

2024 Year-End Projection by Business Lines

A summary of the projected year end is shown in Table 1.

Table 1 – Year to Date/Annual Variance

Business Line	Year-End Forecast	2024 Budget	Variance (Surplus) /Deficit
Arts, Culture & Events Venues	9.9	9.9	0.0
Community Support	18.8	18.9	(0.1)
Corporate Asset Mgmt.	15.9	15.9	0.0
Corporate Governance & Finance	84.4	80.7	3.7
Environmental Health	11.7	12.2	(0.5)
Fire & Protective Services	60.6	60.9	(0.3)
Land Development	0.0	0.0	0.0
Policing	121.6	121.6	0.0
Recreation & Culture	37.4	39.1	(1.7)
Taxation & General Revenues	(512.0)	(512.1)	0.1
Transportation	149.4	144.7	4.7
Urban Planning & Development	7.7	8.2	(0.5)
Operating Deficit (Surplus)	5.3	0.0	5.3
Utilities	0.2	0.0	0.2
Transfer (to)/from Utility Res.	(0.2)	0.0	(0.2)
Operating Deficit (Surplus)	5.3	0.0	5.3

In millions (000,000's)

The financial forecasts of the controlled corporations (Remai Modern, TCU Place, and SaskTel Centre) are not included in Table 1.

Significant Variances

The City has been transparent regarding base operating budget challenges which have presented themselves over the past several years. This includes:

- Nearly \$3.75 million approved as part of the targeted savings initiative in the 2024 budget which requires savings to achieve a balanced budget. This targeted savings approach puts pressure on the 2024 budget with little margin for additional unforeseen circumstances.
- The Administration has worked to offset these targeted savings through spending restrictions throughout 2024 to bring in a balanced operating result. As included in this Appendix the Administration is projected to save \$3.5 million in 2024 within the General City Operations through these discretionary spending restrictions.
- There have been larger Snow Events than typical over the last few years. In March 2024 another major Snow Event occurred resulting in the phased implementation of the Emergency Response Plan and included a City-wide residential snow clearing. It is expected that the Snow and Ice Management Program will experience an unfavourable variance of \$5.3 million as discussed further in this Appendix.

Arts, Culture and Events Venues – Projected \$0 Variance

Arts, Culture and Events Venues is expected to be on budget.

Community Support – Projected \$149,500 Surplus

An overall favourable variance is expected due to savings in grants not paid for joint use school rental, recreation and sport facilities grants, and temporary staff vacancies. These savings are partially offset through higher usage of the leisure accessibility program.

Corporate Asset Management – Projected \$13,700 Deficit

An overall favourable variance is expected mostly due to savings of natural gas, electricity and water in Energy Management. These savings are partially offset by an unfavourable variance within Facilities Management for staffing costs that are expected to be more than budgeted due to overtime required, standby and callback pay, and occupational health and safety support. These unfavourable variances are partially offset by savings in materials and contract costs.

Corporate Governance and Finance – Projected \$3.7 Million Deficit

This business line contains the budget for \$3.75 million of the global reduction or targeted savings. This Business Line will show as overspent as any savings are recognized and detailed throughout the various other business lines and summarized in the Overall Savings section of this Appendix. Some of the other key variances in this Business Line include:

1. An unfavourable variance exists from administrative recoveries from the water and wastewater utilities due to a base budget item not being in alignment with current recovery rates, of \$297,400. This correction affects 2024 and prior years and is planned to be phased out to bring this amount into line with current recovery rates for 2025.

2. An unfavourable variance is expected due to higher-than-expected WCB costs within the City of approximately \$800,000.
3. Savings from staff vacancies, materials, insurance charges and office help to partially offset the unfavourable variances within this Business Line.

Environmental Health – Projected \$505,100 Surplus

Waste Handling Services, which includes Landfill Operations, is expecting a favourable variance of \$185,200, due in part to savings in fuel, grounds maintenance and software costs. Urban Forestry and Urban Biological Services are expecting favourable variances of \$198,000 combined due to staff vacancies, reduced chemical purchases and fuel savings. Sustainability is expecting a favourable variance of \$53,700 mostly due to staff vacancies, staff working on capital projects and savings in training and membership.

