

Reduced Capital Reserve Contributions

(\$000's)	Business Line	Mill Rate, Non-Mill Rate or Utility	2024			2025			2024/2025 Capital Program Business Impact
			Transfer	3% Reduction	Mill Rate Impact	Transfer	3% Reduction	Mill Rate Impact	
GENERAL CAPITAL RESERVES (\$ 000's)									
Access Transit Capital	Transportation	Mill Rate	344.0	(10.3)	(10.3)	326.0	(9.8)	(9.8)	This reserve is currently underfunded in order to meet the Saskatoon Transit Fleet Renewal Strategy and requires a minimum of a \$1,045,000 annual contribution in order to replace 5 annual required assets as per 2023 Asset Management Plan (Saskatoon Transit) . If contributions are reduced, the City will fall even further behind in its replacements and preventative maintenance programs potentially impacting service.
Active Transportation	Transportation	Mill Rate	575.0	(17.3)	(17.3)	575.0	(17.3)	(17.3)	The Active Transportation Reserve funds such programs as accessible pedestrian signal program, cycling network improvements and other active transportation initiatives as per the 2023 Active Transportation Plan Implementation report . There are multiple unfunded capital projects presented in the 2024/2025 Multi-Year Business Plan and Budget package that would be funded via this reserve. A reduction in reserve contributions would impact the City's ability to address the current backlog of projects and potentially add additional projects to the unfunded list.
Animal Services	Community Support	Mill Rate	45.0	(1.4)	(1.4)	45.0	(1.4)	(1.4)	This reserve is not sufficient to address new dog park development or improvements to existing dog parks with the significant increase to costs of development. A reduction would further slow the development of dog parks and/or improvements to dog park amenities.
Auto Garbage Container Replacement	Utilities	Mill Rate	691.7	(20.8)	-	698.4	(21.0)	(21.0)	The long term impact of reducing the contribution to this reserve is that future rates for garbage as a utility and the curbside organics utility may need to increase to support future bin replacement needs.
Bridge Major Repairs	Transportation	Mill Rate	4,656.0	(139.7)	(139.7)	4,858.0	(145.7)	(145.7)	A reduction to the Bridge Reserve would have an impact on the approved 10-year asset management plan for current required repairs (without any additional one-time funding) resulting in reduced ability to rehabilitate structures at the optimal treatment cycle. Reduced preventative maintenance would also lead to more costly repairs earlier in the life cycle, more and longer bridge closures for repairs when required as per the 2023 Asset Management Plan (Bridges and Structures) .
Campsite	Recreation and Culture	Non-Mill Rate	80.0	(2.4)	-	104.0	(3.1)	-	This is a stabilization reserve; no mill rate impact. Any reduction would reduce the ability for the campground to respond to financial risk from operations.
Civic Bldgs Comp Mtnc	Corporate Asset Management	Mill Rate	10,784.0	(323.5)	(323.5)	11,800.0	(354.0)	(354.0)	Long term funding concerns exist as current funding levels are not expected to be sufficient. Current funding levels are below the required 1.2% of building valuations per Capital Bylaw. A reduction in the contribution to this Reserve would impact changes made during the Special GPC meetings that increased contributions to this Reserve intended to assist with inflationary pressures. Also in 2024 and 2025, funding is used for upgrades at HBAC and Archibald Arena. Reduction in contributions would create a larger gap to support asset management of facilities, resulting in higher operating maintenance costs and increased future rehabilitation costs.
Civic Radio Replacement & Expansion	Corporate Asset Management	Mill Rate	151.6	(4.5)	(4.5)	153.4	(4.6)	(4.6)	The Civic Radio Replacement & Expansion Reserve is not projected to have sufficient funding to absorb a reduction in contributions. A reduction in allocations to P.01523, Trunking Radio Replacement, would be required for the Reserve to remain sufficient. A permanent reduction in funding to this project would reduce the projects ability to replace radios as required and offset lost buying power.
