

2024/2025 Preliminary Budget Update

ISSUE

Since the special Governance and Priorities Committee meetings in the summer there have been some changes to budget starting points for both 2024 and 2025.

BACKGROUND

A series of Special Budget Meetings were held [July 25, 2023](#), [August 15, 2023](#) and [August 31, 2023](#) to review business lines and options presented by the Administration to help mitigate the projected revenue gap for 2024 and 2025.

The decisions made during these Special Budget Meetings on the reductions or additions to be included in the 2024/2025 Preliminary Business Plan and Budget are detailed in Appendix 1 and lowered the 2024/2025 Business Plan and Budget requirements by \$21.9 million for 2024 and \$18.8 million for 2025.

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.

At its meeting held on November 1, 2023, the Standing Policy Committee on Environment, Utilities, and Corporate Services (SPC) was presented the [Funding Environmental Sustainability and Climate Budget – Update](#) report.

At its meeting held on November 16, 2023, when considering [Provincial Investment for Alternative Response Office Expansion](#), the Board of Police Commissioners resolved:

- “1. That the authorized strength of SPS be increased by 5 FTEs for the additional AROs; and
2. That the SPS operating budget be increased by \$200,000 to match the Provincial funding of \$200,000 for the program.”

CURRENT STATUS

Since the Special Budget Meetings, the Administration has continued to refine estimates and adjust the requirements for the 2024/2025 Preliminary Budget. Some of these changes have been included within the Budget Document and some were made after the Budget Document was produced.

All numbers in this report will be shown as 2024 and 2025, respectively, unless otherwise stated.

DISCUSSION/ANALYSIS

The major changes since the Special Budget Meetings that are included in the Preliminary Budget Document are:

- As presented at the October 11, 2023 Governance and Priorities Committee [Saskatoon Police Service's Operating Budget](#) was less than the original estimate, resulting in a reduction of \$942,600 and \$771,000.

After this change the property tax requirement as presented in the 2024/2025 Preliminary Details Operating and Capital Summary Budget was lowered to 7.14% and 5.70% in 2024 and 2025 respectively.

Since the creation of the Preliminary Budget Document the following changes have been identified and are reflected in the appropriate Business Line report and recommendations:

- A decrease in Assessment Growth revenue in 2024 from an estimated \$3.70 million increase to a \$2.68 million increase, resulting in a revenue decrease of \$1.01 million. The 2025 amount for increased revenue of \$2.20 million remains the same as previously reported. In order to maintain the property tax projection included in the preliminary budget, Administration has offset this decrease in revenues through a corresponding decrease in expenditures within the Corporate Governance and Finance Business Line. Within the Corporate Governance and Finance Business Line there is funding (approximately \$1.4 million) that was being held to account for potential variances in assessment growth, collective agreements settlements or payroll cost amounts for the entire corporation.
- An increase in Municipal Revenue Sharing (MRS) in 2025 from an estimated \$65.55 million to \$65.97 million resulting in a revenue increase of \$416,500. MRS in 2024 remains the same as in the Budget Document at \$62.55 million.
- At the November 16, 2023, Board of Police Commissioner's meeting an additional \$200,000 was added to the Saskatoon Police 2024 budget.
- An additional \$1.0 million in Transit revenue is expected in 2024, which is proposed by Administration to be offset by a \$1.0 million increase to the contribution to the Transit replacement reserve to fund future bus purchases. City Council can choose to re-direct all, or a portion of the \$1.0 million, to offset the property tax impact or use for an alternative purpose when considering the Transportation Business Line report.

- An increase for revenues of \$40,000 in 2024 for the temporary lease for the Saskatchewan Health Authority Park N' Ride.

These changes resulted in a preliminary property tax of 7.22% for 2024 and 5.58% for 2025. It is important to note that these new preliminary property tax rates, and the investments within the Preliminary Budget Document, are the starting point for City Council to debate, adjust and finalize the 2024/2025 budget at the November 28, 2023 meeting.

Additional information on the Climate Budget is also presented in Appendix 2 in response to questions from the SPC on November 1, 2023 on the greenhouse gas gap as presented in the Climate Budget within the Preliminary Budget Document.

FINANCIAL IMPLICATIONS

The financial implications have been included within this report.

OTHER IMPLICATIONS

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

NEXT STEPS

City Council will make the final investment decision at the 2024/2025 Business Plan and Budget review meeting on November 28, 2023.

APPENDICES

1. Previous GPC Decisions
2. Climate Budget Supplement

REPORT APPROVAL

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