Fire Services – Projected \$337,000 Surplus

Fire Services is projecting a favourable variance of \$337,000 due to staff vacancies from retirements, delayed hiring, additional cost recovery from the Overdose Outreach Response Team and savings in fuel. These are partially offset by additional spending for apparatus and building maintenance.

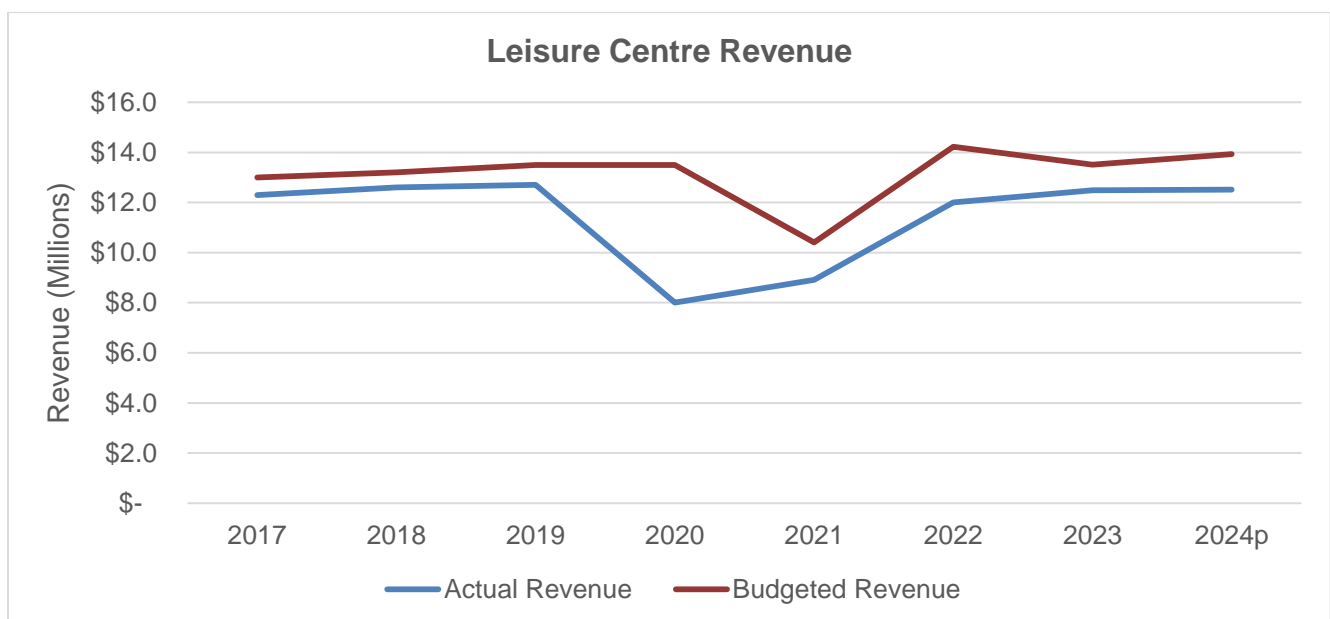
Saskatoon Police Service (SPS) – Projected \$0 Deficit

SPS is expecting to be on budget for 2024.

Recreation and Culture – Projected \$1.7 Million Surplus

The Leisure Centres revenues are projected to be below budget by \$1.4 million. Lower revenues from the Harry Bailey Aquatic Centre, which is closed for a major upgrade are partially offset by higher accessibility revenue and higher paid registration revenue. Reduced expenditures at Harry Bailey Aquatic Centre, utilities, staff vacancies and contract instructor expenditures resulting in an overall surplus for the Leisure Centres of \$1.4 million. Chart 1 shows the budgeted, actual and projected revenue.

