
Taxation and General Revenues 2019 Business Plan and Budget

Recommendation

That the Taxation and General Revenues Business Line totalling \$4,436,800 in expenditures (\$1,637,600 decrease over 2018) and \$413,106,400 (\$20,958,200 increase over 2018) in revenues be approved with the following amendment:

- a. That the Property Levy Service Line be adjusted to the appropriate amount to balance the budget after all City Council adjustments are completed at the 2019 Budget Deliberations.

Topic and Purpose

The purpose of this report is to receive City Council approval for the 2019 Taxation and General Revenues Business Line, including the Operating Budget as presented.

Report Highlights

1. The Taxation and General Revenues Business Line includes \$4,436,800 in expenditures and \$413,106,400 in revenues.

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

Taxation and General Revenues Business Line Operating Budget

The 2019 Preliminary Budget includes \$4,436,800 in expenditures for the Taxation and General Revenues Business Line, which is a \$1,637,600, or 27.0%, decrease over 2018 mainly due to an a resolution to transfer the retiring \$930,000 in base funding for the Clarence Avenue and Circle Drive interchange and allocate it towards the Civic Facilities Funding Plan.

This business line does not have any full-time equivalents.

This business line also includes a total of \$413,106,400 in revenue sources, including \$244,659,800 in property taxation required to balance the 2019 Preliminary Budget. The property tax requirement would change if there are adjustments made to the budget.

Overall, the \$413,106,400 is an increase of \$20,958,200 over 2018's budgeted revenue. The increase in revenue is due to:

- approximately \$10.4 million in additional property tax revenue resulting from a recommended 4.50% rate increase required to balance the City's budget;
- \$3.0 million in assessment growth;
- \$1.9 million increase in revenues from grants-in-lieu of taxes, most notably from Federal and Provincial GIL;
- \$1.6 million increase in civic return on investment from the Water and Wastewater Utility;
- \$4.4 million increase in Provincial Utility Franchise Fees attributable to the reinstated municipal grant from SaskEnergy; and
- offset by a \$500,000 decrease in parking ticket violations as a result of new parking pay stations, coupled with the new parking app which contributed to increased compliance.

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 Business Plan and Budget, the Administration will develop an Approved Business Plan and Budget for presentation to City Council in early 2018.

Public Notice

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

Report Approval

Written by: Maegan Piche, Financial Analyst
Reviewed by: Clae Hack, Director of Finance
Approved by: Kerry Tarasoff, CFO/General Manager, Asset and Financial Management Department