

2026/2027 Business Plan and Budget Options

ISSUE

Every organization and municipality face budget challenges, and the City of Saskatoon (City) is no exception. Factors such as rising costs, changing and increasing public expectation for services in some areas, the impacts of climate change and homelessness, and cyber attacks, continue to put pressure on the City's budgets. The Civic Administration and City Council in Saskatoon have a long history of working collaboratively together to listen to and respond to the needs of residents, find efficiencies, and develop a mix of services to meet the needs of Saskatoon residents. The City continues to have one of the lowest commercial and residential property tax rates when compared with other medium and large western Canadian cities as shown in the [Comparative Property Tax and Assessment Data for Prairie Cities](#) presented at the March 26, 2025 regular City Council meeting.

During each budget cycle, the civic Administration goes through an extensive prioritization process and puts forward a budget which is required to meet existing approved service levels. However, the Administration is acutely aware of various pressures for additional service.

In order to present City Council with the most complete picture of operating budget pressures, options, and ideas, the Administration presents what are referred to as Business Plan and Budget Options, which are presented for information. The operating options will not be included within the Budget Book that will be presented in November 2025, but instead are presented as options City Council could add to the approved budget, should they wish to accelerate progress in a specific area. This approach gives City Council a solid factual foundation on which to make their final decisions during deliberations at the end of November, 2025.

Capital options follow a slightly different process. Capital options are ranked by City Council prior to budget deliberations, and City Council can then consider that prioritized list when allocating Reserve for Capital Expenditures (RCE) funding during budget deliberations.

BACKGROUND

At the April 9, 2025 Governance and Priorities Committee (GPC) meeting, a report was presented on the [2026/2027 Multi-Year Business Plan and Budget Process](#) where it was outlined that Administration would present a list Business Plan and Budget Options to City Council for prioritization.

CURRENT STATUS

To address City Council's strategic priorities certain initiatives can be completed with existing resources, while some require annual operating funding, and others require one-time capital or project-based funding.

A comprehensive list of operating budget options is presented in Appendix 1 for information. This list will be included as part of the 2026/2027 Business Plan and Budget agenda in late November. At that time, City Council can add any of these operating budget options to the 2026/27 budget. To provide context to this process, Table 1 highlights the top five operating options from the Administrations perspective.

Capital Budget Options which could be funded by the RCE is presented in Appendix 2. Administration will be asking for Committee input into the prioritization of these options through an email survey following this meeting and throughout September. The results of this prioritization process along with the Administration's input will inform the recommended projects to be funded by the RCE available during budget deliberations. To assist with the prioritization process and provide Administration's perspective, Table 2 highlights what the Administration views as the top RCE priorities for the City in 2026 and 2027.

DISCUSSION/ANALYSIS

Operating Budget Options

Appendix 1 outlines \$7.64 million and \$8.07 million in 2026 and 2027 operating options for Committee to consider as part of the 2026/2027 Business Plan and Budget. In the Administration's opinion, the top priority operating options that City Council may want to consider adding to the 2026 and 2027 budget are outlined in Table 1 in alphabetical order. It is important to note the Administration's prioritization is largely based upon professional judgement and considers factors such as community priorities, operational needs and mitigation of risk.

Table 1 – Administration's Operating Option Ranking

Operating Option Title	2026 Cost	2027 Cost
Affordable Housing Incentives – Operating	\$175,000 to \$ 2,200,000	\$175,000 to \$ 2,200,000
Asset Management Investment - Three Year Phase In	\$ 3,310,000	\$ 3,650,000
Cybersecurity	\$ 650,000	\$ 247,000
Fire Community Support personnel with Dedicated Dispatchers	\$491,700 to \$ 687,900	\$331,000 to \$ 533,800
Homelessness Response Program – Operating	\$ 297,200	\$ 0
Riverbank Washroom North Kiwanis Continuous Monitoring	\$ 250,400	\$ 0

Some of the Operating Budget items shown above are scalable as noted in the appendices.

Capital Budget Options

The amount of funding available in RCE for allocation is currently estimated at \$3.07 million in 2026 and \$3.00 million in 2027. It is important to note the estimated RCE availability includes an \$868,400 and \$939,000 repayment from the River Landing Service Line in 2026 and 2027 to repay the approximate \$8.7 million in RCE funding provided from 2008 to 2024 as River Landing operated at a deficit during this time as construction was occurring and property tax incentives were provided. City Council will

be considering an option during budget deliberations in accordance with previous direction to seek out opportunities to lessen the property tax requirement in 2026 and 2027. This option will include City Council's ability to "write-off" this loan from RCE and redirect the River Landing operating surpluses to the civic operating budget instead. If this option is implemented, the available RCE funding would be reduced to approximately \$2.20 million in 2026 and \$2.06 million in 2027.

