



Photo courtesy of Gordon Taylor/Tourism Saskatoon



# 2011 Corporate Business Plan

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## Message from the Mayor

On behalf of my colleagues on City Council, I am pleased to share the 2011 Corporate Business Plan and Budget. This is the City of Saskatoon's first integrated Corporate Business Plan and Budget.

Saskatoon continues to thrive as we take our place as a leading economic driver in Canada. As we grow, change is inevitable and that is why we have transformed the way we present the City of Saskatoon's business planning for the future.

In the past, the City focused on providing services to property, but now we are focused on providing a growing array of services to citizens. We have entered a whole new realm and we take seriously how our work touches the everyday lives of people who live in our community.

Change naturally goes along with our growing impact on the lives of people. We are building roads, protecting people from crime and fire, keeping our parks vibrant and making sure families can spend an afternoon swimming at the pool. As we offer our citizens more, our way of reporting back to citizens must also change.

Our new approach to integrate our business plan with our budget makes good sense. The budget, as determined by City Council, provides the financial plan to support the Corporate Business Plan. Being flexible is a priority. This more integrated approach to budgeting and business planning ensures the City of Saskatoon can be more responsive in meeting the needs of its citizens during this time of evolution.

Guided by this new way of setting direction, I have great confidence in our ability to capitalize on our many strengths which will continue to make Saskatoon Shine.



**Mayor Donald Atchison**

A handwritten signature in black ink that reads "Donald J. Atchison". The signature is written in a cursive style with a horizontal line underneath the name.

**Donald J. Atchison, Mayor**

June 2011

# Message from the City Manager

It is my pleasure to present the City of Saskatoon's approved 2011 Corporate Business Plan. The business plan represents the results of a very extensive, thorough, and coordinated process across the organization.

In 2010, the City of Saskatoon embarked on a new business planning and budget process which resulted in some substantial changes in the way we plan our work and allocate our resources. Our new Corporate Business Plan better reflects the work we do. We have presented this plan based on key business and service lines rather than a breakdown by departmental services. This business plan is designed to provide a better understanding of how the programs and services that the City of Saskatoon delivers to our citizens are interrelated and cross our existing departmental lines.

In terms of our new budget process, we now link the Corporate Business Plan with an integrated Capital and Operating Budget. In years past, the City would introduce the Capital and Operating Budgets at different times throughout the year. While this process served us well in the past, going forward, we knew that a change to our business planning and budget process was needed to make us more adaptive and responsive, and to truly identify the impact that capital projects have on our operations.

In an effort to improve accountability and transparency, the Administration will provide quarterly reports on our Corporate Business Plan and Budgets. This will enable us to better manage both our key projects and financial resources by making necessary adjustments throughout the year, rather than attempting to do so at year end.

However, our work in developing more strategic and comprehensive planning documents does not stop here. This is just the beginning of our more synchronized planning approach.

As we move into 2012, we will also be able to add the Saskatoon Speaks community visioning information provided by citizens into the next Corporate Business Plan, and we will be working with City Council to develop a long-term strategic plan to ensure that we are meeting the priorities of City Council and the community. Additionally, our subsequent business plans will also include performance targets and measures to clearly show if we are truly achieving what we set out to accomplish. The integration of all of these planning documents into one forward-looking roadmap will give citizens a true picture of how we are supporting our strategic projects and initiatives.



**Murray Totland**

City Manager

As we all know, these are exciting times for Saskatoon. We are seeing rapid population growth, new neighbourhoods are being developed, and new businesses are springing up across the city. The City of Saskatoon is investing in several large capital projects that will improve both the competitiveness and attractiveness of our great city. In short, we now find ourselves in the midst of an era of sustained economic prosperity.

Saskatoon is committed to remaining a vibrant, strong, and progressive community. Through our revised approach to business planning and budgeting, we have taken a proactive, innovative approach with the development of an agenda for prosperity and renewal that will allow us to seize emerging opportunities and tackle new challenges that may arise during this new era.

A handwritten signature in black ink, appearing to read 'M. Totland'. The signature is fluid and cursive, written over a white background.