Chart 1 – Leisure Centre Revenue Projection



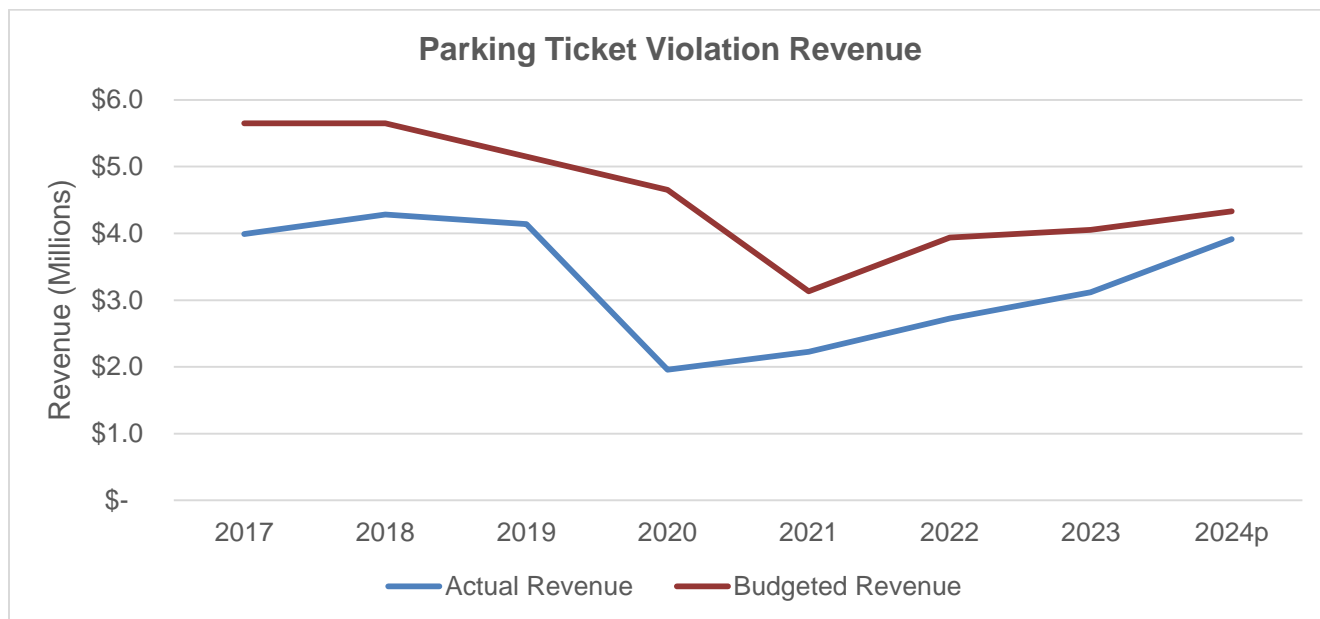
Indoor rinks, Outdoor Sports Fields and Outdoor Pools are expecting a combined surplus of \$133,600 due to savings in utilities and an unbudgeted Saskatchewan Parks and Recreation Association (SPRA) grant received for ice surfaces.

Taxation and General Revenue - Projected \$133,400 Deficit

The Fines and Penalties program is projecting an unfavourable variance of \$415,200, due to less than budgeted Parking Ticket Violation revenue.

Chart 2 shows the ongoing budgetary issue of the budgeted revenues being higher than actual revenue received for parking ticket violations.

