

Corporate Governance and Finance 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 Governance and Finance Business Line Operating Budget for 2020 totalling \$77,740,000 in expenditures and \$12,104,100 in revenues be approved, subject to adjustments under the Business Plan Options section of the agenda;
2. That the Corporate Governance and Finance Business Line Operating Plan for 2021 totalling \$78,588,300 in expenditures and \$9,943,000 in revenues be approved, subject to adjustments under the Business Plan Options section of the agenda;
3. That the 2020 Capital Budget totalling \$1,446,000 be approved, subject to adjustments under the Business Plan Options section of the agenda; and
4. That the 2021 Capital Plan totalling \$1,079,000 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 Governance and Finance Operating Budget

The Preliminary Budget includes a total of \$77,740,000 and \$78,588,300 in expenditures for the Corporate Governance and Finance Business Line. Increases of \$2,055,000 (2.7%) and \$848,300 (1.1%) are projected, mainly due to:

- \$2,137,300 and \$767,600 within the Corporate Support Service Line related to increased funding for the Supply Chain Management Division, asset management and IT resources, as well as transfers from other service lines and base budget increases to implement the Human Resources Transformational Strategy;
- \$1,080,900 and \$326,700 within the General Services Service Line related to increased working capital interest charges for non-mill rate programs and phase-in of funding for enterprise resource planning (Fusion) licensing costs; and

- \$1,407,300 and \$748,500 in reductions within the Debt Servicing Service Line, which are a result of expiring loans that were funded by the reallocation of Federal Gas Tax funds that is offset by increases to phased funding for the Bus Rapid Transit and Civic Facilities Funding Plans.

This business line also includes decreases in non-tax revenues of \$3,042,100 and \$2,161,100, largely related to reductions in the City's Gas Tax reallocation pool that are being used for debt repayments as these loans have expired. Although the City of Saskatoon's (City) overall Gas Tax funding has increased, the Gas Tax reallocation funding that was previously being utilized for debt repayments is now being directed in accordance with the City's approved funding plans within the Capital Budget.

The projected property tax support provided to this business line is \$65,635,900 and \$68,645,300, which is an increase of \$5,097,100 (8.4%) and \$3,009,400 (4.6%). 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 Governance and Finance Business Line Capital Budget

The Corporate Governance and Finance Business Line includes \$1,446,000 and \$1,079,000 in funded capital projects, most notably:

- \$700,000 over 2020 and 2021 for the City Clerk's Office to acquire new licensing needed for the electronic records management system and for leasing of new automated vote counting equipment;
- \$660,000 over 2020 and 2021 in order to maintain corporate network (IT) equipment; and
- \$350,000 over 2020 and 2021 within the Assessment and Taxation Service Line section in order to implement and defend the reassessment which occurs every four years.

Additional Information

At its meeting on November 18, 2019, City Council received an information report regarding the City of Saskatoon/University of Saskatchewan – Memorandum of Understanding for the Research Connections. This report has been provided for information (Appendix 1).

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.

APPENDICES

1. Report – City of Saskatoon/University of Saskatchewan – Memorandum of Understanding – Research Connections Update, November 18, 2019

REPORT APPROVAL

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Approved by: Kerry Tarasoff, Chief Financial Officer

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