**Murray Totland , P.Eng., MBA**  
**City Manager**

June 2011

## Executive Summary

Saskatoon is a vibrant city that continues to grow and transform itself in an environment of constant change. By the end of 2010, Saskatoon's population reached 224,000, an addition of over 20,000 new residents since the end of 2006. What's more, it is anticipated that by the end of the 2011 budget cycle, Saskatoon's population will surpass 230,000 people. According to various economic forecasting agencies, this growth trend is expected to continue. In fact, as the Conference Board of Canada recently said, "a very active labour market in Saskatoon will continue to attract new migrants, bolstering population growth and housing starts" for the foreseeable future. Clearly, Saskatoon finds itself in the midst of a new era of sustained economic development and prosperity. However, the way in which the City of Saskatoon responds will ultimately determine how successful it and the community may become in this era.

This document presents the City of Saskatoon's 2011 Corporate Business Plan and Budget. The theme or title of this document, *A New Era, A New Plan, A New Budget*, speaks to the boundless opportunities and key challenges that lie ahead for the City of Saskatoon. It also speaks to the fact that the City of Saskatoon is developing a plan and dedicating the financial resources to strategically take advantage of the opportunities, and methodically tackle the key challenges, that ultimately await a vibrant and growing city.

### A New Era

Traditionally, the primary role of the City was to provide services to property. However, because of the changing nature of our society and the growing needs of the community, the City of Saskatoon now provides an increasing array of services to people. Today, the City of Saskatoon delivers programs and services that have an impact on the day-to-day lives of its residents:

- > roads and buses to help move people;
- > police and fire services to keep people safe;
- > waste collection and management programs to protect the environment for future generations;
- > parks and recreational facilities to keep people healthy and active; and,
- > essential social and cultural programs that maintain and enhance Saskatoon's high quality of life.

Of course, the number one challenge facing the City of Saskatoon is meeting the demands of growth. The demands for City services and its related costs have been increasing substantially in recent years due to the growth in economic activity, population, and geography. The most significant issues and challenges that the City faces – community safety, managing growth, transportation, protecting the environment, and housing affordability – have developed over several

years, and the resolution requires a new plan and a strategic approach to create enduring solutions. This document highlights the various trends and issues that the City will need to manage and address, both today and tomorrow.

### A New Plan

In response to this new era, the City of Saskatoon is transitioning to a new strategic planning and business planning process, which will be fully implemented for the 2012 business planning and budget cycle. However, for the 2011 Corporate Business Plan and Budget cycle, the City of Saskatoon has produced a plan that reflects key business and service lines that the City is involved in.

This new plan is a departure from the City's traditional planning model, whereby plans were developed on the basis of departmental responsibilities. The change was necessitated by the fact that, in today's new era, City programs and services are interrelated and cross departmental lines. An investment in one program or service can pay significant dividends and provide attributes that benefit the entire community. This new planning process will better allocate financial resources to the programs and services provided.

The Business Plan outlines the achievements, key challenges, and major initiatives planned within each business line for the 2011 business planning and budget cycle. These business lines are:

- > Public Safety
- > Land Development
- > Utilities
- > Transportation
- > Urban Planning and Development
- > Recreation and Culture
- > Environmental Health
- > Community Support
- > Corporate Governance and Finance

To assist in this new plan, the City of Saskatoon has launched an engagement process called *Saskatoon Speaks*. This process is designed to seek citizen input on the issues that matter to them, and how best the City of Saskatoon can take advantage of the opportunities and tackle the challenges that lay ahead. However, because the *Saskatoon Speaks* process is still underway, the outcomes from this initiative will not be known until mid 2011. Thus, the vision, goals, and objectives resulting from *Saskatoon Speaks* are not part of the City of Saskatoon's 2011 Corporate Business Plan.

## A New Budget

The City of Saskatoon is introducing a new and more integrated budget format. In years past, the City of Saskatoon would pass its capital budget in December and its operating budget in March or April. While this approach served the City well in the past, the Administration believes that a new, more integrated approach to budgeting and business planning is needed to help the City of Saskatoon be more responsive and adaptive in this new era.

For 2011, the City of Saskatoon has revised its budget process. As noted, the budget document now integrates the City of Saskatoon's 2011 Corporate Business Plan with the City's Operating and Capital budgets. The reasons for this are as follows:

- > The City of Saskatoon believes that the resources allocated to the various programs, services, and projects should be tied to clear and achievable plans.
- > Because the City of Saskatoon's capital investments have a direct impact on the day-to-day operations, the City believes that by integrating the operating and capital budgets, it enables more effective management of the City's financial resources.
- > By combining the operating and capital budgets, the full costs of funding the City's business lines are more clearly understood.

