

Janzen, Heather

From: City Council
Subject: FW: Email - Communication - Terry Neefs - Preliminary Business Plan and Budget Review - CK 1700-1

From: Web NoReply <web-noreply@Saskatoon.ca>
Sent: Monday, November 27, 2023 9:31 AM
To: City Council <City.Council@Saskatoon.ca>
Subject: Email - Communication - Terry Neefs - Preliminary Business Plan and Budget Review - CK 1700-1

--- Replies to this email will go to [REDACTED] ---

Submitted on Monday, November 27, 2023 - 09:31

Submitted by user: [REDACTED]

Submitted values are:

I have read and understand the above statements.: Yes

I do not want my comments placed on a public agenda. They will be shared with members of Council through their online repository.: No

I only want my comments shared with the Mayor or my Ward Councillor.: No

Date: Monday, November 27, 2023

To: His Worship the Mayor and Members of City Council

First Name: Terry

Last Name: Neefs

Phone Number : [REDACTED]

Email: [REDACTED]

Address: [REDACTED] La Ronge Road

Neighbourhood: [Lawson Heights](#)

City: Saskatoon

Province: Saskatchewan

Postal Code: [REDACTED]

What do you wish to do ?: Submit Comments

What meeting do you wish to speak/submit comments ? (if known):: Preliminary Business Plan and Budget Review

Comments:

Budget – Latest Situation Analysis

Hello...This is a follow up from my previous note addressing earlier budget deliberations. City council has done some good work thus far to reduce the 2024-25 budgets. However the general business and residential communities believe the big money is still on the table. Many are feeling the pain of inflation and higher interest rates. People on low and fixed incomes are struggling to buy groceries and pay rent and landlords do not need yet another “higher taxes” excuse to raise rents. As residents cut back on spending in many areas, businesses are also suffering the effects of higher costs and reduced patronage. The overall general consensus is that there are still areas of discretionary spending that city council and administration can reduce or defer. This is the home stretch and now is the time for brave wilful leadership to make the difficult and wise fiscal decisions that will still protect and provide residents and taxpayers with some reduced services without undue hardship. All options and ideas must be considered.

When businesses and families experience budget shortfalls the first thing they do is cut discretionary spending and use a basic strategy to prioritize their musts, needs and wants. That said, the most critical area to address is always the largest area of expense. For the City of Saskatoon, 60% of the budget is the cost of personnel (FTE head count, salaries, benefits, etc). To date, council has had little appetite to review, much less reduce the ever growing FTE count (even during the pandemic) and the ever increasing salaries and benefits of employees surpassing into 6 figures.

Opportunities to reduce expenses and future spending:

- City of Saskatoon has more 6 figure salaries now than ever before....time for a review and potential salary freeze
- There are more FTE employees now than ever before...time for a review and potential hiring freeze
- Infrastructure is aging and failing...focus only on musts/needs repair and maintenance
- Contain recurring expenses...they are the death of many organizations
- Defer a new arena...and/or ensure not one penny of taxpayer funding is spent on a new facility

Opportunities to increase revenue:

- Increase the price of services that are direct use or direct consumption (transit, leisure, parking, etc)
 - Increase the price of utilities that are direct use or consumption (water/sewer, electricity, etc)
- Important to Note – clean fresh water is becoming a most precious resource as climate change is receding glaciers and mountain snow pack which are the primary sources of water on the prairies. Therefore, continue raising the rates but educate residents how to lower consumption and conserve while also charging over-usage penalties such as escalating rates (a tiered system where higher usage pays a higher rate). Low to middle income homeowners will be willing to conserve and stay in a low cost tier while the wealthy will pay the premium which will increase city revenue. Do the same for electrical. This strategy is used very effectively in other countries and cost conscious home owners are very deliberate to keep their usage at a lower level rate while the wealthy simply pay more without concern. Once a user enters a higher tier they must remain in that tier for a year until they prove consistent lower usage in order to return to a lower tier.

The City of Regina has pared down their 2024 budget to 2.2% albeit there are some mitigating expense factors that have yet to be determined related to their police budget and a large deferred capital infrastructure project. Even so, they have been determined and resolute in cutting expenses. Saskatoon businesses, taxpayers and residents are hoping for the same level of determination to reduce the budgets and are very concerned about high tax increases. They will no doubt be paying close attention especially since 2024 is an election year.

Will you be submitting a video to be vetted prior to council meeting?: No