

November 25, 2022

Saskatoon City Council
222 – 3rd Avenue North,
Saskatoon, SK, S7K 0J5

NSBA Letter Regarding 2023 Mid-Cycle Budget Adjustments

Dear Mayor Clark and Members of City Council,

Thank you for the opportunity to provide comment. We appreciate City Council's receptiveness to the NSBA's annual submission for the civic budget. As a reminder, this analysis is undertaken by a team of experts from our membership, which comprise the NSBA Tax Committee. This input is designed to help you in your analysis of the budget

We commend City Council and Administration for undertaking the two-year budgeting cycle, as it creates efficiencies and helps to lower costs to the taxpayer.

As the NSBA supports a user-pay model in virtually all instances, meaning those that use the services should be the ones paying for it, we also commend the City Council for its recent passage of waste as a utility. This will help businesses that have for years been double-paying for waste; once on the mill rate for a service they generally did not use, and again for the user-pay private waste collection (ie: Loraas, Allan's etc.) that virtually every business instead utilizes.

In terms of this year's adjustments, we think it's in the City's best interests to identify what its top priorities are and then adjust its budget accordingly. In these trying times, where we are still recovering from the two-plus years of a pandemic-influenced economic downturn, we believe that expenditures must be scrutinized to an even higher degree than normal. Identifying where your top priorities lie will help in this analysis. Our view is that the core services of road maintenance, police and fire services, and waste be the primary considerations in terms of priorities.

Transportation is also an important part of the mix, and we would encourage further outside-of-the-box thinking in 2023 and beyond. Disruptors such as ride-share and e-scooters may be just the start of an entire revolution in the industry. Automated, driverless vehicles will someday soon share the roadway, and so we ask you to ensure that Saskatoon Transit is positioning itself for the future, rather than trying to keep up with the past.

We also encourage City Administration to use external auditors in various civic departments, as the audit of Saskatoon Transit seemed to be a good investment that had a return on that investment for the taxpayer, as well as a path forward for Saskatoon Transit to become more efficient.

We understand the inflationary pressures that the City of Saskatoon is facing. Our members are also experiencing similar circumstances. Therefore, we don't take issue with the increased budgetary expenditures such as fuel, which makes up a big portion of the mid-cycle adjustments. Perhaps where greater scrutiny in the future could be applied is with respect to the fuel hedging policy the City implements, and trying to take advantage of lower fuel prices when available.

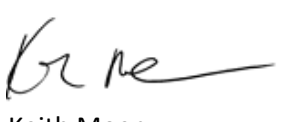
As might be assumed from our statement regarding priorities, we also support the increased budget for police in this mid-year adjustment.

From the NSBA's standpoint, areas of consideration for expense mitigation include the hiring of staff (FTE's). Three areas that jump out as being less critical than the core services listed above are the 3 additional FTE's in the Arts, Culture and Events venues, the 4 FTE's identified in the original FTE increase for 2023 in the area of Environmental Health, in addition to the 2.4 FTE's from Recreation and Culture. Reducing the proposed workforce by these approximately 10 employees would save approximately \$1 million from the budget.

Another concern we have is regarding how retiring capital debt is recorded. We believe that retiring capital debt should be retired completely, and not re-applied into the Civic Operating Budget. Nor should it be re-applied to other capital projects. It should be retired permanently.

In conclusion, we encourage City Council to continue to challenge Administration when requests for increased expenditures, particularly in regards to FTE's, arise. The challenge with bringing on FTE's is that they are permanent additions to the payroll and therefore will continue to cost the City for years, and perhaps decades, as their pension and benefits expenditures accumulate for their lifetime.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith Moen', is written over a light gray rectangular background.

Keith Moen
Executive Director