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# Corporate Asset Management 2019 Business Plan and Budget

## Recommendation

1. That the Corporate Asset Management Business Line totalling \$11,673,700 in expenditures (\$1,212,600 increase over 2018) and \$573,000 (\$7,300 increase over 2018) in revenues be approved, subject to adjustments under the Business Plan Options section of the agenda; and
2. That the Capital Budget totalling \$22,200,000 be approved, subject to adjustments under the Business Plan Options section of the agenda.

## Topic and Purpose

The purpose of this report is to receive City Council approval for the 2019 Corporate Asset Management Business Line as presented, including both the Capital and Operating Budgets.

## Report Highlights

1. The Corporate Asset Management Business Line includes \$11,673,700 in expenditures and \$573,000 in non-tax revenues.
2. The Corporate Asset Management Business Line includes \$22,200,000 in funded capital investments, most notably \$14,730,000 for Facilities Management projects and \$7,470,000 for Fleet Services projects.

## Strategic Goal

This report supports the Strategic Goal of Asset and Financial Sustainability by being open, accountable and transparent, particularly when it comes to the resource allocation and collection decisions the City of Saskatoon (City) makes.

## Background

The 2019 Preliminary Business Plan and Budget (2019 Preliminary Budget) was released on October 24, 2018.

## Report

### Corporate Asset Management Business Line Operating Budget

The 2019 Preliminary Budget includes \$11,673,700 in expenditures for the Corporate Asset Management Business Line, which is a \$1,212,600, or 11.6%, increase over 2018 mainly due to:

- \$646,300 increase for growth related requirements, most notably:
  - \$181,500 to maintain additional playgrounds, spray parks, Gordie Howe Sports Field Clubhouse, Fire Hall No. 5 additional requirements and Children's Discovery Museum shared space; and
  - \$349,100 to maintain the newly acquired former Saskatchewan Transportation Company (STC) building at 88 King Street.

- \$566,300 inflationary increase related to facility management largely due to:
  - \$867,000 increased contribution to the Civic Buildings Comprehensive Maintenance Reserve comprised of bylaw-required increases, as well as the continued phase in for newly constructed facilities such as the Remai Modern;
  - Offset by decreases in expenditures under the City-owned Property Service Line related to transfers in costs to other service lines to more appropriately align the expenditures with the services provided.

This business line includes a total of 245.89 full-time equivalents (FTE) which is a 3.98 FTE increase over the 2018 Approved Budget. This increase is due to additional resources within the Facilities Management Service Line, mainly 3.98 FTE in order to provide various pooled custodial and trade staff in order to maintain the increase in assets.

This business line also includes a total of \$573,000 in non-tax revenue sources, which is an increase of \$7,300 over 2018's budgeted revenue. Increases in revenue are due to market adjustments to leases from external tenants in Civic Square East.

The property tax support provided to this business line is \$11,100,700, which is a \$1,165,300, or 12.2%, increase. This increase in property tax support is largely due to increase maintenance cost from property additions and inflationary requirements.

#### Corporate Asset Management Business Line Capital Budget

The 2019 Preliminary Budget includes \$22,200,000 in funded capital investments. This includes \$14,730,000 for facility management projects and \$7,470,000 for fleet services projects.

#### **Options to the Recommendation**

City Council can choose to revise any service line and associated service levels that would impact the total operating expenditures, revenues or capital programming.

#### **Public and/or Stakeholder Involvement**

The Administration developed the 2019 Preliminary Budget based on public feedback, such as the annual Civic Services Survey and other public engagement initiatives undertaken throughout the budget process.

#### **Financial Implications**

The financial implications are outlined in this report.

#### **Other Considerations/Implications**

There are no policy, environmental, privacy, or CPTED implications or considerations, and a communication plan is not required.

**Due Date for Follow-up and/or Project Completion**

Upon approval of the 2019 Preliminary Budget, the Administration will develop an Approved Business Plan and Budget for presentation to City Council in early 2019.

**Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

**Report Approval**

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