In short, this new process allows City Council to make fully informed decisions that impact both sides of the funding equation, and will greatly enhance the City of Saskatoon's ability to compete in this new era.

The Business Plan and Budget will guide the investment activities, projects, and service levels that the City of Saskatoon will implement and achieve over the course of 2011. The budget provides the financial plan to support the Business Plan, which in turn, aims to reflect the needs of the community based on City Council and citizen input.

The City of Saskatoon's 2011 Budget has combined capital and operating investments of approximately \$676 million, with approximately \$351 million going to capital projects, and \$325 million going toward paying for the City of Saskatoon's operations. The investments, programs, and services proposed in the City of Saskatoon's 2011 Corporate Business Plan and Budget have been developed to support a desirable quality of life in the community based on citizen expectations, balanced with the City's ability to secure both human and financial resources to deliver the programs and services that the people of Saskatoon rely on each and every day.

Like any city, the City of Saskatoon's ongoing funding dilemma is that its revenues do not increase at the same pace as its costs. Property tax revenues lag development. Franchise fees fluctuate with commodity prices, and investment income, while generated from safe, low-yielding investments, is impacted

by the global economy. Operating grants from other orders of government are also limited and rarely keep pace with increased costs.

Not all user fees increase at the same rate as costs, depending on subsidy policies and market competition. Fees for utilities and other self supporting services are determined by principles of cost of service and return on equity.

Capital grants have increased significantly, but are still not adequate to cover the infrastructure deficit for providing and maintaining infrastructure. Additional capital assets, while critical to meeting the immediate needs of growth, generate further operating costs which add to future funding requirements.

The limitations on the City's revenue sources described above have led to a systemic gap between rising costs and lagging revenues. Property taxes, which fund approximately 44% of the operating budget, have increasingly become the major solution to addressing this funding gap.

## The 2011 Capital Budget

Although the City of Saskatoon has presented the 2011 Budget as one integrated budget, provincial legislation requires the City to pass both a capital and operating budget for each year. The City of Saskatoon's Capital Budget provides the financial investment in Saskatoon's "hard" infrastructure, such as the construction of recreation centres, the building of new roads and bridges, the development of new neighbourhoods, and the installation of water and sewer lines.

The City of Saskatoon is committed to building and developing infrastructure that meets the needs of a growing community. Like all growing cities, however, one of the major challenges facing the City of Saskatoon is finding a way to pay for growth. Internal estimates indicate that the City of Saskatoon has a ten-year infrastructure deficit of over \$900 million.

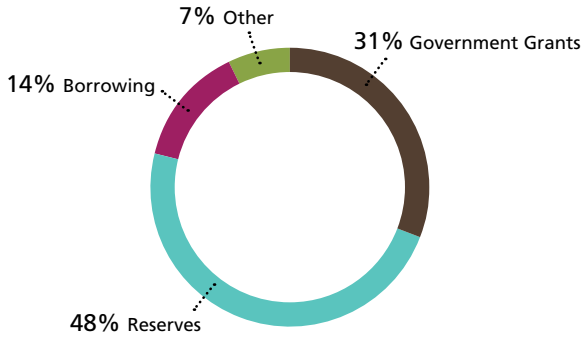
To help reduce this deficit and enhance our competitive position relative to other major cities, the City of Saskatoon's 2011 Capital Budget provides a total capital investment of \$351 million. Together, the various projects that make up this total investment aim to:

- > improve mobility;
- > enhance public safety;
- > increase quality of life; and,
- > protect the environment.

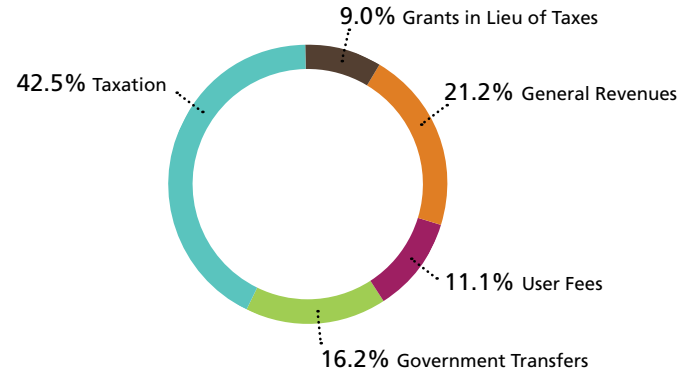
Approximately 40% of the City's total capital budget is going to transportation-related projects, including \$9.6 million for a grade separation at Highway 7 and 14. The remaining 60% of the budget is shared among the eight remaining business lines.

