

Contingency Funding

At its August 27, 2025 meeting, while considering a report titled [City of Saskatoon Contingency Funding](#), City Council resolved :

“That the strategy included in the report of the Corporate Financial Services Division dated August 6, 2025 to ensure the health of the City’s stabilization reserves be approved.”

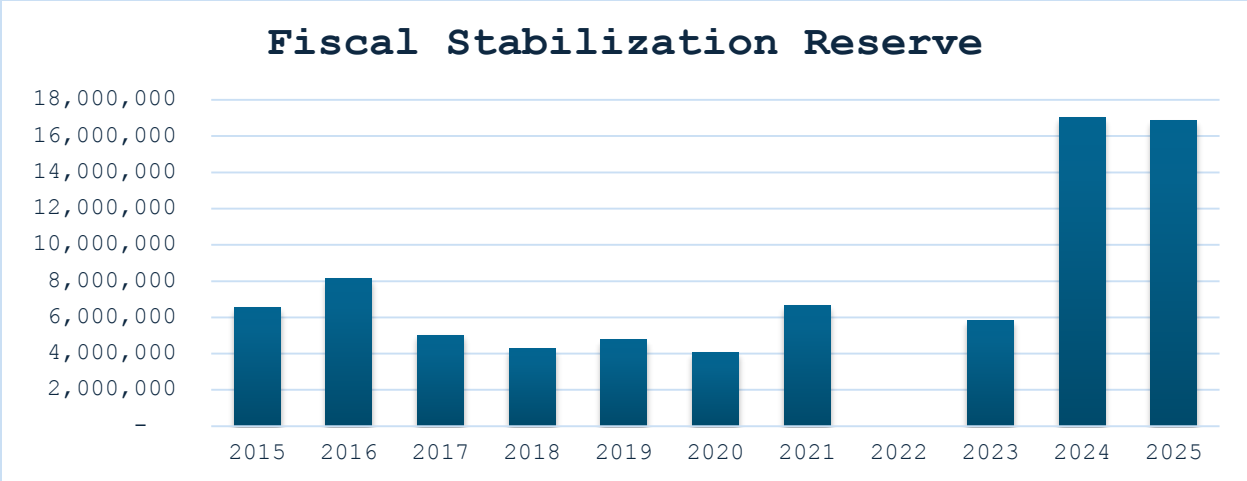
Within that report there was a commitment from Administration to report back annually on the status of the Fiscal Stabilization Reserve, Snow and Ice Management Contingency Reserve and the Parks Grounds Maintenance Stabilization Reserve as part of the Preliminary Year-End Results reports.

Fiscal Stabilization Reserve

The Fiscal Stabilization Reserve is used to offset any remaining tax supported operating deficits. This reserve does not have an annual allocation, instead is funded through any year-end surpluses or can be funded through one-time revenue sources if required.

The Fiscal Stabilization Reserve was fully depleted as of December 31, 2022. As part of the 2023 Preliminary Business Plan and Budget meeting held on November 28 2022, City Council transferred an amount of \$1.6 million from the Reserve for Capital Expenditures into the Fiscal Stabilization Reserve. The 2023 and 2024 year-end transfers to the reserve of an additional \$4.2 million and \$11.7 million respectively and if approved the \$195,616 transfer from the Fiscal Stabilization Reserve will bring the balance to \$16.84 million as of December 31, 2025, which will be available for future years to address unforeseen budget challenges and/or deficits. While the reserve does not have a maximum allowable balance, it does have a targeted balance of 5% of the current year’s tax-supported operations, which in 2025 would be approximately \$33.1 million.

The current balance of \$16.84 million, while slightly lower than the 2024 year-end balance continues to be in one of its healthiest positions over the past 10 years as seen below:



While additional funds would be required for this reserve to reach the targeted 5% of the current year’s tax-supported operations, the administration is not recommending or pursuing any supplementary one-time allocations as the current balance is in a relatively healthy position compared to prior years and continued focus on good budget management should see this reserves health continue to grow over time.

Snow and Ice Management Contingency Reserve

The Snow and Ice Management Contingency Reserve is used to fund over-expenditures in the City’s snow and ice management budget attributed to variations in normal winter weather conditions. This reserve is funded from an annual allocation in the City’s operating budget and has also received funding from annual surpluses in the snow and ice management program due to less than budgeted snowfall.

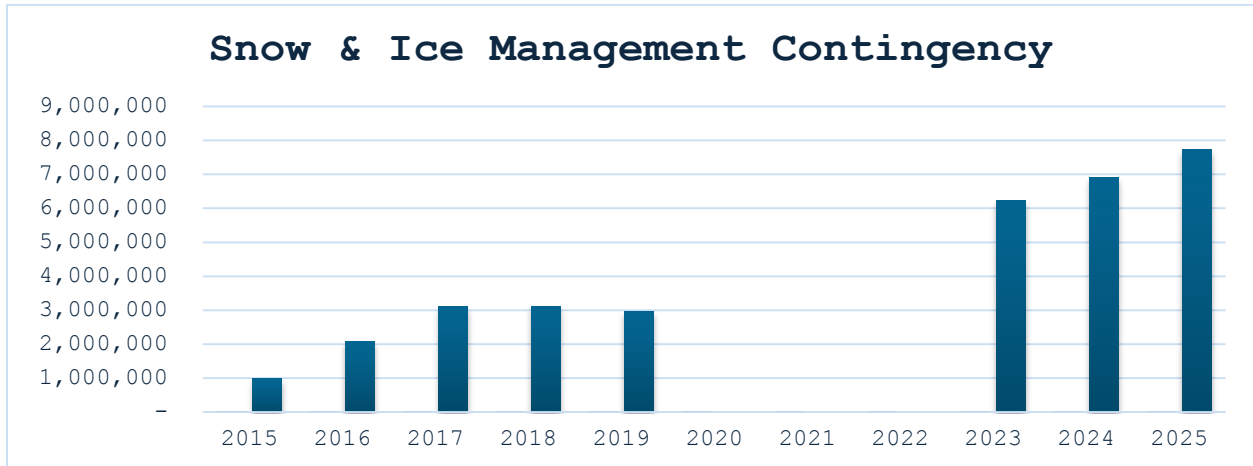
While there is no targeted or maximum balance indicated within Policy, with City-wide snow clearing costing up to \$5 million and City-wide snow removal requiring a minimum of \$15 million depending on snow volumes, this reserve and its health is a critical financial tool in responding to significant snow events.

