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August 15, 2017

Governance and Priorities Committee
City of Saskatoon
c/o His Worship Mayor Charlie Clark
222 Third Avenue North
Saskatoon, SK
S7K 0J5

Re. City of Saskatoon Budget Presentation/Formatting

Dear Committee Members,

Each year during the City of Saskatoon's call for consultation on the forthcoming City Budget, the NSBA submits a commentary on behalf of its membership to address issues that they have identified in the proposed budget. These issues generally vary from policy and priorities to the way the budget is presented and interpreted by the community and stakeholders. As an organization, we appreciate the opportunity that the City offers to give this feedback and the consideration that Council gives to the feedback it receives during deliberations.

Given the timelines surrounding consultation, deliberation, and ultimate budget approval, we understand that Council's focus is primarily on the policy recommendations and the issues that relate to Council's priorities when actually deliberating on the budget. These are the issues that are important and actionable at that point in time and, as such, they deserve primary consideration. However, we also feel that the recommendations regarding the presentation and organization of the budget document itself have importance in their own right, particularly with regards to stakeholders and the community at large being able to interpret and understand the budget and Council's priorities.

As such, we want to take this opportunity to re-iterate some of the recommendations the NSBA made in our last budget submission concerning the presentation and organization of the budget document. We hope that the timing of this letter is more consistent with the City's timeline in creating the budget document that will be presented to the public and Council for 2018.

Below we have included the pertinent recommendations from our 2017 Budget submission. As such, the dates included in each item pertain to the presentation of the 2017 Budget and would need to be amended for the 2018 budget year.

- Like many civic budgets, our city's is a complex document which can be challenging for the average taxpayer to understand. Summary documents and commentary in each section are an excellent move towards making the document easier to understand for community members; we would encourage further progress in this area in the future.

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- The respective opening summaries for each section of the budget includes various departmental performance measures/targets for the 2017 year. However, there appears to be no indication of whether the departments were successful or unsuccessful in meeting prior year targets.
- The budget presents 2015 actual and 2015 budgeted figures. However, there are no explanations for significant discrepancies between the actual and budgeted figures. The budget document should include an explanation of these differences if they exceed a certain threshold. This would provide useful information on historical effectiveness of the budgeting process and highlight potentially significant issues and areas of concern.
- In some cases, 2015 actual expenditures were significantly less than budgeted. However, for these same line items, the 2016 and 2017 budgeted figures were set increasingly higher than the 2015 budgeted figures. This appears to result from the use of budgeting based on prior year budgets; better budgeting would be accomplished through comparison to prior period actual results.
- We understand that the city's budget does not utilize accrual accounting. We believe that this necessitates improved transparency in how funds transferred from each area of the budget (to reserves/stabilization/capital) are tracked and spent in the corresponding areas of the capital budget, and the current reserves on hand for each area of the budget. This helps citizens understand the city's ability to fund current and future capital projects and operating shortfalls, and helps administration justify budgetary "surpluses" to be used for planned future spending. Being that accrual accounting is not being utilized, we recommend a more detailed breakdown of how transfers to reserves are calculated to make it abundantly clear for taxpayers to understand the process in how their tax dollars are being utilized.
- There are many sections of the budget with discussion of items not in the budget. For those which are largely unavoidable, we recommend including them in the budget. While excluding them may help keep the budget increases low, it is a disservice to those approving the budget and those using it as a reference tool.
- There are lots of metrics within the budget showing the justification for increased expenditures (particularly staffing). However, there is not a lot indicating the current effectiveness of the resources currently utilized by the police and fire services. A review of the most important key metrics is warranted, and those metrics should be reported upon within the budget.
- Metrics should be set for key indicators (such as response time), and where goals are detailed in the budget, the past performance on those metrics should be reported (ex. what was the fire service response time in 2015/2016, compared to the 2017 goal of 6 minutes 20 seconds).

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- Better tracking and reporting of metrics will help demonstrate the impact of increased allocation of resources to the police and fire services (such as hiring of new constable positions).
- Administration should continue to focus on enhancing the transparency of the civic budget. Ensuring sufficient information is available for council to make informed decisions during deliberations is critical. In addition, taxpayers should have the ability to track how their tax dollars will be spent. This can be accomplished through ensuring the figures are appropriately disaggregated, transfers are easily traced, and written discussion provides sufficient detail to explain large changes in spending.
- There also may be circumstances where information is 'available' via presentations or provided to council in other formats throughout the course of the year. Our recommendation is to provide the pertinent information (ie: applicable metrics, comparisons of budget figures to actual figures) within the budget document itself.
- It is of critical importance that the budget reflects the setting of measurable goals for key metrics (which administration has made great progress in doing), and also presents past data for those metrics so that progress can be measured.

Again, we would like to thank the City and this Committee for the opportunity to provide input to the City's budget process and provide input on behalf of our membership. As always, we will make ourselves available at your convenience for any questions or discussions that arise from this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith Moen', written over a horizontal line.

Keith Moen
Executive Director

Cc/ His Worship Mayor Charlie Clark
Councillor Darren Hill
Councillor Hilary Gough
Councillor Ann Iwanchuk
Councillor Troy Davies
Councillor Randy Donauer
Councillor Cynthia Block
Councillor Mairin Loewen
Councillor Sarina Gersher
Councillor Bev Dubois
Councillor Zach Jeffries

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