Civic Vehicles & Equip Replacement	Corporate Asset Management	Mill Rate	7,072.0	(212.2)	(212.2)	7,382.0	(221.5)	(221.5)	A reduction to the Fleet Replacement Reserve would have a direct impact on the approved 2023 Asset Management Plan (Fleet Services) . Fleet Services buying power and ability to replace equipment and vehicles at the end of their service life or when unplanned emergency replacements are required, would be reduced. Fewer vehicles would be purchased thus causing a deterioration in conditions of equipment and availability of reliable equipment for operational program delivery. Higher than expected inflation rates may amplify impacts of the reserve reduction, resulting in additional pressure to keep units that should be replaced past the end of their service life. This would result in increased fleet down time and higher maintenance costs.

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Computer Equipment Replacement	Corporate Governance and Finance	Mill Rate	621.4	(18.6)	(18.6)	634.4	(19.0)	(19.0)	The Computer Equipment Replacement reserve is projected not to have sufficient funding to meet the needs of the capital projects to keep the technology equipment current as the cost of infrastructure components has risen by an average of 17% over the past 2 years. The capital funding reduction would impact the projects' ability to replace Corporate servers, corporate storage (incl backup) and maintain the core corporate network contributing to further technical debt. This includes replacement of network, storage and server equipment that is no longer supported by the manufacturer and prone to a higher failure rate due to the equipment's age. Additionally, this technical debt increases the risk of a cybersecurity incident.
Corporate Capital	Various	Mill Rate	1,822.0	(54.7)	(54.7)	2,046.0	(61.4)	(61.4)	The long term impact of reducing the contribution to this reserve is that future projects, where there is no other identified funding source, may not be able to begin. This includes projects like Property Reassessment requirement, and Service Saskatoon projects.
Dedicated Lands	Recreation and Culture	Non-Mill Rate	86.0	(2.6)	-	82.0	(2.5)	-	This reserve is funded through amounts pursuant to The Planning and Development Act.
Dedicated Roadways	Transportation	Non-Mill Rate	56.0	(1.7)	-	56.0	(1.7)	-	This reserve is funded from the sale of existing rights-of-way and would have no mill rate impact.
Environmental Sustainability	Environmental Health	Mill Rate	250.0	(7.5)	(7.5)	250.0	(7.5)	(7.5)	This Reserve provides funding for environmental initiatives to achieve climate change targets. Reduced funding would impact various initiatives including the 2024 funding to updates the existing LEC plan and planned projects in future years.
Facilities Site Replacement	Corporate Asset Management	Mill Rate	363.0	(10.9)	(10.9)	364.0	(10.9)	(10.9)	The Facility Site Replacement Reserve is projected to have a small balance in 2024, however, reductions in funding from this Reserve reduces the ability to replace auxiliary facility infrastructure such as parking lots and underground services to meet the facility needs. Delaying projects as a result of reduced funding may require additional maintenance, thereby increasing pressure on millrate programs.
Fire Apparatus	Saskatoon Fire	Mill Rate	1,350.0	(40.5)	(40.5)	1,468.0	(44.0)	(44.0)	This reserve is currently underfunded due to a 67% increase in the cost of new apparatus; the annual shortfall of \$770,000 is being phased in over the next six years in order to have sufficient funds in place to replace apparatus when needed. A reduction would increase the funding gap impacting the ability to replace apparatus when needed. This could have an impact on the safety of operational front line apparatus.
Fire - Small Equipment Replacement	Saskatoon Fire	Mill Rate	473.0	(14.2)	(14.2)	489.0	(14.7)	(14.7)	This reserve is currently underfunded due to the rising cost of radios; an additional \$50,000 is needed each year in order to have sufficient funds in place to replace small equipment including, but not limited to, radios, self-contained breathing apparatus, thermal imaging cameras, water rescue equipment, dangerous goods equipment and more. A reduction would increase the funding gap. This could have an impact on the safety of front line equipment and tools.
Fire Uniforms	Saskatoon Fire	Mill Rate	275.0	(8.3)	(8.3)	290.0	(8.7)	(8.7)	This reserve funds the Fire Uniform capital project. A reduction may impact the ability to replace uniforms and turnout gear as needed and may not meet uniform replacement commitment made to SFD staff. This could have an impact on the safety of front line staff.