The Capital Budget is funded through a combination of reserves, borrowing, and government grants. As noted in the chart, reserve funding accounts for almost 50% of the City's 2011 Capital Budget.

**Funding Distribution of the 2011 Capital Budget:**



To help pay for these investments, this budget translates into a municipal property tax increase of 3.99%. While the City of Saskatoon tries to keep property tax increases to a minimum, the reality is that it derives its revenues from very few sources.



**The 2011 Operating Budget**

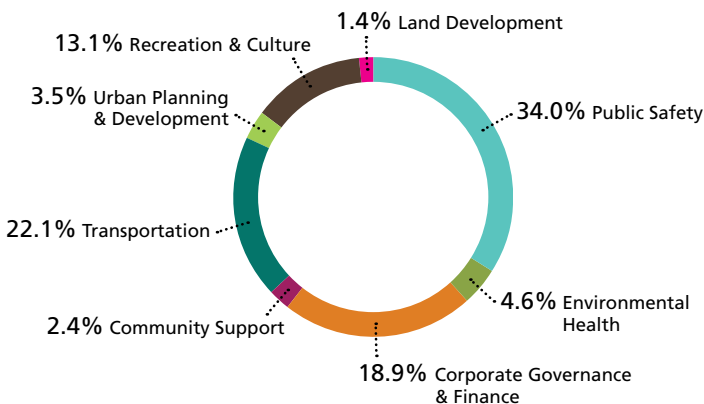
The 2011 Operating Budget of \$325.4 million is for the day-to-day operations of the City of Saskatoon. Like the 2011 Capital Budget, the 2011 Operating Budget investments are allocated by business line.

The Operating Budget pays the salaries of civic staff including police officers, firefighters, bus drivers, and lifeguards. It also pays the salaries of staff required to provide clean drinking water, clear snow, fix potholes, and maintain the City’s public parks. In addition, the budget pays for the costs of heating civic facilities, such as swimming pools and recreation centres, and it helps to pay for the various programs and services that the City of Saskatoon offers to its citizens.

The 2011 Operating Budget expenditures are being driven by:

- > increased investments in public safety;
- > basic infrastructure maintenance investments;
- > a realignment of provincial responsibilities;
- > social pressures; and,
- > the timing change to the budget approval process.

In general, the 2011 operating investments are distributed as follows:



*Note: The chart does not include expenditures for the Utilities business line (Saskatoon Light & Power, Saskatoon Transit, and the City of Saskatoon Water and Wastewater Utility).*

In terms of the impact, the 3.99% property tax increase means that a homeowner who owns a single-family detached home with a market value assessment of \$200,000 (based on the preliminary 2011 assessments) will see his or her municipal property taxes increase by approximately \$58 annually, or \$4.85 per month.

As part of the City of Saskatoon’s new strategic planning process, a new plan for the City’s long-term financial sustainability is being developed to reduce the future property tax burden for Saskatoon homeowners. This will help to ensure that Saskatoon has the right balance of funding sources to pay for operations and infrastructure. This means a sustainable approach that is affordable to citizens, while maintaining services and moving towards long-term goals.

The 2011 Corporate Business Plan and Budget will not supply all the resources to deal with all needs facing Saskatoon, but it attempts to represent an appropriate balance between responding to citizen priorities and dealing with the funding limitations common to Canada’s municipal governments. While the information provided in the City of Saskatoon’s 2011 Corporate Business Plan and Budget is new and comprehensive, the City of Saskatoon believes that this new approach to business planning and budgeting will help the City respond more effectively, and prepare for the opportunities and challenges that the City will face in this new era of sustained economic prosperity.

# A New Era: An Overview of Issues and Trends Affecting the City of Saskatoon

In preparation of the 2011 Corporate Business Plan and Budget, the City of Saskatoon considered the issues and trends as identified in the following pages. By paying attention to these issues and by seeking public input on the programs and services the City delivers, the City of Saskatoon is able to more effectively dedicate its resources (human, financial, and technological) to addressing those issues and trends.

