

APPROVAL REPORT

Corporate Asset Management 2024-2025 Business Plan and Budget

ISSUE

City Council approval is required in order to set the Operating and Capital Business Plan and Budget for 2024 and 2025. The figures in this report are stated as 2024 and 2025 respectively, unless otherwise noted.

RECOMMENDATION

1. That the Corporate Asset Management Business Line Operating Budget for 2024 totalling \$16,929,800 in expenditures and \$237,700 in revenues be approved, which includes adjustments made through the 2023 special budget meetings as outlined in Appendix 1; subject to adjustments under the Business Plan Options section of the agenda;
2. That the Corporate Asset Management Business Line Operating Plan for 2025 totalling \$18,379,500 in expenditures and \$237,700 in revenues be approved, which includes adjustments made through the 2023 special budget meetings as outlined in Appendix 1; subject to adjustments under the Business Plan Options section of the agenda;
3. That the 2024 Capital Budget totalling \$13,851,700 be approved, subject to adjustments under the Business Plan Options section of the agenda; and
4. That the 2025 Capital Plan totalling \$19,104,700 be approved, subject to adjustments under the Business Plan Options section of the agenda.

BACKGROUND

At the [July 25, 2023](#), [August 15, 2023](#) and [August 31, 2023](#) Governance and Priorities Committee (GPC) special budget meetings, GPC made numerous decisions that are now included in the 2024-2025 Preliminary Business Plan and Budget Document. The details of these decisions and previous adjustments that impact this business line are included in Appendix 1. Through approval of the recommendations in this report, the adjustments directed by City Council for this Business Line as part of the Special budget meetings will be confirmed and implemented as part of the 2024/2025 Business Plan and Budget. If City Council wishes to adjust any of the previously directed changes, direction through a resolution would be required.

The 2024-2025 Preliminary Business Plan and Budget was released on November 9, 2023.

DISCUSSION/ANALYSIS

Corporate Asset Management Operating Budget

The Preliminary Budget includes a total of \$16,929,800 and \$18,379,500 in expenditures in 2024 and 2025 respectively for the Corporate Asset Management

Business Line. Increases of \$1,352,500 (8.7%) and \$1,449,700 (8.6%) are projected, mainly due to increases within the Facilities Management Service Line which includes:

- Increases of \$991,400 and \$1,018,300 in capital contributions to the Civic Buildings Comprehensive Maintenance Reserve;
- Operating impacts due to servicing additional and existing facilities include \$903,000 in 2024, partially offset through increased cost recoveries of \$625,000;
- Increased costs of collective agreements, totaling \$499,900 and \$403,500;
- Base budget adjustments totaling \$619,800 and \$150,000 are included to address historic budgetary shortfalls. These underbudgeted items include fuel & chemicals and rental vehicle costs in 2024 and overtime and standby costs in both 2024 and 2025; and
- Increased Cost Recoveries offset these expenditure increases by \$625,000 and \$678,600.

This business line also includes \$237,700 in non-tax revenue in both 2024 and 2025, which is a \$760,300 decrease over previous years. This is from City Accommodations and is due to a decrease in 2024 of \$433,900 in lease revenue, resulting from a reduction in external leases on the main floor of Civic Square East. In addition, a reduction of \$446,400 in lease revenue from parking lots and 145 1st Avenue is being transferred to the City-Owned Properties Service Line, offset by a transfer in of \$120,000 from Saskatoon Land for a new lease on the main floor of Civic Square East.

The projected property tax support provided to this business line is \$16,692,100 and \$18,141,800, which is an increase of \$2,112,800 (14.5%) in 2024 and an increase of \$1,449,700 (8.7%) in 2025.

Corporate Asset Management Business Line Capital Budget

The Corporate Asset Management Business Line includes \$13,851,700 and \$19,104,700 in funded capital projects, most notably:

- \$1,786,000 and \$6,982,200 for the Civic Buildings Comprehensive Maintenance Program to ensure that civic facilities are properly maintained through preventative maintenance and facility upgrades; and
- \$9,845,000 and \$8,914,000 for vehicle and equipment additions and replacements under the Fleet Services Service Line.

Additional Options

At the August 31, 2023 GPC special meeting the [Corporate Asset Management Business Line](#) information was presented and is included as in Appendix 2. Within that report there were options for budget reductions that were not recommended by Administration, but City Council could still choose to include these options within the 2024-2025 Budget. City Council prioritized these remaining options and the results

of that prioritization were presented within Appendix 1 of [the 2024 and 2025 Prioritized Budget Options](#) report at the September 13, 2023 GPC meeting.

These available options for the Corporate Asset Management Business Line totaling \$787,500 in 2024 and \$320,800 in 2025 that could still be considered are listed in Table 1 below and that table includes the number of votes for consideration from the September 13, 2023 meeting. Further information regarding each option can be found in Appendix 2.

Table 1 – Remaining Options

| Option | 2024 Reduction | 2025 Reduction | Votes |
|---|----------------|----------------|-------|
| 2 - Transfer of External Lease Savings | (202,200) | (84,400) | 7 |
| 3 – Reduction of Inflationary impact to Fleet Replacement Reserve | (100,800) | (87,700) | 6 |
| 4C - Deferral of custodial support for Recovery Park | (133,600) | - | 4 |
| 4D - Deferral of custodial support for City Yards | (53,500) | (53,500) | 4 |
| 4F - Defer Trades Position | (99,400) | - | 3 |
| 4B - Deferral of Police Mechanic and Civic Vehicles Mechanic | - | (95,200) | 3 |
| 4E - Defer Building Operator Position | (85,200) | - | 3 |
| 4G - Defer Radio Shop Coordinator | (62,000) | - | 3 |
| 4A - Deferral of Fleet Mechanic | (50,800) | - | 3 |

FINANCIAL IMPLICATIONS

The financial implications are included in this report.

OTHER IMPLICATIONS

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

NEXT STEPS

Upon approval of the Preliminary Budget, the Administration will finalize the Approved Business Plan and Budget to be released in 2024.

APPENDICES

1. Previous GPC Decisions
2. Corporate Asset Management Business Line Report – August 31, 2023

REPORT APPROVAL

Written by: Gillian Wrubleski, Financial Analyst
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