

## Mill Rate Programs

Description	Amount
Revenues	
Additional Municipal Revenue Sharing	(6,650,000)
Additional Investment Revenue	(2,029,400)
Additional Grants in Lieu	(1,107,900)
Additional Franchise Fees	(750,000)
Additional Saskatoon Transit Revenue	(391,000)
Additional Police Funding	(1,023,200)
Reduced Parking Ticket Revenue	600,000
Reduced Parking Revenue	600,000
Reduced Property Tax Assessment Growth	1,928,300
Reduced Leisure Centre Revenue	1,067,000
<b>TOTAL REVENUE CHANGE</b>	<b>\$(7,756,200)</b>
Expenditures	
Increased Fuel Expenditure (including Police)	\$4,117,000
Increased Street Lighting Expenditures	317,100
Inflationary Impacts	2,401,700
Increased Natural Gas Expenditure (including Police)	1,521,700
Reduced Transfer to Streetscape Reserve	(300,000)
Reduced 1/2 of the Step Phase-In for Aspen Ridge Transit Service	(83,600)
SPCA Pound Services	167,700
Previously Approved Items (Discover Saskatoon \$15,100; Audit \$61,000)	76,100
Additional Saskatoon Transit FTE's	444,000
Additional Police Expenditures (Excluding Fuel and Natural Gas)	1,381,000
<b>TOTAL EXPENDITURE CHANGE</b>	<b>\$ 10,042,700</b>
<b>INCREASE IN BUDGET</b>	<b>\$2,286,500</b>

The increase of \$2.29 million will result in an additional 0.82% to the property taxes for a total 2023 property tax increase of 4.38%.

Revenue Adjustments

1. Additional Municipal Revenue Sharing – It is expected that the City of Saskatoon (City) will receive approximately \$6.65 million additional revenue in 2023.
2. Additional Investment Income – The increase in interest rates is higher than originally estimated resulting in approximately \$2.03 million additional revenue.
3. Additional Grants In Lieu of Taxes (GIL) and Franchise Fees – Due to additional revenue expected within Saskatoon Light and Power (SL&P), the City is expecting more GIL revenue of approximately \$1.11 million. The City is also expecting \$750,000 additional Franchise Fee Revenue from the Provincial Crown Corporations.

4. COVID-19 Impacted Revenue – When preparing the 2023 plan the Administration had made the best estimates of how revenues would recover from the COVID-19 reductions. Since 2021, and using 2022 as a guide on the recovery of revenue, the Administration has determined that:
  - a. Saskatoon Transit recovery from the COVID-19 pandemic has been quicker than originally estimated resulting in \$391,000 additional budgeted revenue over the 2023 Plan;
  - b. Both Parking Ticket Revenue and Parking Revenue have had a slower than expected recovery resulting in lower budgeted revenues, than the 2023 Plan, by \$600,000 each. The offsetting reduction to the Streetscape Reserve from the lower Parking Revenue is shown in the expenditure section; and
  - c. Leisure Centre recovery has been slower than expected resulting in \$1.07 million reduction in revenues from the initial 2023 Plan.
5. Reduced Property Tax Assessment Growth - Due to the settlement of some larger property tax appeals, Administration is expecting Property Tax Assessment Growth to be lower than the 2023 Plan by \$1.93 million.
6. Increased Saskatoon Police revenue - Saskatoon Police is expecting additional revenue of \$1.02 million from the Province of Saskatchewan for the Internet Child Exploitation, and the Saskatchewan Trafficking Response Team programs.

#### Expenditures

1. Increased Fuel Expenditure– Administration had assumed a rate of \$1.23/L and \$1.29/L for gas and diesel respectively for the 2023 Plan. Since that time the fuel prices have risen dramatically and Administration has revised the estimated rates to \$1.70/L and \$1.80/L for gas and diesel, respectively. This results in an increased budgeted expenditure of \$3.65 million for the mill rate programs (including Police). In addition, there was also an increase expected in fuel consumption for Road Maintenance, Snow and Ice Management and Street Cleaning and Sweeping resulting in an increase of \$465,900. These rates are a best estimate and it is important to note that for every \$0.10 change in the fuel rates there is approximately a \$750,000 impact within the mill rate programs.
2. Increased Natural Gas Expenditure – Due to the increase in Natural Gas rates, Administration has increased the budgeted expenditures by \$1.52 million for mill rate programs (including Police). The currently budgeted rates have not kept pace with the increasing commodity rates.
3. Increased Street Lighting Expenditures – Administration is expecting approximately \$317,100 additional expenditures for Street Lighting due to the increase in the electricity rates.
4. Inflationary Impacts – The impact of larger than normal inflation on the City’s budget is still not fully realized. As various agreements, service contracts and material contracts expire in 2023, the Administration expects there to be an impact above and beyond what was previously planned and cannot be absorbed within existing budgets. Due to this, the Administration is recommending adding \$2.40 million for inflationary impacts to the 2023 budget.
5. Reduction in the Transfer to the Streetscape Reserve – Due to the decrease in expected Parking Revenue a reduction in the transfer to the Streetscape Reserve is expected for \$300,000.

6. Reduction for Transit Service to Aspen Ridge neighbourhood - In the 2023 plan an expenditure of \$167,200 was included for expanded service into the Aspen Ridge neighbourhood, which was contingent on the thresholds, in the Saskatoon Transit Service Standards being met. It is not expected the thresholds as outlined in the Saskatoon Transit Service Standards from the August 29, 2022 Council meeting will be met within 2023 to expand service into Aspen Ridge. Therefore, Administration has reduced this expenditure by half or \$83,600 to phase-in this step growth between 2023 and 2024. The \$83,600 expenditure remaining in 2023 will be placed into the Transit Vehicle Replacement Reserve.
7. SPCA Pound Service Increase – An increase of \$167,700 has been included for the proposed increased expenditures for the Pound Services.
8. Previously approved items expenditure increase - An increase for the Discover Saskatoon contract as well as the external auditor contract have been included in the proposed changes to the 2023 Plan and result in \$76,100 increased expenditures.
9. Additional Saskatoon Transit FTE's – Following the [Administration Response – Auditor's Report on Service Disruptions in Saskatoon Transit](#) report from the November 7, 2022, Standing Policy Committee on Transportation meeting, Administration has included four additional FTE's. These include one Mechanical Shop Supervisor position for \$112,000, one Fleet Maintenance Superintendent for \$124,000, one Maintenance Planning and Scheduling Coordinator position for \$104,000, and one Performance Improvement Coordinator position for \$104,000. This results in a total increase of \$444,000. The FTE's requested have been modified since the November 7, 2022 report as it was determined there was a need for one Fleet Maintenance Superintendent and one Mechanical Shop Supervisor instead of two Mechanical Shop Supervisors.
10. Saskatoon Police expenditure increase – Saskatoon Police have increased from the 2023 Plan by \$1.38 million due to additional expenditures for the Internet Child Exploitation Program, Saskatchewan Trafficking Response Team Program and Alternative Response Officer Program. This includes a request for 3 additional FTEs for the Internet Child Exploitation Program, 2 additional FTEs for the Saskatchewan Trafficking Response Team and 6 FTEs for the Alternative Response Officer Program.