## Economic Trends and Issues

Saskatoon is Saskatchewan’s largest city. With a growing population and a thriving business sector, Saskatoon has positioned itself as an attractive and vibrant city that is a primary engine of the Saskatchewan economy. Notwithstanding the global economic downturn, Saskatoon’s diverse economy, low unemployment, a healthy real estate market, and rising incomes all indicate that Saskatoon will continue to grow and prosper, becoming a more attractive and competitive city.

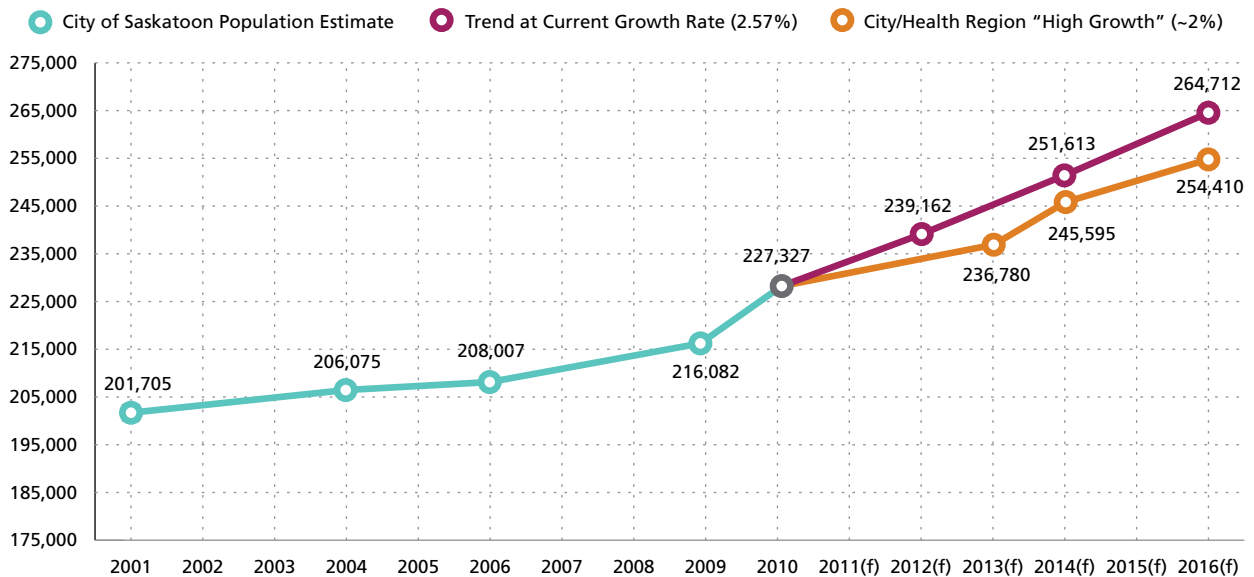
### Population and Employment

Saskatoon’s strong economy has resulted in substantial population increases in recent years. According to the most recent population update by Statistics Canada, the Saskatoon Census Metropolitan Area (CMA) was the fastest growing CMA in Canada from July 2009 to July 2010. According to Statistics Canada, the population of the Saskatoon CMA, which includes cities and towns such as Martensville, Warman, and Delisle, was above 265,000 people as of July 1, 2010.

The City’s internal projections and estimates indicate that as of July 1, 2010, Saskatoon’s population had reached 227,327. Since the end of 2006, it is estimated that the City has added close to 20,000 new residents in four short years, which is an average of about 5,000 new residents per year. In other words, Saskatoon’s population growth is equivalent to adding the combined population of both the cities of Estevan and Weyburn to Saskatoon.

Projections indicate that Saskatoon’s population will continue to grow. If Saskatoon were to continue growing at an annual rate of 2.5%, the population would be nearly 265,000 by 2016. The following graph shows high and medium population growth projections for Saskatoon.