Chart 2 – Parking Ticket Violation Revenue Projection



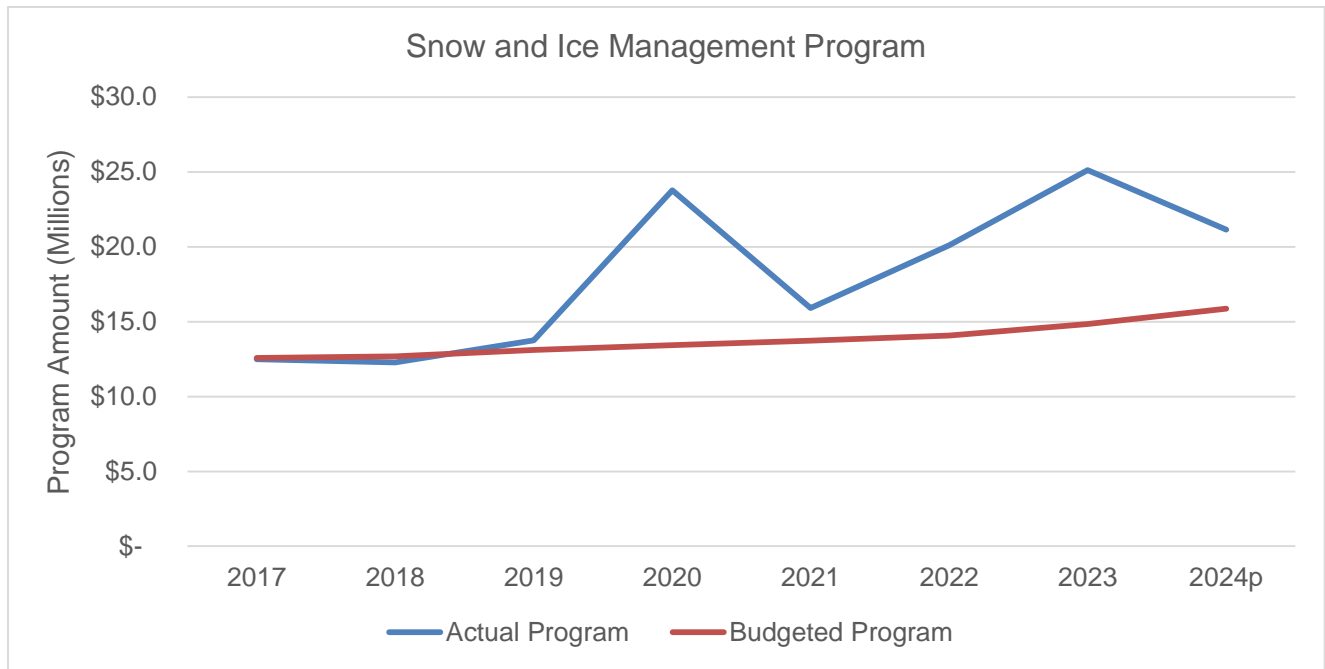
Supplemental Property Tax revenue is expected to be \$334,000 favourable variance. This is offset by Franchise Fees from the Provincial Crown Corporations which are expected to be \$525,000 unfavourable due to lower than anticipated revenue from SaskEnergy, partially offset by higher revenue from SaskPower. An unfavourable variance of \$1.1 million is expected in the Grants-In-Lieu from Saskatoon Light and Power due to a budgeted rate increase that did not occur.

Municipal Revenue Sharing (MRS) revenue is received from the provincial government and is based on Provincial Sales Tax revenue. The amount that will be received in 2024 is expected to be \$25,400 lower than budgeted. These unfavourable variances are partially offset by higher-than-expected investment income of \$1.2 million.

Transportation – Projected \$4.7 Million Deficit

Snow and Ice Management service line is projecting an unfavourable variance of \$5.3 million due to the snow event that occurred in March 2024 where a phased Emergency Response Plan was activated. A typical snowfall is projected for the remainder of the 2024 year. Including the 2024 reserve contribution, there is currently \$6.9 million within the Snow and Ice Management Contingency Reserve which would be used to offset any variance within this program at year-end. Chart 3 shows the variability in this snow and ice program that is weather dependent.

