

2024/2025 Business Plan and Budget Options

ISSUE

In order to address City Council's strategic priorities, some initiatives may require annual operating funding and others may require one-time capital or project-based funding. The Administration is seeking input from City Council to prioritize the capital options for final consideration at the 2024/2025 Business Plan and Budget meeting in November 2023. Operating budget initiatives are also presented for information, and it is expected that City Council will consider these during the Business Plan and Budget meeting.

BACKGROUND

At the April 12, 2023 Governance and Priorities Committee (GPC) meeting, a report was presented on the [2024/2025 Business Plan and Budget Process](#) where it was outlined that Administration would present a list of Business Plan and Budget Options to City Council for prioritization.

CURRENT STATUS

In order to address City Council's strategic priorities, some initiatives can be completed within existing resources, some require annual operating funding, and others require one-time capital or project-based funding. The Administration has dedicated significant time developing business plan initiatives that will help achieve City Council's strategic priorities.

The operating budget initiatives in Appendix 1 are being presented for information only. Based on the forecasted 2024 and 2025 financial pressures, the Administration is not recommending any of the operating budget options at this time. However, this list will be part of the 2024/2025 Business Plan and Budget agenda in late November, in which City Council can make any operating budget adjustments it feels necessary at that time.

It is important to note, items in Appendix 1 do not include any items being presented to City Council through the special budget meetings as options for reductions to operating programs.

Capital Budget Options are presented in Appendix 2. The Administration is asking the Committee to review these for prioritization in September, to allocate available Reserve for Capital Expenditures (RCE) funding. The Committee members, through an electronic survey, will each be asked to prioritize these initiatives in September with the results being reported to Committee in October as information. The results of the survey will be forwarded to the 2024/2025 Business Plan and Budget meeting on November 28, 2023, at which time City Council can deliberate the project list and approve the allocation of RCE towards these projects or any other initiatives.

DISCUSSION/ANALYSIS

Operating Budget Options

Appendix 1 outlines \$10.08 million in 2024 and \$1.79 million in 2025 in operating options for Committee to consider for implementation as part of the 2024/2025 Business Plan and Budget. Some of the Operating Budget Options presented have varying options and, in these instances, only one option has been included in the total mentioned above.

Due to budget pressures the Administration is not recommending the implementation of any of these operating options; however, City Council can ultimately decide to include or phase-in any of the identified initiatives at its Business Plan and Budget Review in November.

Asset Management Plans are included in the operating options within their own section. They identify options for phase-ins of sustainable funding to ensure approved condition levels can be maintained. The addition of one-time funding can also be considered by City Council to help alleviate the pressure within the Asset Management Plans. Although that will not build ongoing funding, it can still help to temporarily improve asset conditions and reduce the need for immediate operating funding.

One option that is not included at this time is an option to add dedicated community support staff to Saskatoon Transit. That option is still being developed and will be brought forward to GPC prior to November budget deliberations.

Capital Budget Options

The amount of funding available in RCE for allocation is currently estimated at \$2.0 million in 2024 and \$2.4 million in 2025.

Appendix 2 is a list of potential capital projects, totaling \$4.16 million in 2024 and \$4.15 million in 2025, for Committee's consideration and prioritization. Committee could also choose to allocate available RCE funding to any unfunded project that is not included in Appendix 2, either due to insufficient funding from another reserve or no identified source of funding.

It is important to note this is a preliminary list of options, and City Council will have the option at its 2024/2025 Business Plan and Budget meeting to finalize allocation of available RCE funding. This process is separate from the [2024-2035 Major Capital Project Prioritization](#) list that was presented at the March 15, 2023 Governance and Priorities Committee.

FINANCIAL IMPLICATIONS

The financial implications of each option are shown in Appendices 1 and 2.

OTHER IMPLICATIONS

There are no privacy, legal, social or environmental implications identified.

NEXT STEPS

Operating Budget Options

The information within Appendix 1 will be forwarded to the 2024/2025 Business Plan and Budget meeting. If more information is required on any of the options, Committee could request Administration to report back prior to budget deliberations on any particular initiative. City Council can choose to add or phase-in any initiative on the list or any other priority operating initiative during the 2024/2025 Budget Deliberations.

Capital Budget Options

The Administration will conduct an email survey of Committee and gather the preferred prioritization feedback until September 15, 2023, on the capital options. The Administration will present the RCE prioritization survey results to Committee at its October 11, 2023, meeting.

The prioritized list will be included within the 2024/2025 Business Plan and Budget Review, where City Council can deliberate on the prioritized list as well as any other capital initiatives that City Council wishes to add to the budget.

APPENDICES

1. 2024/2025 Business Plan and Budget Operating Options
2. 2024/2025 Capital Expenditure Options

REPORT APPROVAL

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