Forestry Farm Auditorium	Recreation and Culture	Mill Rate	4.0	(0.1)	(0.1)	3.0	(0.1)	(0.1)	This reserve is funded through a portion of auditorium rentals and is used to fund auditorium improvements. Reserve is not sufficient to address asset replacement or improvements with the increase to costs/reduced buying power. A reduction could slow asset replacement and increase the risk to revenue generation from rentals of the auditoriums.
Forestry Farm Development	Recreation and Culture	Mill Rate	75.0	(2.3)	(2.3)	75.0	(2.3)	(2.3)	Reserve is funded from 60% net parking charges at the main gate of the FFP&Z; reduction would impact the scope and timing of program improvements. Program improvements are required to generate admissions and maintain the facility as a popular attraction.
Forestry Farm Park & Zoo Capital	Recreation and Culture	Mill Rate	167.0	(5.0)	(5.0)	167.0	(5.0)	(5.0)	A reduction to this reserve would have an impact on the timing for future Forestry Farm Park & Zoo Capital projects. Funds from this reserve are leveraged with funding raised by the Saskatoon Zoo Foundation. The Zoo Master Plan is not fully funded and a reduction in funding would further delay the implementation of the master plan and could impact future CAZA accreditation status.

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Golf Course Capital	Recreation and Culture	Non-Mill Rate	701.0	(21.0)	-	721.0	(21.6)	-	No mill rate impact. Timing of the replacement of golf course equipment and capital projects would be negatively impacted. The golf course asset management plan is not fully funded. A reduction in funding would further negatively impact the ability to maintain the facilities and replace equipment required to maintain the asset. Impacts service delivery and revenue generation if assets and equipment are deficient. In addition, move to greener equipment to reduce carbon footprint would be delayed.
Grounds Maintenance Equip Replacement	Recreation and Culture	Mill Rate	482.0	(14.5)	(14.5)	514.0	(15.4)	(15.4)	This reserve funds the required replacements of parks equipment. A reduction in this reserve may impact the currently approved service level of maintaining parks if the necessary equipment is not available. Historically this reserve has been underfunded which has caused the replacement of necessary assets to fall behind in useful life replacements.
Heritage Fund	Community Support	Mill Rate	102.0	(3.1)	(3.1)	102.0	(3.1)	(3.1)	A reduction would impact the ability to provide grants and incentives through the Heritage program. The current level of funding is already insufficient to provide meaningful incentives, and is limited in the ability to deal with a range of issues such as protection of heritage assets and intangible heritage.
Infra Expansion - Transp	Transportation	Mill Rate	2,101.0	(63.0)	(63.0)	2,159.0	(64.8)	(64.8)	Reductions in 2024 and 2025 would have an impact on the transportation network by not keeping up with existing infrastructure replacements impacting active transportation implementations, neighbourhood traffic reviews, traffic control systems and transportation planning and safety which would increase citizens complaints and directly impact their ability to move around. The Saskatoon Transportation Master Plan - 2023 Prioritized Infrastructure List identifies the projects which are currently unfunded impacting the ability to move forward.
Infra Replacement - Parks	Recreation and Culture	Mill Rate	2,053.0	(61.6)	(61.6)	2,109.0	(63.3)	(63.3)	The Building Better Parks Asset Management Plan has estimated a \$4.85M funding gap that will be required to achieve an optimal average parks asset performance rating of good condition. A decrease to the reserve would increase the funding gap, extending park infrastructure renewal periods and, over time, limit the ability to improve park assets.
Infra Replacement - Storm	Utilities	Utility	9,591.0	(287.7)	-	9,589.0	(287.7)	-	The long term impact of reducing the contribution to this reserve is that future rates may need to increase to support the capital plan. As a Utility, a transfer to the mill rate equivalent to the reduced contribution could be achieved through a ROI. Storm Water Management does not currently provide the City with an ROI.
