

Taxation and General Revenues 2020/2021 Business Plan and Budget

ISSUE

City Council approval is required in order to set the Operating and Capital Business Plan and Budget for 2020 and 2021. The figures in this report are stated as 2020 and 2021 respectively, unless otherwise noted.

RECOMMENDATION

1. That the Taxation and General Revenues Business Line Operating Budget for 2020 totalling \$5,179,200 in expenditures and \$434,294,700 in revenues be approved, subject to adjustments under the Property Levy Service Line required to balance the 2020 budget from decisions impacting the levy; and
2. That the Taxation and General Revenues Business Line Operating Plan for 2021 totalling \$5,350,700 in expenditures and \$451,349,500 in revenues be approved, subject to adjustments under the Property Levy Service Line required to balance the 2021 budget from decisions impacting the levy.

BACKGROUND

The 2020/2021 Preliminary Business Plan and Budget (Preliminary Budget) was released on October 30, 2019.

On November 6, 2019, the Saskatoon Board of Police Commissioners approved additional resources for the Community Mobilization Unit. In addition, the estimate for assessment growth revenue was revised higher by \$989,600 which corresponds to a reduction in the property tax levy. The numbers in this report reflect the Preliminary Budget as it was released on October 30, 2019, the additional budget as approved by the Saskatoon Board of Police Commissioners, and the increase in expected assessment growth revenue.

DISCUSSION/ANALYSIS

Taxation and General Revenues Operating Budget

The Preliminary Budget includes a total of \$5,179,200 and \$5,350,700 in expenditures for the Taxation and General Revenues Business Line. Increases of \$742,400 (16.7%) and \$171,500 (3.3%) are projected, mainly due to:

- \$250,000 in 2020 for increased provincial holdback expenditures as a result of increased traffic violation revenue; and
- \$454,700 and \$150,000 increase in relation to Interest Earnings Expenditures in order to appropriately budget for interest earnings that are transferred to other reserves as per City Bylaw and contractual agreements.

This business line also includes a total of \$434,294,700 and \$451,349,500 in revenue sources, which includes \$255,076,400 and \$266,281,700 in property taxation required to balance the Preliminary Budget. The property tax requirement would change if there are adjustments made to the budget.

Overall, the revenue within this business line is a \$22,081,100 (5.4%) and \$17,054,800 (3.9%) increase over the prior years. These increases are largely a result of:

- a projected \$3,489,600 and \$2,500,000 in property tax assessment growth;
- a proposed 3.15% and 3.52% property tax increase, which would increase property tax revenues by \$7,715,900 and \$8,705,300;
- \$6,399,000 and \$1,803,800 increase in Municipal Revenue Sharing as a result of projected Provincial Sales Tax revenues;
- \$1,220,700 and \$1,616,700 increase in Grants-in-Lieu of Taxes based on projected utility rates and volumes; and
- \$3,219,700 and \$2,205,000 increase in General Revenues, mostly from projected Franchise Fee Revenue as well as the final year of the Water Utility Return on Investment phase-in in 2020.

IMPLICATIONS

The financial implications are included in this report. There are no legal, social, or environmental implications.

NEXT STEPS

Upon approval of the Preliminary Budget, the Administration will finalize the Approved Business Plan and Budget to be released in 2020.

REPORT APPROVAL

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Approved by: Kerry Tarasoff, Chief Financial Officer

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