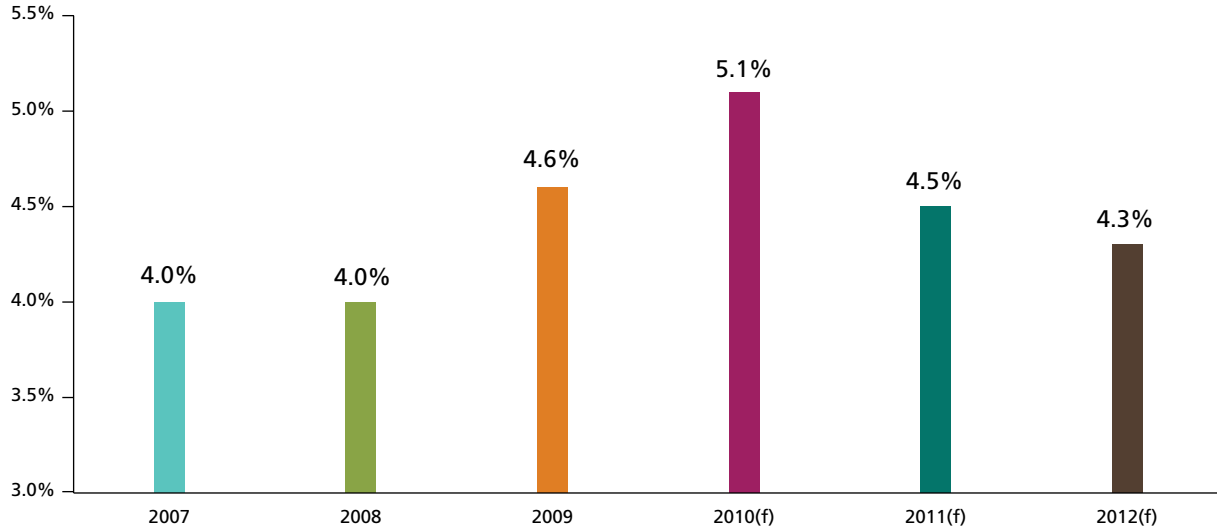
City of Saskatoon Population Growth, Projection: 2001-2016(f)



Source: Statistics Canada G5 Population Estimates; City of Saskatoon

Saskatoon's population growth is being driven by the abundance of job opportunities that are available in the city. As shown below, after a slight increase in 2010, Saskatoon's unemployment rate will drop to pre-recession levels.

**Saskatoon's Unemployment Rate 2007-2012(f)**



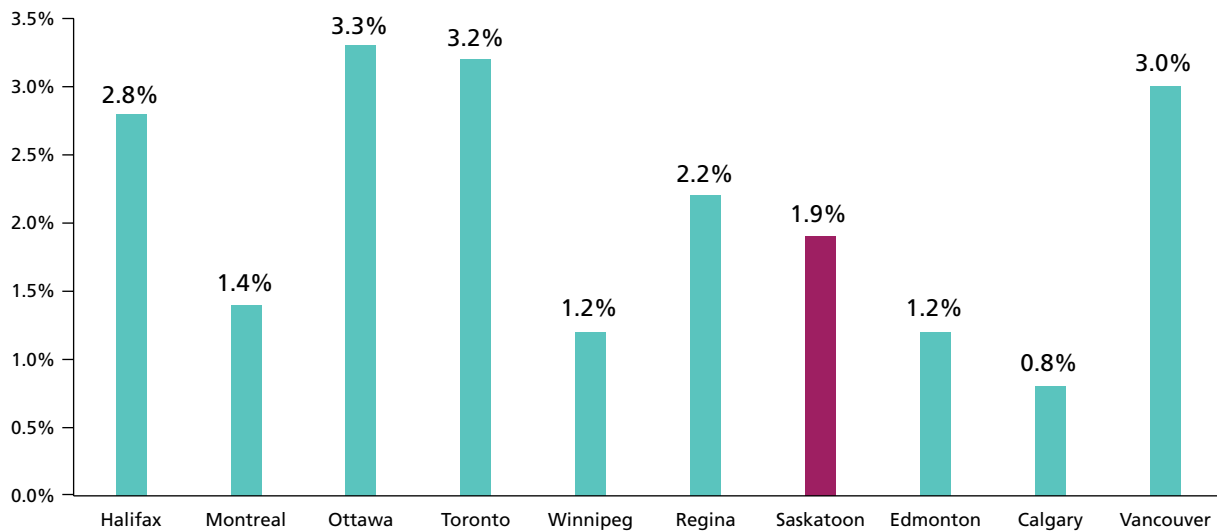
Source: Conference Board of Canada, *Saskatoon: On its feet and Running* (October 2010)

**Inflation**

Municipal governments are under considerable pressure to relate their spending and taxation levels to the cost of inflation, yet each municipal government's experience with inflation can differ greatly from a national average. The most widely applied measure of inflation in Canada is the Consumer Price Index (CPI).

