer to the Streetscape Reserve to offset a number of the expenditures within Urban Planning and Development in 2022 and for inflationary increase in 2023.

#### **Expenditures Increases Required Outside of Indicative Rate**

##### Phased-in Increase for Environmental Health

City Council previously approved a phase-in for four years starting in 2020 to help address Waste Handling budget issues and to implement a City-Wide Organics Program; 2022 and 2023 are the final two years of this phase-in. In 2022, \$2,225,600 is being added in Garbage Collection, and \$2,183,700 in 2023 towards the City-Wide Organics Program.

##### Bus Rapid Transit Funding Plan

Phase-in amounts are required for the Bus Rapid Transit (BRT) Funding plan in the amount of \$687,000 and \$95,000. A revised BRT funding plan will be presented at the 2022/2023 Business Plan and Budget Review for further information on these increases and future increases required.