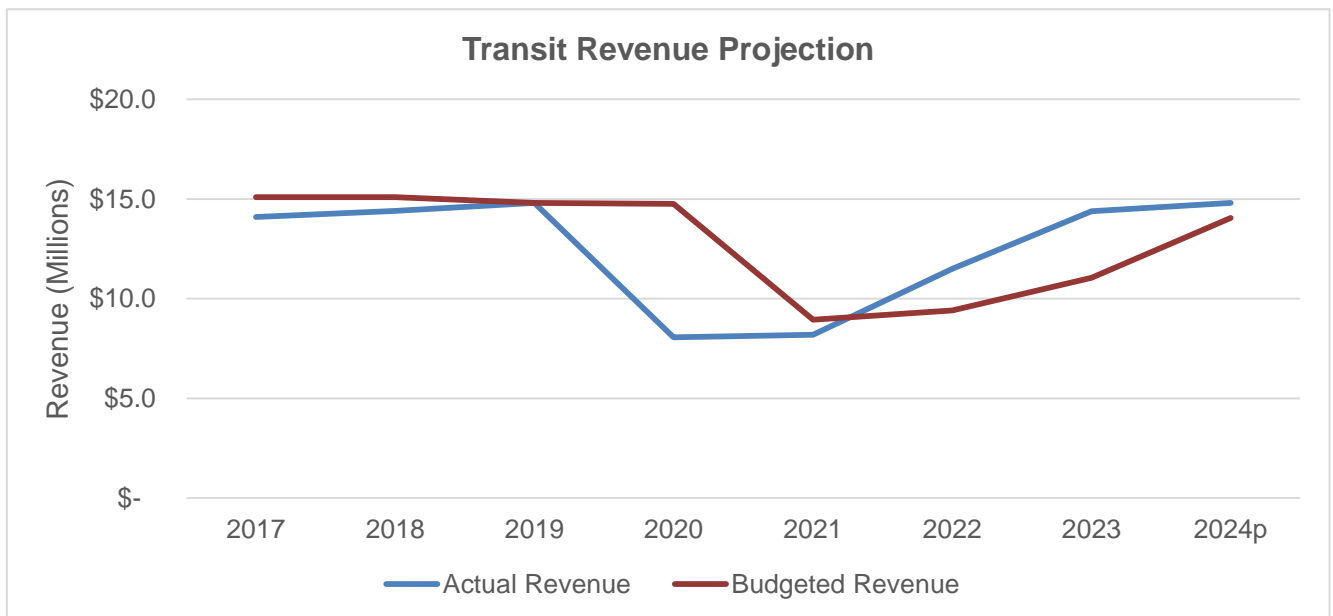
Chart 3 – Snow and Ice Management Program



Note: The 2022 and 2023 costs in Chart 3 reflect the total costs of the Snow and Ice Management Program before deducting the borrowing for the costs associated with the December 2022 Snow Event. After deducting the \$2.0 in borrowing for 2022 and \$16.0 million borrowing in 2023, the Snow and Ice Management Program total spend was \$18.1 million in 2022 and \$9.1 million for 2023.

Saskatoon Transit and Access Transit revenues are expected to be favourable by \$779,000. Expected transit revenues are the same as the 2019 pre-pandemic levels as shown in Chart 4. Additional revenue, savings in uniforms, licenses and insurance and fuel are offset, by increased maintenance expenditures. The net projected surplus for Saskatoon Transit and Access Transit is \$514,000.