Infra Replacement - W & S	Utilities	Utility	34,311.0	(1,029.3)	-	35,309.0	(1,059.3)	-	The long term impact of reducing the contribution to this reserve is that future rates may need to increase to compensate to support the capital requirements. In 2024, this reserve currently includes a funding shortfall of approximately \$2.8 million based on the programs total funding requirements presented in the 2023 Corporate Asset Management Plan Updates. The additional 3% reduction would increase the shortfall to \$3.8 million. The following outlines the general nature of the current service level impacts to be phased in for 2024 and 2025: Water Distribution •Reallocate funding from the capacity program to the preservation program repairs to ensure the backlog of poor water mains does not continue to grow. •Where there is inflationary pressure impacting the water main replacement program, including with the lead line program, water main condition will be prioritized for replacement over capacity replacement for fire flow to modern standards in older neighborhoods. Lead Service connections Adjusted the completion date to 2028, based on cancelled locations during COVID-19 pandemic, a 25% reduction in 2023, and inflationary pressures.
IT Digital Data Res	Corporate Governance and Finance	Mill Rate	5.2	(0.2)	(0.2)	5.2	(0.2)	(0.2)	The Digital Data Reserve, used for the Pictometry and Aerial Imagery, is not projected to have sufficient funding to absorb a reduction in contributions. In fact, it needs to be increased as the cost of this flight has been increasing over the last few years and the reserve has just kept pace to meet the future needs of the Pictometry and Aerial Imagery that is flown for the City and surrounding area every two years. Any reduction in funding will result in decreasing the frequency and currency of the data. This data is used within many GIS and mapping applications and, due to high level of construction in the city, it is important to keep the data current.

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IT Systems Development	Corporate Governance and Finance	Mill Rate	246.4	(7.4)	(7.4)	312.1	(9.4)	(9.4)	The IT Systems development reserves is not projected to have sufficient funding to absorb a reduction in contributions. This reserve provides the funds for Cybersecurity capital expenditures as well as funding the Disaster Recovery implementation project, Enterprise Data management strategy and Enterprise Architecture strategy all of which require significant investment in order to progress forward Reduced funding may result in tradeoffs in achieving data, architecture, and cybersecurity goals and objectives.
Landfill Replacement	Environmental Health	Mill Rate	2,608.2	(78.2)	(78.2)	2,011.8	(60.4)	(60.4)	This reserve supports the Landfill Optimization Program to extend the life of the existing landfill. The long term impact of reducing the contribution to this reserve is that future rates such as tipping fees and water utility rates may need to increase to support the program and ensure long term stability of the Reserve. A reduction in contribution is not in alignment with Bylaw which is calculated based on tonnes buried.
Leisure Serv Equip Replacement	Recreation and Culture	Mill Rate	495.0	(14.9)	(14.9)	497.0	(14.9)	(14.9)	Timing of the replacement of Leisure Centre Equipment and Zambonis would be negatively impacted and would reduce service delivery if equipment is deficient. Annual funding has not increased in response to rising costs and a reduction in buying power. A reduction in funding would further negatively impact the ability to maintain the program equipment and to maintain the assets. Potential to impact service delivery and revenue generation if assets and equipment are deficient. In addition, move to greener equipment to reduce carbon footprint would be delayed
Park Enhancement	Recreation and Culture	Mill Rate	265.0	(8.0)	(8.0)	265.0	(8.0)	(8.0)	The ability to fund sport field upgrades and other park enhancements would be impacted. These funds are also used to leverage contributions from community groups for improvements to park assets. The quality of the assets would be reduced and would impact revenue generation and resident satisfaction with sport fields and park amenities.
Parking Capital Reserve	Transportation	Mill Rate	475.0	(14.3)	(14.3)	475.0	(14.3)	(14.3)	The reserve is currently insufficient to fund replacement of parking terminals. A reduction would limit the ability to replace and upgrade terminals when needed, jeopardizing the collection of future parking revenues. Mill Rate savings would be 50% as 50% would flow through to the Streetscape BID Reserve based on the Parking Revenue Allocation Formula.
