
Corporate Governance and Finance 2019 Business Plan and Budget

Recommendation

1. That the Corporate Governance and Finance Business Line totalling \$75,153,100 in expenditures (\$1,140,000 increase over 2018) and \$15,146,200 (\$1,567,200 decrease over 2018) in revenues be approved, subject to adjustments under the Business Plan Options section of the agenda;
2. \$2,750,000 in Business Plan Options funding and contingency included in this Business Line under General Services be considered and potentially reallocated under the 2019 Business Plan and Budget Options report; and
3. That the Capital Budget totaling \$1,840,000 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 Governance and Finance Business Line as presented, including both the Capital and Operating Budgets.

Report Highlights

1. The Corporate Governance and Finance Business Line includes \$77,903,100 in expenditures and \$15,146,200 in non-tax revenues.
2. The Corporate Governance and Finance Business Line includes \$1,840,000 in funded capital investments, including \$630,000 for Enterprise Management Strategies.

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

Contingency and Business Plan Options Funding

\$2,600,000 has been placed within the General Services Service Line in order to allow for funding City Council's Business Plan Options within the 4.00% to 4.50% property tax target set by the Governance and Priorities Committee. These funds will be redistributed to specific projects or allocated towards the property tax increase as part of the accompanying 2019 Business Plan and Budget Options report included in this agenda.

In addition, City Council had previously established a contingency account of \$500,000 for the 2019 Business Plan and Budget Process in order to mitigate potential unforeseen risks. \$150,000 currently resides in this business line and \$350,000 in the Saskatoon Police Service. The total contingency is recommended to be considered as part of the Business Plan and Budget Options report included in the agenda.

The combined \$2,750,000 within this Business Line is recommended to be removed and considered as part of the 2019 Business Plan and Budget Options report included in this agenda.

Corporate Governance and Finance Business Line Operating Budget

The 2019 Preliminary Budget includes \$75,153,100 in expenditures for the Corporate Governance and Finance Business Line, which is a \$1,140,000, or 1.54%, increase over 2018 mainly due to:

- \$1,090,900 increase for growth requirements related to:
 - \$130,900 for the City Clerk's Office, mainly for a Business and Elections Officer position to prepare for the 2020 election;
 - \$290,000 for additional Corporate Support in order to fund a permanent Performance Improvement Coordinator and 2.0 System Analyst positions to accelerate the automation of the building and plumbing permit systems. The 2.0 System Analyst positions are fully funded through fees generated within Building Standards;
 - \$650,000 for debt service is required in the Civic Facilities Funding Plan and the Recovery Park Funding Plan to ensure sufficient funding of the projects within each of the plans; and
- \$199,100 in additional inflationary expenditures and base adjustments related to staff increments and general inflationary expenses on various contracts.

This business line includes a total of 415.49 full-time equivalents (FTE) which is a 4.50 FTE increase over the 2018 Approved Budget. This is due to an additional FTE within a variety of service lines:

- 1.00 FTE within the City Clerk's Office Service Line for Business and Elections Officer to prepare for the 2020 election;
- 3.00 FTE within the Corporate Support Service Line for the previously mentioned 2.00 System Analysts to accelerate the automation of the building, and plumbing permit system and for a Performance Improvement Coordinator for the Parks Division; and
- 0.50 FTE for a Secretary III that has been transferred from another business line.

This business line also includes a total of \$15,146,200 in non-tax revenue sources, which is a decrease of \$1,567,200 over 2018. The decrease is mainly due to less Gas Tax revenue being allocated to the Debt Servicing Service Line. While the overall Gas Tax the City receives has not decreased, this funding is allocated to various places (Operating Budget, Capital Budget, etc.) in accordance with the Gas Tax Funding Plan. The property tax support provided to this business line is \$60,006,900, which is a \$2,707,200, or 4.7%, increase over 2018.

Corporate Governance and Finance Business Line Capital Budget

The 2019 Preliminary Budget includes \$1,840,000 in funded capital investments. These investments include:

- \$250,000 for major upgrades to the corporate standard electronic records management system;
- \$630,000 to foster innovation by integrating IT strategies, business and technology to increase productivity and service delivery;
- \$225,000 to implement a Quality Management System which will provide a standardized framework to manage organization policies, procedures and processes, and promote continuous improvement;
- \$200,000 for the Customer Relationship Management project in order to continue the phased in approach of services to the Service Saskatoon initiative; and
- \$250,000 for the Winter City strategy development project to continue work in providing opportunities for activities in a winter city and to address winter events, and mobility and design, amongst other aspects.

Options to the Recommendation

City Council can choose to revise any service line and associated service levels or user fee 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 included 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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