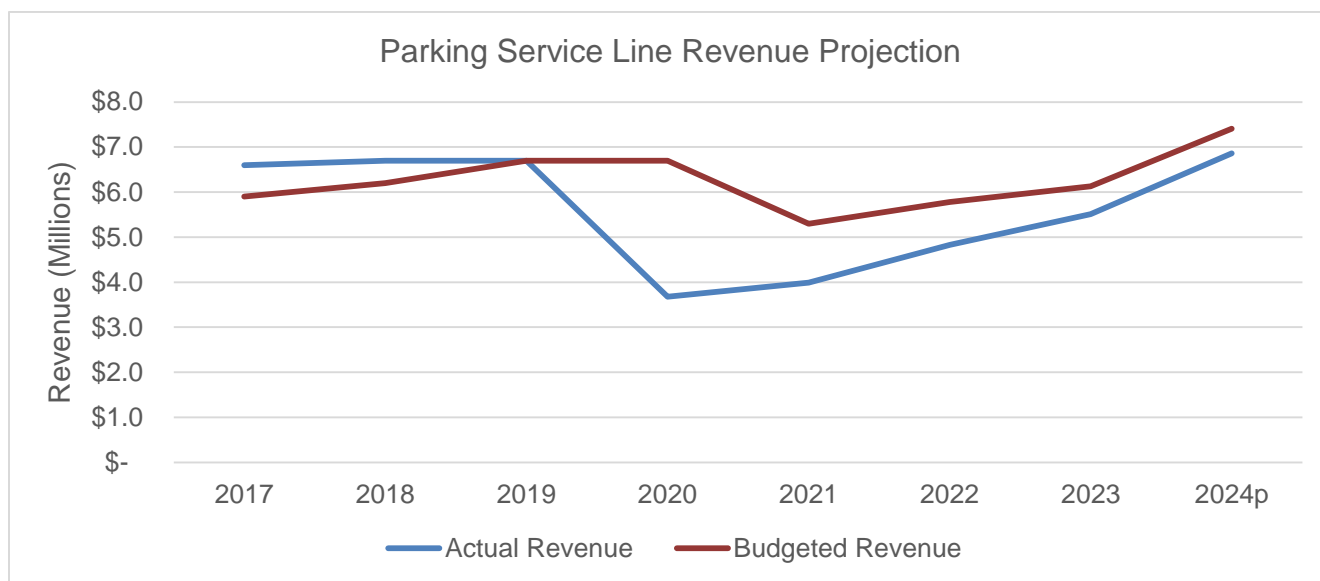
Chart 4 – Transit Revenue Projection



Parking revenues are projecting a \$548,800 unfavourable variance. Although projecting to fall short of the 2024 budget (93% of budget), the 2024 budget was increased over 2023, and expected revenues would exceed 2023 actual revenue

by \$1.3 million. This additional revenue in 2024 is mostly due to the rate increase approved in the 2024 budget where parking rates were changed from \$2.00/hour to \$2.50/hour. If expected Parking revenues are achieved, they would surpass the 2019 pre-pandemic levels by \$160,100 as shown in Chart 5.

Chart 5 – Parking Service Line Revenue Projection



Road Maintenance is expecting an unfavourable variance of \$240,000 due to increased costs for pothole repairs and landscaping materials, additional potholes inspected and repaired, partially offset by savings from deferred hiring and fuel. Street lighting is expecting a favourable variance of \$631,300 due to lower electricity rates than budgeted.

Urban Planning and Development – Projected \$497,100 Surplus

A favourable variance, from a reduced transfer to the Streetscape reserve due to reduced parking revenue, staffing vacancies, reduced advertising, and training, is partially offset by lower zoning application revenue for a net expected surplus of \$497,100.

Utilities – Projected \$157,100 Deficit (will be offset through transfers to reserves)

Water and Wastewater are projecting a combined favourable variance of \$1.1 million due to revenues projected to be higher than budget, staff vacancies, reduced overtime, and savings due to biogas usage and fuel.

Saskatoon Light and Power is projecting an unfavourable variance of \$1.5 million. Decreased revenues due to an expected rate increase that will not occur, reduced sales volume, offset in part by reduced bulk power costs, lower Grants In-Lieu, and staff vacancies.

Waste Services is projecting a favourable variance of \$960,500 mostly due savings from staff vacancies, reduced fuel, equipment and maintenance costs, and multi-unit recycling revenues and revenue from more billable garbage units than projected.

Storm Water Management is projecting an unfavourable variance of \$777,400 due to increased storm maintenance costs for asphalt and concrete materials and higher than

the historical average sewer main, manhole and catch basin/lead repairs.

All Utility variances will be offset through transfers to reserves at year-end.

Overall Savings

As part of a corporate-wide objective to help offset the budgetary pressures, Administration is projecting savings within the Civic Operating Budget, in staff training and travel of \$173,100, staff vacancies from deferred hiring of \$1.5 million, and materials, office supplies and other expenditures of \$1.8 million, for a total of approximately \$3.5 million. These savings are split amongst the business lines and are already included in the numbers mentioned in this report.

Fuel Savings

The projected fuel costs for the 2024 budget were based upon rates of \$1.61/L for gas and \$1.72/L for diesel. The actual fuel rates to date have been lower than budget with an average year-to-date rate of \$1.27/L and \$1.38/L for gas and diesel respectively. For the remainder of the year, Administration is projecting rates of \$1.41/L and \$1.52/L for gas and diesel respectively.

These fuel savings are split amongst the business lines and are already included in the numbers mentioned in this report with the Civic programs expecting savings of \$1.7 million and Utility programs expecting savings of \$292,500.

Fiscal Stabilization Reserve

The Fiscal Stabilization Reserve was established to mitigate mill rate impacts from fluctuations in operating results from year to year and has a current balance of \$5.3 million which would be available to help offset in the event there is a year-end deficit.

Once the actual year-end variance is determined, if required, the use of the stabilization reserves would be reported on, along with the impact to applicable programs.