Appendix 2 is a list of potential capital projects, totaling \$5.13 million in 2026 and \$7.29 million in 2027, for Committee's consideration and prioritization. Committee could also choose to allocate available RCE funding to any unfunded project which is not included in Appendix 2, either due to insufficient funding from another reserve or not having an identified source of funding.

It is important to note this is a preliminary list of options, and City Council will have the opportunity at the 2026/2027 Business Plan and Budget meeting to finalize allocation of available RCE funding. This process is separate from the 2026-2035 Major Capital Project Prioritization list which focuses on larger projects (over \$2 million) that is also being presented at today's meeting.

In the Administration's opinion there are two RCE projects that the City has already made commitments to and will be recommended to be funded during budget deliberations this fall; these include:

- \$50,000 in both 2026 and 2027 for the City and USask Research Partnership. In 2019, the City entered into a Memorandum of Understanding (MOU) with the University of Saskatchewan to collaboratively address issues related to Urban Planning, Land Development, Reconciliation, Research Connection, Student Engagement, Student Life, and other key areas. \$50,000 would be required per year to continue supporting research projects that provide tangible benefits to Saskatoon as part of the Research Connections component of the MOU. The University of Saskatchewan's matching funding is secured pending a matching commitment from the City. The 2019 MOU has expired, and the University and City administrations have developed a new proposed MOU which will be brought forward in the coming months for consideration by City Council. The new MOU is similar in material terms to the 2019 MOU. Unless otherwise directed, the administrations from the City and University will continue to operate under the understanding that our partnership will continue for the foreseeable future.
- \$187,500 for Meewasin Trail Expansion and Upgrades in 2026. In 2021, Meewasin requested an investment from the City of \$1,250,000 over five years to support trail enhancements in four primary areas that include: Meewasin Park in River Heights neighbourhood; Kinsmen Park near Shakespeare on the Saskatchewan and Downtown; and adjacent to Circle Drive south near the Gordie Howe Bridge. In 2026 the request is for \$187,500 to conclude the five-year total funding support of \$1.25 million.

In addition to these two items, the Administration has provided a listing of what it views as the top priority RCE projects for the City in 2026 and 2027 in Table 2 below. As was done in the operating options, projects are listed alphabetically for the top six projects and is based on professional judgement considering factors such as community priorities, operational needs and mitigation of risk.

Table 2 – Administration’s Capital Option Ranking

Capital Option Title	2026 RCE Allocation	2027 RCE Allocation
Address Communication Gaps in Radio System	\$ 0	\$ 900,000
City of Saskatoon & USask Research Partnership*	\$ 50,000	\$ 50,000
City Yards Buildings Maintenance (partial funding)	\$ 500,000	\$ 120,000
Homelessness Response Program – Capital	\$ 990,000	\$ 990,000
Meewasin Trail Expansion/Upgrades*	\$ 187,500	\$ 0
Vic Rempel Greenhouse Revitalization**	\$ 475,000	\$ 0
TOTAL	\$2,202,500	\$2,060,000

*As previously noted, these items are based on previous commitments made by the City of Saskatoon and will be recommended to be funded during the 2026/27 Budget Deliberations.

**Total project cost for the Vic Rempel Greenhouse Revitalization is \$750,000 with \$275,000 proposed to be funded from the Parks Infrastructure Reserve and \$475,000 from the Reserve for Capital Expenditures as shown in the table.

FINANCIAL IMPLICATIONS

The financial implications of each option are shown in Appendices 1 and 2.

OTHER IMPLICATIONS

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

NEXT STEPS

Operating Budget Options

The information within Appendix 1 will be forwarded to the 2026/2027 Business Plan and Budget meeting. If more information is required on any of the options, Committee may ask questions during the August 13, 2025, GPC meeting or could request Administration to report back prior to budget deliberations on any initiative. City Council can choose to add or phase-in any initiative on the list or any other priority operating initiative during the 2026/2027 Budget Deliberations.

Capital Budget Options

The Administration will conduct an email survey of Committee members to obtain their feedback prior to September 15, 2025, regarding the capital options. Administration will present the RCE prioritization survey results to GPC at its October 15, 2025 meeting.

The prioritized list will be included within the 2026/2027 Business Plan and Budget Review, where City Council can deliberate on the prioritized list as well as any other capital initiatives that City Council wishes to add to the budget.

APPENDICES

1. 2026 and 2027 Business Plan and Budget Operating Options
2. 2026 and 2027 Capital Expenditure Options

REPORT APPROVAL

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

Admin Report - 2026/2027 Business Plan and Budget Options.docx