

Taxation and General Revenues 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 Taxation and General Revenues Business Line Operating Budget for 2024 totalling \$5,706,200 in expenditures and \$520,548,400 in revenues be approved, subject to adjustments under the Property Levy Service Line required to balance the 2024 budget from decisions impacting the levy;
2. That the Taxation and General Revenues Business Line Operating Plan for 2025 totalling \$6,491,300 in expenditures and \$547,775,600 in revenues be approved, subject to adjustments under the Property Levy Service Line required to balance the 2025 budget from decisions impacting the levy; and
3. That the City Solicitor be requested to prepare amendment(s) to Bylaw No. 7200, the Traffic Bylaw, 1991 (Traffic Bylaw), to increase penalty amounts on parking tickets for violations involving unpaid parking or failing to properly display a ticket in pay parking areas, as follows:
 - a. Amend the early penalty payment, the payment made within 14 days from the date of parking ticket issuance, from \$30.00 to \$35.00; and
 - b. Amend the specified penalty amount, the payment after 14 days from date of parking ticket issuance, from \$50.00 to \$60.00.

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.

At its meeting on September 27, 2023, when considering [Temporary Lease of City-Owned Parking Lot to Saskatchewan Health Authority for a Park N' Ride](#), City Council resolved:

1. That a lease agreement for 232 and 240 Avenue C North with a five-year term and six-month termination option between the City of Saskatoon and Saskatchewan Health Authority be approved as outlined in this report; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

Within the September 27, 2023 report it was stated that should the lease be approved, the additional revenue net of the lighting expenditures would further reduce the funding gap that has been identified for the 2024-2025 budget submission.

DISCUSSION/ANALYSIS

Taxation and General Revenues Operating Budget

Following the release of the 2024/2025 Budget document, a reduction to the expenditures was included due to the resolution on the temporary lease of the City-owned lot from the September 27, 2023 City Council meeting. This reduction in expenditure is resulting from the transfer from the Land Development Surplus within the Saskatoon Land Business Line of \$40,000

The Preliminary Budget now includes a total of \$5,706,200 and \$6,531,300 in expenditures for the Taxation and General Revenues Business Line. A decrease of \$141,400 (-2.4%), and an increase of \$785,100 (13.8%) are projected, mainly due to:

- A decrease of \$143,400 in General Revenue expense is expected in 2024. This is due to an increase in interest expenditures of \$250,000, offset by an increase in the transfer from Land Development Surplus of \$393,400, which results in an overall reduced expenditure.
- An increase of \$770,000 in 2025 in Other Levies. This is due to the completion of several five-year abatements, resulting in an expenditure increase for \$770,000 to transfer the full property tax amounts to River Landing. This is offset by a reduction in abatements in Community Support Business Line.

This business line also includes a total of \$520,548,400 and \$547,775,600 in revenue sources, which includes \$317,511,000 and \$337,752,200 in property taxation (inclusive of Assessment Growth) required to balance the Preliminary Budget. The property tax requirement would change if there were adjustments made to the budget.

After the production of the Preliminary Budget document, Assessment Growth revenue has been finalized at \$2,684,600 for 2024 (from \$3,700,000). This change along with other changes as detailed in the 2024-2025 Preliminary Budget Update Report resulted in revised proposed property tax increases of 7.22% and 5.58% for 2024 and 2025 respectively.

Overall, the revenue within this business line is a \$26,319,400 (5.3%) and \$27,227,200 (5.2%) increase over the prior years. These increases are largely a result of:

- A projected \$2,684,600 and \$2,200,000 in property tax assessment growth;
- A proposed 7.22% and 5.58% property tax increase, which would increase property tax revenues by \$21,122,450 and \$17,624,750;
- \$7,885,200 and \$3,416,500 increase in Municipal Revenue Sharing as a result of projected Provincial Sales Tax revenues;
- \$2,373,900 and \$2,461,600 increase in Grants-in-Lieu of Taxes based on projected utility rates and volumes;
- A net increase of \$80,000 in 2024 in Fines and Penalties due to revenue increases for parking ticket penalty amounts for Late Pay Penalty rates increasing from \$50.0 to \$60.0 and Reduced Penalty rates increasing from \$30.0 to \$35.0; and
- These revenue increases have been offset by a decrease in the General Revenues Service Line, relating specifically to a reduction in Government Transfers of \$10,022,400 in 2024 due to removing the previous year's COVID-19 one-time funding from reallocated ICIP funding.

Fee, Rate, Bylaw and Policy Changes

Additional information on recommended changes to Parking Tickets are provided in Appendix 2.

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. Parking Ticket Increase – Unpaid Time – 2024-2025
3. Taxation and General Revenue Business Line – August 31, 2023

REPORT APPROVAL

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