Parks & Rec Partnership	Recreation and Culture	Mill Rate	500.0	(15.0)	(15.0)	500.0	(15.0)	(15.0)	The Game Plan recommended a phase in of \$250,000 per year until this reserve is fully funded. Funding level is currently insufficient to fund the recommended projects. In addition, increased costs of developments and projects has further reduced the buying power of the reserve. Will not have sufficient funds to contribute to partnership projects.
Parks Deferred Tree Replacement	Recreation and Culture	Non-Mill Rate	38.0	(1.1)	-	38.0	(1.1)	-	No mill rate impact as this reserve is not funded via an operating contribution. This reserve receives funds collect as compensation for tree loss or damage and is used for tree replacements and enhancements to the urban forest.
Parks (Grounds Maint) Equip Acq	Recreation and Culture	Mill Rate	306.0	(9.2)	(9.2)	355.0	(10.7)	(10.7)	The purchase of new equipment to maintain new park space could be delayed.
Paved Roadways Infra	Transportation	Mill Rate	37,980.6	(1,139.4)	(1,139.4)	42,327.0	(1,269.8)	(1,269.8)	In 2024, it is anticipated that this reserve will not receive sufficient inflation increases as there was already a 75% reduction to the inflationary request of \$7.65M, any further reduction in 2024 and 2025 would lead to further reductions in expected service levels. The 2023 shortfall was presented in the 2023 Corporate Asset Management Plans . The following is the current service level impacts to be phased in for 2024 and 2025: <ul style="list-style-type: none"> •Roadway program adjusted to 4% network target, approximately a 1 in 25-year cycle. Target is 5% of the network and 1 in 20 year cycle. •Prioritizing Expressways, Collectors, and arterial roadways over local roadways. •Shifting from a full corridor revitalization <ul style="list-style-type: none"> -Sidewalks will be decoupled from roadways, only possible when condition and funding align. -Micro surfacing roadway treatments would generally not include sidewalk work. •Prioritize sidewalk repairs based on condition and pedestrian potential model. <ul style="list-style-type: none"> -Pedestrian Accessible Ramp and sidewalk asphalt overlay replacements will only be considered with sidewalk selected locations. The new focus is maintaining the condition to prevent a significant decline in the network's overall condition.

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Printing and Mail Equipment Replacement	Corporate Governance and Finance	Mill Rate	23.3	(0.7)	(0.7)	23.5	(0.7)	(0.7)	The Printing and Mail Equipment Replacement Reserve is not projected to have sufficient funding to absorb any reduction in contributions. The fund is nearing a zero balance after significant expenditure on two new printing presses in 2023. There is a number of equipment that requires replacement within the next two years including the Folder inserter, Postage meter which exceed the proposed contributions for 2024/2025. Failure to replace the aging equipment will result into higher equipment down time impacting the City's ability to process critical print jobs like Utility Bills, Assessment notices and Property Tax notices in a timely manner.
Public Works Bldgs Civic Facilities	Transportation	Mill Rate	30.0	(0.9)	(0.9)	30.0	(0.9)	(0.9)	This reserve funds required maintenance at civic operations yards. There is an unfunded capital expenditure option presented in the 2024/2025 Multi-Year Business Plan and Budget package. Due to severe lack of funding within this reserve, any work done at the civic operations yards relies on one-time funding allocations.
River Landing Capital	Recreation and Culture	Non-Mill Rate	117.0	(3.5)	-	117.0	(3.5)	-	River Landing is intended to be self-financing. A reduction in the reserve contribution would reduce the RCE draw needed to balance the cost centre, therefore having no mill rate impact. Ability to replace assets when needed will be reduced.
Saskatoon Light & Power Extension	Utilities	Utility	10,205.0	(306.2)	-	11,996.0	(359.9)	-	A reduction in the contribution to this Reserve would reduce the impact of changes made during the Special GPC Meetings that help SL&P retain buying power due to inflationary pressures. Future rate increases are unknown as SL&P has historically matched SaskPower's rate increase to ensure equality in rates for all citizens. Rate increases have been sporadic in recent years so combined with lower volumetric sales, SL&P's asset management investments remain underfunded impacting the ability to upgrade and expand the electrical network. A reduction in contribution would require an offsetting rate increase or an offsetting expenditures reduction within Operations. In order to benefit the millrate, a transfer to the mill rate equivalent to the reduced contribution could be achieved through an increase to ROI.
