

## Bryant, Shellie

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**From:** Web NoReply  
**Sent:** November 29, 2021 9:10 AM  
**To:** City Council  
**Subject:** Email - Request to Speak - Keith Moen - NSBA 2022-23 Budget Deliberations - Preliminary Multi-Year Business Plan and Budget - CK 1700-1  
**Attachments:** nsba\_submission\_regarding\_2022-2023\_preliminary\_civic\_budget.pdf  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

--- Replies to this email will go to keith.moen@nsbasask.com ---

Submitted on Monday, November 29, 2021 - 09:09

Submitted by user: Anonymous

Submitted values are:

Date Monday, November 29, 2021

To His Worship the Mayor and Members of City Council

First Name Keith

Last Name Moen

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City Saskatoon

Province Saskatchewan

Postal Code S7K 1V9

Name of the organization or agency you are representing (if applicable) NSBA - Saskatoon's Business Association

Subject NSBA Submission Regarding 2022/ 2023 Business Plan & Budget

Meeting (if known)

Comments

Good morning,

Please find attached NSBA Submission Regarding 2022/2023 Business Plan & Budget. I would also like to speak to the Council about this.

Thanks,

Keith Moen

Attachments

[nsba\\_submission\\_regarding\\_2022-2023\\_preliminary\\_civic\\_budget.pdf](#)

Will you be submitting a video to be vetted prior to council meeting? No

The results of this submission may be viewed at:

[REDACTED]



November 29, 2021

# NSBA Submission Regarding 2022/ 2023 Business Plan & Budget

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His Worship the Mayor and City Council  
233 3<sup>rd</sup> Ave N.  
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## Re: 2022/2023 Preliminary Multi-Year Business Plan & Budget

Dear Mayor Clark and Members of the Council,

The NSBA is pleased to assist the City of Saskatoon by submitting comments and recommendations regarding the City's 2022/2023 Preliminary Multi-Year Business Plan and Budget.

We have reviewed the preliminary budget documents and have provided a summary of our key observations and recommendations below. Many of these observations and recommendations build upon the commentary provided by the NSBA in prior years and reiterate a focus on controlling costs and improving operational efficiency. Given the significant challenges currently facing the local business community, it is more important than ever that Council and Administration think like business owners. We would strongly encourage a continued search for efficiency and cost savings throughout every business line and department.

### Continued Reporting Improvements

We commend the City for the continued improvements that have been made in recent years in the presentation and level of detail provided in the budget documents. We appreciate the inclusion of key priorities and strategic goals, performance metrics, service levels, and key risks for each business line, as well as the links between the budget and the City's 2022 to 2025 Strategic Plan. With that being said, the overall budget document still lacks some consistency in reporting among different business lines. Some business lines, such as Corporate Governance & Finance, provide detailed explanations for all significant budget variances and proposed new FTEs, while other business lines provide little to no explanation. We encourage your Administration to continue to improve and refine the budget documents, with a focus on enhancing consistent reporting across all business lines and departments.

### COVID-19 Impacts

Building off our August 30, 2021 submission to you following the 2022/2023 Indicative Budget release, we commend the Administration for its efforts in reducing the preliminary property tax increases for 2022 and 2023 of 5.96% and 5.42%, respectively, to 3.51% and 3.14%. We implore you to further consider the impacts of COVID-19 on our community, particularly our business community. While the effects have been felt deeply across the business community, the economic impacts may not be as apparent to those in public sector roles or others able to operate throughout the pandemic on a mostly regular basis. The negative economic consequences felt by many businesses have been severe, and there is a long road ahead to return to normal.



SASKATOON'S BUSINESS ASSOCIATION



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## **Performance Measures and Targets**

While we appreciate the performance measures and targets included for each business line within the budget document, there are many instances where it appears that little or no progress has been made towards these objectives. Further, the budget document often does not address why these objectives are not progressing as intended, nor does it provide detail on how specific metrics were initially determined. For example, Environmental Health has a stated objective of having 70% of waste diverted from landfills by 2023. However, the actual diversion rates appear to be trending around 23 to 26%. It is unclear what the business line's plan is to make up for this shortfall. It is also unclear whether 70% is a reasonable target in this case. To enhance accountability, explanations should be provided as to why performance metrics are not being met and what changes will be implemented to improve performance in these areas. In addition, further consideration may be required when establishing or re-evaluating certain target levels to ensure they are realistic.

