

2026/2027 Multi-Year Business Plan and Budget Process

ISSUE

This report outlines the proposed plan for the 2026/2027 Multi-Year Business Plan and Budget (MYBB).

BACKGROUND

City Council Policy C03-036, [Multi-Year Business Plan and Budget Policy](#), outlines the process that Administration follows for establishing the Multi-Year Business Plan and Budget, including the Climate Budget.

CURRENT STATUS

The City of Saskatoon (City) completes a two-year MYBB in accordance with C03-036 with 2026 being the first year in the 2026/2027 business plan and budget cycle. This policy outlines the specific steps to be completed and reported on as part of the City's budgeting process. It largely focuses on two areas which include developing a forecasted cost to maintain service levels (Indicative Budget) as well as business plan and budget options to advance City Council priorities. The remainder of this report provides additional information on these two processes as well as insight into the City's Budget Book and Budget Agenda preparation, 10-year Major Capital Planning and the recent audit recommendation regarding Priority Based Budgeting.

DISCUSSION/ANALYSIS

Indicative Budget to Maintain Service Levels

The Administration is currently in the process of forecasting the 2026/2027 budget requirements to maintain the existing level of service as well as any past direction from City Council regarding phase-ins or other budgetary direction. This work is a City-wide initiative whereby departments analyze the inflationary and growth cost requirements as well as historical budget trending, revenue and cost saving projections. Following development of these forecasts, each department presents their proposed budget to the Executive Leadership Team (ELT) over several days where the forecasts are scrutinized and refined. It is important to note that through this process, departments are given a 0% budgetary increase starting point and are required to justify any requested increases through data and specific examples. For example, no department receives an arbitrary 2% inflationary budget increase as a starting point; instead, examples of growth pressures (KM of roadway added, Hectares of Park Space, Transit Operational Hour requirements) and inflationary pressures (specific contractual increases) are presented and justified for the ELT review.

Following the ELT review, the public reporting and decision-making process for the 2026/2027 MYBB will begin consistent with the key steps as outlined in C03-036. Specifically, in Q2 of 2025, the Administration will bring forward an "Indicative Budget" report which will outline the results of the Administration's work to date and highlight the projected cost and revenue adjustments required to maintain the existing levels of service in 2026/2027. This report provides Committee an opportunity to review at a

high level the cost and revenue projections and provide Administration direction regarding priorities, property tax targets and/or further information or reports required. This report will provide the basis of any additional work, refinement or decision making required prior to budget deliberations which are scheduled to begin on November 25, 2025.

Business Plan and Budget Options

Concurrent to the Indicative Budget Process, the Administration will also be working on reviewing City Council's strategic priorities and developing options for any initiatives which would advance these priorities and require additional resources to do so. These initiatives and options will be reported out separately from the indicative budget process in Q3. It is important to note that these business plan and budget options will include both capital and operating options.

For the operating budget options, this Q3 reporting would be for information purposes and would provide Committee an opportunity to ask any questions on the options or request additional information and reporting to consider prior to budget deliberations where final decisions will be made on whether to add these items to the budget or not.

For the capital budget options, the Q3 reporting begins the process for determining which projects will eventually be funded by the City's Reserve for Capital Expenditures (RCE). The RCE is a discretionary capital reserve, governed by the City's [Capital Reserve Bylaw](#), which receives approximately \$2.0 million in annual funding. City Council approves the projects to be funded by this reserve during budget deliberations, however, the work to prioritize these projects begins as part of this Q3 report. Typically, these capital projects are smaller in nature based on the limited funding available within the RCE. Following presentation of the Q3 report, historically, City Council has completed a prioritization survey which provides input into which projects are recommended to be funded by the RCE at budget deliberations. City Council can adjust the prioritization during budget deliberations; however, this process has provided a good starting point for these discussions and decisions in the past.

Budget Book and Budget Agenda Preparation

The Indicative Budget, Business Plan and Budget Option reports and direction outlined in the previous sections of this report provide valuable input into what will be included in the Administration's recommended budget as well as what will be included in the budget deliberations agenda. The Administration's recommended budget will be outlined in full detail in the Business Plan and Budget Book which is targeted to be released in early November, so City Council and the public have an opportunity to review prior to Budget Deliberations which are scheduled to begin on November 25, 2025.

In terms of the agenda for Budget Deliberations, this is released the week prior to budget deliberations and is developed to report back on any requested information by City Council and provide a governance process which will consider the entirety of the Administration's recommended budget and supporting Business Plan and Budget book.

10-Year Major Capital Plan

At the August 16, 2023 Governance and Priorities Committee meeting, the 2024 to 2035 or [10-Year Major Capital Plan](#) was approved. At the time of this approval, it was intended that the 10-year Major Capital Plan would be refreshed and represented for approval at the beginning of every multi-year business cycle as priorities change and new government funding programs are announced. Administration is currently going through an internal process to reconfirm existing capital projects on the plan and add any new capital projects. Following compilation of the major capital project list, the Administration will undertake a scoring process to prioritize the projects in line with prior City Council direction which includes:

- 20% scoring for Maximizing Financial Resources;
- 40% scoring for Strategic Plan Alignment;
- 20% scoring for Risk Avoidance; and
- 20% scoring for Triple Bottom Line Alignment.

Following completion of this internal process, City Council will be presented with an updated 10-year Major Capital Plan for consideration in Q3.

Priority Based Budgeting

As part of the [Financial Review Audit](#) presented to the Standing Policy Committee on Finance on January 15, 2025 there was a recommendation for the City to investigate a Priority Based Budgeting approach to further enhance the City's budget process. The Administration had indicated that a report back would be completed in Q1 of 2025; however, research and investigation of this process is taking slightly longer than anticipated. Reporting back on this approach is expected to occur in the coming months and will outline the opportunities and challenges with a Priority Based Budgeting approach more fully. While more wholistic reporting will be provided in the near future, it is important to note that a Priority Based Budget process would not fundamentally change the process the City currently undertakes or automatically determine the amount of funding various programs receive. However, a Priority Based Budgeting approach would provide additional insight and information which is aimed to aid in decision making.

OTHER IMPLICATIONS

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

NEXT STEPS

The Administration will proceed with the budget process outlined in this report and outlined in the Multi-Year Business Plan and Budget Policy unless directed otherwise by Committee.

REPORT APPROVAL

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