Saskatoon Light & Power Replacement	Utilities	Utility	10,894.0	(326.8)	-	13,286.0	(398.6)	-	A reduction in the contribution to this Reserve would reduce the impact of changes made during the Special GPC Meetings that help SL&P retain buying power due to inflationary pressures. Future rate increases are unknown as SL&P has historically matched SaskPower's rate increase to ensure equality in rates for all citizens. Rate increases have been sporadic in recent years so combined with lower volumetric sales in recent years, SL&P's asset management investments remain underfunded, impacting the ongoing reliability of the electrical network. A reduction in contribution would require an offsetting rate increase or an offsetting expenditures reduction within Operations. In order to benefit the millrate, a transfer to the mill rate equivalent to the reduced contribution could be achieved through an increase to ROI.
Snow & Ice Mgmt Equip	Transportation	Mill Rate	277.0	(8.3)	(8.3)	300.0	(9.0)	(9.0)	This reserve is required for new equipment purchases in order for the City to keep up with the expanding network in order to deliver on required snow management. Reduced funding allocations would ultimately cause new neighborhood expansions to not receive approved levels of service due to lack of additional future equipment purchases.
Street Clean/Sweep Equip Acq'u'n	Transportation	Mill Rate	5.0	(0.2)	(0.2)	9.0	(0.3)	(0.3)	This reserve is required for new equipment purchases in order for the City to keep up with the expanding network in order to deliver on the required sweeping program. Reduced funding allocations would ultimately cause new neighborhood expansions to not receive approved levels of service due to lack of additional future equipment purchases.
Streetscape - BID	Community Support	Mill Rate	2,116.8	(63.5)	(63.5)	2,151.7	(64.6)	(64.6)	A reduction to this reserve would not be consistent with the allocation of parking revenues outlined in the new Council approved revenue distribution formula. The Streetscape BID capital program would be reduced.
Traffic Noise Attenuation	Transportation	Mill Rate	321.0	(9.6)	(9.6)	329.0	(9.9)	(9.9)	This reserve contribution is currently required to repay the borrowing which occurred for the sound attenuation walls.
Traffic Safety	Transportation	Non-Mill Rate	1,500.0	(45.0)	-	1,500.0	(45.0)	-	The Traffic Safety Reserve is funded from external fine revenues and is required for neighbourhood traffic management, transportation safety and control systems. A reduction in this reserve may have an impact on not being able to address citizens concerns over traffic safety in a timely manner.

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Transportation Infra	Transportation	Mill Rate	3,794.0	(113.8)	(113.8)	4,256.0	(127.7)	(127.7)	A reduction to the Transportation Infrastructure Reserve could lead to increased complaints from residents on conditions of lanes, responses to drainage concerns, sidewalk condition, and safety concerns with reduction in pavement marking frequency, repairs and maintenance to guardrails, and increased response times to traffic signal repairs/new installations, and maintenance, repair and installation of new signing. The Saskatoon Transportation Master Plan - 2023 Prioritized Infrastructure List identifies the projects which are currently unfunded impacting the ability to move forward.
Transit Additional Vehicle Replacement	Transportation	Mill Rate	273.0	(8.2)	(8.2)	312.0	(9.4)	(9.4)	This reserve is currently underfunded in order to meet the Saskatoon Transit Fleet Renewal Strategy and required growth of the network. One additional diesel bus is a minimum of \$900,000 (40') and an electric bus is approximately \$1,500,000. Current growth requirements from this reserve should be \$900,000 over one to two years in order to deliver appropriate service to new neighborhoods.