Even though the Snow and Ice Management program experienced a deficit of \$3.03 million as outlined under the “Transportation” section of this report, Administration is recommending leaving the Snow and Ice Management Contingency Reserve balance with the existing funds of \$7.73 million as at December 31, 2025. If the recommendation is approved, this means that the overall deficit will be funded from the Fiscal Stabilization Reserve.

The Snow and Ice Management Contingency Reserve was fully depleted as of December 31, 2022. In 2023 as part of the regular operating budget an amount of \$488,500 was put into this reserve, as well as the one-time allocation from the 2023 year-end of \$5.7 million to help to build this funding for future snow events. In addition to this one-time allocation, within the 2024 and 2025 budget an additional \$175,400 and

\$166,800, was approved each year to start building more ongoing annual funding into this reserve for response to future emergency snow events. This has increased the annual contribution to this reserve from \$488,500 in 2023 to \$830,700 in 2025

In recent years this reserve has been able to be replenished through these annual allocations and less than budgeted snowfall as seen below:



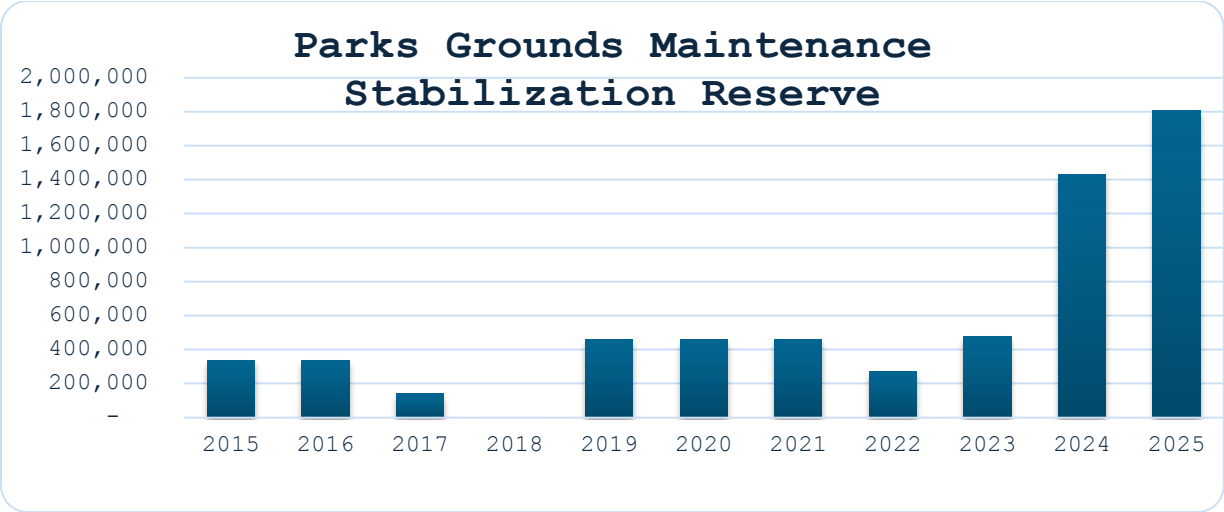
Due to the costs that can be incurred with a City-wide snow clearing or snow removal, the Snow and Ice Management Contingency Reserve would require additional funding to reach sufficient funds to be able to cover the expenditures of a City-wide snow clearing event. However, based on currently planned annual allocations and additional funding available in the fiscal stabilization reserve in the event of a response to a significant snow and ice event, the Administration is not recommending any action to be taken at this time.

Parks Grounds Maintenance Stabilization Reserve

The Parks Grounds Maintenance Stabilization Reserve is utilized to offset any over-expenditures in the City's grounds maintenance budgets attributable to variations in normal summer weather conditions. This reserve is largely used to fund additional water costs during dry seasons.

This reserve has no annual allocation but instead is funded from any annual surpluses in the Parks Maintenance program. The maximum balance of this reserve is equal to the Parks Maintenance budget, which in 2025 was \$20.6 million.

In recent years, the City has had timely rain as well as implemented strategic watering technologies and practices such as adjusting water use based on measured evapotranspiration. This has allowed the reserve to grow to a balance of approximately \$1.8 million (including a \$377,485 transfer into the reserve for the 2025 surplus within the program) as shown below.



Since 2015 the deficits in this program covered through this reserve have not exceeded \$200,000; therefore, Administration believes this reserve is sufficient to cover potential budget variances in the near future. As part of a future review of the reserve for future expenditures policy, Administration will be reviewing potential revisions to this reserves cap or potentially eliminating this reserve altogether as the reliance on this reserve has been limited and is somewhat duplicated with the Fiscal Stabilization Reserve.