## **Implement a Hiring Freeze**

Given the current economic climate and the significant challenges still being felt from COVID-19, we recommend that the City implement a hiring freeze policy at this time for new FTEs across the corporation. Salaries and wages are the most significant expenditure in many civic departments, and the preliminary budget calls for an additional 95.5 FTEs in 2022. For illustrative purposes, if the average salary and benefits for each FTE is \$80,000, adding no new FTEs would remove approximately \$7,640,000 of expenditures from the budget. Business owners in Saskatoon have had to sacrifice and make difficult choices, and we feel the City should as well. We encourage the City to search for creative and innovative solutions to leverage technology and existing staff as an alternative to adding new FTEs. An exception to this proposed hiring freeze would be in the area of Protective Services. We firmly support further investments in the Police and Fire Departments. Businesses and residents equally have a desire to feel safe in their places of business, employment and in the community overall.

## **Utilization of Technology**

The NSBA commends the City for the steps taken to leverage technology in many of its business lines to improve the efficiency and effectiveness of its processes. We believe that full implementation of Project Fusion will benefit the City for years to come, both in time and cost savings, as well as improved decision making through access to more accurate, timely information. However, the impact of leveraging these technologies must be considered in future staffing decisions if the City is to fully realize the benefits from this significant investment in technology. This could mean reducing FTEs in certain business lines and upskilling or redeploying existing employees to where they can deliver the greatest value.





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### Comparing Property Tax Increases to the Rate of Inflation

In recent years, property taxes in Saskatoon have increased at a significantly higher rate than the Consumer Price Index (CPI). The below sample of commercial properties in Saskatoon shows an average property tax increase of approximately 65% from 2011 to 2021. Over that same time period, the CPI only increased by approximately 19%. Based on this illustration, since 2011, the property tax for these commercial properties has increased at a rate that is approximately 3.4 times higher than the rate of inflation.

Address	Approx. Size / Use	Property Tax	Property Tax	Change
		2011	2021	10 year
Downtown	3 storey, 7,000 retail/office	\$ 13,116	\$ 22,495	72%
North Industrial	15,000 sf warehouse	\$ 16,804	\$ 33,198	98%
Downtown	15,000 sf retail/office	\$ 31,655	\$ 53,191	68%
North Industrial	15,000 auto repair/retail	\$ 35,026	\$ 54,635	56%
North Industrial	10,000 sf "flex" warehouse	\$ 10,127	\$ 17,541	73%
Nutana	2 storey, 10,000 retail/office	\$ 29,684	\$ 52,234	76%
Central Industrial	30,000 sf "flex" warehouse	\$ 23,367	\$ 53,330	128%
Airport Busines Area	30,000 sf office	\$ 64,104	\$ 89,873	40%
Hudson Bay Industrial	30,000 sf "flex" warehouse	\$ 38,200	\$ 54,709	43%
<b>Change in Tax Rate, Sample Group of Commercial Buildings</b>		<b>\$ 262,083</b>	<b>\$ 431,206</b>	<b>65%</b>
<b>CPI, All Goods, Saskatchewan, October, 2011 vs. 2021</b>		<b>123.0</b>	<b>146.1</b>	<b>19%</b>

### Comparisons to other Prairie Cities

We encourage you to consider the property tax increases in other major Prairie cities such as Edmonton and Winnipeg, which have proposed increases of 1.80% and 2.33%, respectively. Further, we bring to your attention the City of Calgary, which recently went against their Administration's recommendation for an increase of approximately 1% and nearly quadrupled the proposed increase to 3.87%. We would be strongly opposed to a similar outcome in Saskatoon.

We appreciate the time and effort the 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



SASKATOON'S BUSINESS ASSOCIATION