Transit Capital Projects	Transportation	Mill Rate	618.0	(18.5)	(18.5)	810.0	(24.3)	(24.3)	This reserve funds the required maintenance on terminals, bus seat replacements, transit shelters and required technology plans to ensure Saskatoon Transit continues to operate as efficiently as possible. A reduction to this reserve may impact citizens experience by not maintaining the assets to an acceptable level over time.
Transit Vehicles Replacement	Transportation	Mill Rate	2,226.0	(66.8)	(66.8)	2,112.0	(63.4)	(63.4)	This reserve is currently underfunded in order to meet the Saskatoon Transit Fleet Renewal Strategy and requires a minimum of a \$11,388,900 annual contribution in order to replace required assets in accordance with industry best practices as per 2023 Asset Management Plan (Saskatoon Transit) . The reserve also funds the engine overhauls which requires an average of at least \$1,000,000 each year.
Transportation Equip Acquisition	Transportation	Mill Rate	59.0	(1.8)	(1.8)	62.0	(1.9)	(1.9)	This reserve is required for new equipment purchases in order for the City to keep up with the expanding network in order to deliver on required traffic management systems such as pavement markings and traffic management maintenance. Reduced funding allocations would ultimately cause new neighborhood expansions to not receive approved levels of service due to lack of additional future equipment purchases.
Trunked Radio System Infras Replacement	Transportation	Mill Rate	193.8	(5.8)	(5.8)	195.7	(5.9)	(5.9)	The Trunked Radio System Infrastructure Reserve is not projected to have sufficient funding to absorb any reduction in contributions. The reserve has been depleted over the last few years due to significant increases in the Motorola support contract. There is a significant amount of infrastructure/equipment that will be required to accommodate for growth of the city and additional radio infrastructure for that growth. Failure to replace the aging equipment will introduce significant risk to providing necessary communication network support for emergency services and other municipal uses.
Unified Communications	Corporate Governance and Finance	Mill Rate	61.0	(1.8)	(1.8)	61.0	(1.8)	(1.8)	The Unified Communications Reserve is not projected to have sufficient funding to absorb a reduction in contributions. The City has recently embarked on a project to replace and upgrade aging VOIP infrastructure and reduced funding would limit the scope of this active project. Over the years the City has come to depend on the VoIP infrastructure and services to conduct its business and failure to complete this projects as planned may result into higher than normal failure rate, impacting the Customer service levels for Service Saskatoon, Revenue and Community Services.
Urban Forest & Pest Mgmt Capital	Environmental Health	Mill Rate	350.0	(10.5)	(10.5)	350.0	(10.5)	(10.5)	Climate change, disease and insect infestation continue to impact the City's urban forest as highlighted in 2023 by four cases of Dutch Elm Disease and the removal of approximately 87 additional trees in various parks and green space areas due to environmental conditions. This reserve was established to finance the costs associated with addressing these and other emerging Urban Forest pressures. Currently the reserve is insufficient and requires an additional \$650,000 per year to reach a recommended funding level target of \$1.0 Million per year. The ability to rapidly respond to drought, insect infestations and diseases of the urban forest may be impacted, increasing the risk of wider spread tree loss and deteriorating urban forest condition.
Waste Minimization	Utilities	Utility	2,628.0	(78.8)	-	2,609.0	(78.3)	-	This reserve supports various initiatives within the Solid Waste Reduction & Diversion Plan. Reserve contributions are currently supplemented from a surplus of Multi Material Stewardship funding, which may not be available in future years. A reduction in contributions will impact the ability to address initiatives to meet waste diversion targets and support further material diversion at the Material Recovery Centre.

