

## Transportation 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 Transportation Business Line Operating Budget for 2024 totalling \$171,680,300 in expenditures and \$25,368,100 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 Transportation Business Line Operating Plan for 2025 totalling \$181,869,800 in expenditures and \$26,003,400 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 \$155,414,000 be approved, subject to adjustments under the Business Plan Options section of the agenda;
4. That the 2025 Capital Plan totalling \$167,310,600 be approved, subject to adjustments under the Business Plan Options section of the agenda;
5. That the proposed parking rate and impoundment fees included in the 2024/2025 Preliminary Business Plan and Budget be approved;
6. That the City Solicitor be instructed to prepare appropriate amendments to Bylaw No. 7200, Traffic Bylaw, 1991 (Traffic Bylaw), and Bylaw No. 8640, the Impounding Bylaw, 2007 (Impounding Bylaw); and
7. That Administration expand pay parking zones, as identified in Appendix 2 and 2A of this report.

### 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 the special October 10, 2023 Standing Policy Committee on Transportation meeting, the [Asset Management Plan Update 2023 – Saskatoon Transit](#) was presented.

### DISCUSSION/ANALYSIS

#### Transportation Business Line Operating Budget

The Preliminary Budget includes a total of \$171,680,300 and \$181,869,800 in expenditures, in 2024 and 2025 respectively, for the Transportation Business Line. Increases of \$11,606,500 (7.2%) and \$10,189,500 (5.9%) are projected, mainly due to the following:

- An additional \$3,684,500 and \$5,164,700 in the Road Maintenance program due to expected inflationary increases, as well as growth in the City's network;
- Transit Operations is projecting an increase in expenditures of \$4,294,200 and \$1,972,800 due to higher fuel prices, maintenance and inflationary increases for staff compensation based on collective agreements, increase in transfers to Transit reserves, as well as various growth-related increases.

After the 2024/2025 Preliminary Budget document was created an additional \$1,000,000 is being recommended to be added to the expected 2024 Transit revenue to match the increased revenue Transit is forecasting for year end 2023. Administration is recommending that this revenue be allocated to the Transit reserves for the purchase of additional or replacement buses to avoid the risk of future Transit disruptions, resulting in no property tax impact. As shown in the Asset Management Plan on October 10, 2023, there is an average annual funding gap of \$9.1 million for Fixed-Route Transit and \$695,000 for Access Transit. In addition, the Administration presented a report entitled [Status of Saskatoon Transit Operations for Winter 2023/2024](#) at the November 1, 2023 Standing Policy Committee on Transportation which highlighted the challenges in servicing growing demand with an aging fleet and declining number of buses available. While this allocation will not solely address the challenges of Transit's aging and declining fleet, it will provide much needed sustainable funding to continue to move in a positive direction;

- Snow and Ice Management is projecting an increase of \$1,206,500 and \$1,119,300 due to higher material costs, growth in the City's network as well as an increase to start building the funding for a response to future extreme or unusual snow events and;
- Other increases in the Transportation Business Line relate to a growing network of street lighting and increased electrical costs.

This business line also includes an increase in non-tax revenues of \$4,750,300 and \$635,300 mostly due to:

- \$3,000,000 and \$500,000 for increase in Transit revenues and \$107,000 and \$25,500 for Access Transit, which would bring Transit revenues to 94.9% of pre-pandemic revenues for 2024 and 98.3% for 2025;

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- \$1,279,400 and \$109,800 for parking related revenue due to a rate increase, expansion of the pay parking zones as detailed in Appendix 2; and
- \$101,800 for proposed Impound Lot fee increases and increase in storage volumes as detailed in Appendix 2.

The projected property tax support provided to this business line is \$146,312,200 and \$155,866,400, which is an increase of \$6,856,200 (4.9%) and \$9,554,200 (6.5%). The increase in property tax support is due to net impact of the increases in expenditures and revenues as previously outlined in this report.

### Transportation Business Line Capital Budget

The Transportation Business Line includes \$155,414,000 and \$167,310,600 in funded capital projects, most notably:

- \$42,365,000 and \$45,040,000 dedicated to Road Maintenance to address the condition of roadways and sidewalks;
- \$6,155,000 and \$5,720,000 for Transportation Service-related projects, which includes Active Transportation and transportation Safety;
- \$103,380,000 and \$104,897,000 for Transit Operations, most notably funds for the implementation of the Bus Rapid Transit (BRT) System and the purchase of new buses; and
- \$1,400,000 and \$10,756,000 for bridge and overpass maintenance and rehabilitation which includes Broadway and University Bridge Rehabilitation in 2025.

### Options

All options for this Business Line, as presented by Administration, were considered at the [July 25, 2023](#) and the [August 15, 2023](#) Special Budget Meetings and have been included in the recommendation. City Council may choose to bring forward any additional adjustments for any Service Line within the Transportation Business Line for consideration as part of this report.

City Council could choose to reallocate all or a portion of the increased Transit revenue of \$1,000,000 from the Transit reserves to offset the property tax impact or to other initiatives.

### Fee, Rate, Bylaw and Policy Changes

Additional information on recommended changes for Parking Rate increases, Parking App convenience Fee, Pay Parking Zone Expansion and Impound Lot Fees are provided in Appendices 2 and 2A.

## **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 and Impound Fees Increases – 2024/2025
- 2A. Proposed Pay Parking Expansion

### **REPORT APPROVAL**

Written by: Kari Smith, Director of Finance  
Reviewed by: Clae Hack, Chief Financial Officer  
Approved by: Jeff Jorgenson, City Manager

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