

## Corporate Asset Management 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 Corporate Asset Management Business Line Operating Budget for 2020 totalling \$12,949,200 in expenditures and \$573,000 in revenues be approved, subject to adjustments under the Business Plan Options section of the agenda;
2. That the Corporate Asset Management Business Line Operating Plan for 2021 totalling \$13,551,600 in expenditures and \$573,000 in revenues be approved, subject to adjustments under the Business Plan Options section of the agenda;
3. That the 2020 Capital Budget totalling \$22,481,000 be approved, subject to adjustments under the Business Plan Options section of the agenda; and
4. That the 2021 Capital Plan totalling \$20,586,000 be approved, subject to adjustments under the Business Plan Options section of the agenda.

### BACKGROUND

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

### DISCUSSION/ANALYSIS

#### Corporate Asset Management Operating Budget

The Preliminary Budget includes a total of \$12,949,200 and \$13,551,600 in expenditures for the Corporate Asset Management Business Line. Increases of \$1,315,500 (11.3%) and \$602,400 (4.7%) are projected, mainly due to increases within the Facilities Management Service Line which include:

- an additional \$450,000 in 2020 to support the maintenance operations at the Remail Modern and to help address the historical funding deficit in this area;
- \$416,000 for additional Corporate Security resources over 2020 and 2021, including transitioning the current Corporate Security Manager position to a permanent role;
- \$150,000 in funding in 2020 through partnerships with external organizations, including the Nutrien Wonderhub, to support the ongoing maintenance requirements of shared-use facilities; and

- other increases in expenditures related to staff compensation estimates based on collective agreements and other inflationary and growth pressures within the Facilities Management Service Line to maintain existing services.

This business line also includes \$573,000 in non-tax revenue in both 2020 and 2021, which includes no changes from the 2019 budget. This revenue is a result of City of Saskatoon-owned facilities that are being leased to third parties.

The projected property tax support provided to this business line is \$12,376,200 and \$12,978,600, which is an increase of \$1,315,500 (11.9%) and \$602,400 (4.9%). The increases in property tax support are due to net impact of the increases in expenditures and revenues as previously outlined in this report.

#### Corporate Asset Management Business Line Capital Budget

The Corporate Asset Management Business Line includes \$22,481,000 and \$20,586,000 in funded capital projects, most notably:

- \$8,100,000 and \$9,000,000 for the Civic Buildings Comprehensive Maintenance Program to ensure that civic facilities are properly maintained through preventative maintenance and facility upgrades; and
- \$6,800,000 and \$7,215,000 for vehicle and equipment replacements under the Fleet Services Service Line.

#### **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