GENERAL CAPITAL RESERVES (\$ 000's)	Business Line	Mill Rate, Non-Mill Rate or Utility	Transfer	3% Reduction	Mill Rate Impact	Transfer	3% Reduction	Mill Rate Impact	2024/2025 Capital Program Business Impact
Wastewater Coll & Treat Replacement	Utilities	Utility	2,212.0	(66.4)	-	2,296.0	(68.9)	-	The long term impact of reducing the contribution to this reserve is that future rates may need to increase to support the capital rehabilitation and ensure long term stability of the Reserve. Bylaw 6774 ensures funding levels are sufficient for long term replacement requirements, so a permanent reduction would require an expenditure reduction in operations if not able to be offset through a rate increase. In order to benefit the millrate, a transfer to the mill rate equivalent to the reduced contribution could be achieved through an increase to ROI, above the current practice calculated at 10% of wastewater revenues. This reserve funds projects such as Wastewater Asset Replacement (P.00687) required for the ongoing replacement of assets for the WWTP and Lift Stations including replacements of the scum system (remove the floatables from WW which create obnoxious odors and H2S a corrosive chemical), and operational reliability work required by the Water Security Agency. This reserve also funds lift station upgrade projects (P01243) which includes work such as upgrading controls at lift stations and asset replacements to keep in good working order. Reducing the funding to this reserve may impact the ability to replace assets at the end of life and lead to a reduced level of service.
Wastewater Treatment Capital	Utilities	Utility	11,710.0	(351.3)	-	12,092.0	(362.8)	-	The long term impact of reducing the contribution to this reserve is that future rates may need to increase to support the capital rehabilitation needs of the wastewater treatment plant and ensure long term stability of the Reserve. Bylaw 6774 provides a main source of funding based on a contribution rate of actual volumetric sales. A reduction reduces the ability to fund critical infrastructure improvements such as the biosolids handling facility and lift station upgrades if not offset by a future rate increase and/or expenditures reductions. This risk would also be increased should sales volumes not meet expectations. In order to benefit the millrate, a transfer to the mill rate equivalent to the reduced contribution could be achieved through an increase to ROI, above the current practice calculated at 10% of wastewater revenues. This reserve funds Water Treatment Capital work including the Water System Assessment required by the Water Security Agency (EPB 233A). Infrastructure upgrades at the water treatment plant and reservoirs to maintain high reliability of assets (P02561). This reserve also funds P.1006 the Capital Development and Expansion Plan. Funding this project from reserves avoids the cost of borrowing, where possible. Reducing the reserve would result in additional borrowing for the new Water Treatment Plant - adding to the City's borrowing limit and increasing the overall program cost.
Water Supply Replacement	Utilities	Utility	2,288.0	(68.6)	-	2,235.0	(67.1)	-	The long term impact of reducing the contribution to this reserve is that future rates and/or borrowing may need to increase to support the capital rehabilitation program and ensure long term stability of the Reserve. Bylaw 6774 ensures funding levels are sufficient for long term replacement requirements, so a permanent reduction would require a reduction in service levels if not able to be offset through a rate increase. This reserve supports critical rehabilitation to the water collection system and a reduction would impact service levels for asset preservation and replacement of water mains and other associated infrastructure. In order to benefit the millrate, a transfer to the mill rate equivalent to the reduced contribution could be achieved through an increase to ROI, above the current practice calculated at 10% of water revenues. This reserve is designated to replace assets used for the supply of water including the Raw Water Intake (RWI) located in the South Saskatchewan River, which will require replacement in the next 5 years. The Reserve will also be used to support the expansion of the RWI for the new WTP.
Waterworks Capital Projects	Utilities	Utility	53,530.0	(1,605.9)	-	25,596.0	(767.9)	-	The long term impact of reducing the contribution to this reserve is that future rates may need to increase to support the capital plan and ensure long term stability of the Reserve. Bylaw 6774 provides a main source of funding based on a contribution rate of actual volumetric sales. A reduction reduces the Utility's ability to fund critical rehabilitation and expansion projects at the Water Treatment Plant and connecting primary water mains if not offset by a future rate increase and/or expenditure reductions. This risk would also be increased should sales volumes not meet expectations. In order to benefit the millrate, a transfer to the mill rate equivalent to the reduced contribution could be achieved through an increase to ROI, above the current practice calculated at 10% of water revenues. A reduction in this reserve will result in additional borrowing and higher overall costs for the WTP expansion.
TOTAL									
		Utility	53,530.0	(1,605.9)	-	25,596.0	(767.9)	-	
				(6,829.0)	(2,609.9)	211,884.2	(6,356.5)	(2,827.7)	