The CPI measures the price changes for common household purchases, such as food, shelter, clothing, household operations, and furnishings; these are items that a municipal government typically does not purchase to provide programs and services to its citizens. However, given the CPI's pervasive use in setting cost-of-living adjustments (COLAs), it can be the appropriate metric when calculating the rate of consumer inflation at the national level.

**Consumer Price Index Change by City (October 2009 to October 2010)**



Source: Statistics Canada

The CPI is a useful proxy for cost inflation in general as it is a well-known statistic and is produced monthly by an independent source (Statistics Canada). However, extending the use of the CPI into discussions on the appropriate level of property tax or fee increases for a municipal government becomes problematic because:

- > a municipal government’s actual experience with inflation often differs greatly from the CPI; and,
- > the “basket of goods” that is consumed by a municipality as compared to an individual or a household is different. For this reason, the Consumer Price Index is not a good indicator.

Generally, this is because the largest expenditures for governments are typically labour, construction materials, and contractual services, which are substantially different factors than those found in the CPI.

For the City of Saskatoon, inflation can be described as the increase in the cost of goods and services that are normally purchased by the City to provide vital programs and services to the citizens of Saskatoon. In other words, inflation is a function of the increase (or decrease) in costs to provide such programs and services as:

- > Transportation Services: roads, streets, sidewalks, lighting, public transportation
- > Utilities: water, wastewater, storm water, solid waste
- > Community Support and Recreation Services: parks, recreation, libraries, museums, social services, sport and culture
- > Protective Services: fire, police, bylaw enforcement
- > Planning and Development: economic, land use, building standards

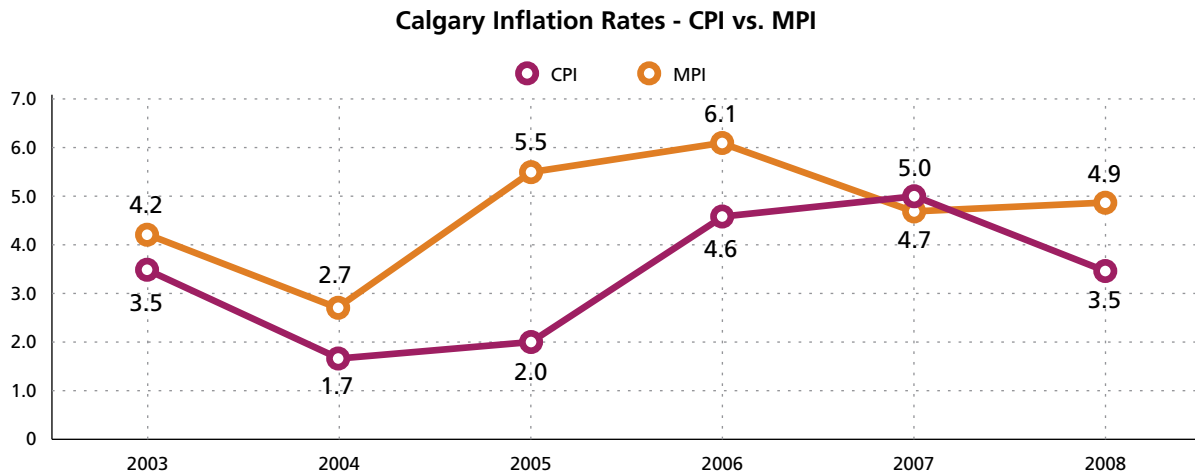
As such, municipal governments have their own spending patterns and cost profiles that are different than other economic sectors. A price index that does not reflect the municipal purchasing structure is incapable of truly reflecting the changes in the purchasing power of local governments such as the City of Saskatoon.

To better understand and communicate the true inflationary pressures on municipal budgets, several Canadian municipalities have developed, or are in the process of developing, a more comprehensive and accurate measure of inflation called a Municipal Price Index (or Municipal Cost Index). Cities such as Calgary, Ottawa, Vaughn, St. Albert, Brampton, Halifax, and Waterloo have developed a Municipal Price Index (MPI). In 2010, MPI ranged from 3.1% to 5.2% in these cities.

There are two main parts to the MPI calculation: (1) the weightings of the expenditure categories (showing the relative importance of items in the index); (2) the inflation factor used for each component. The weightings are typically based on the approved operating budget of a municipality and include such categories as:

- > wages and benefits;
- > professional and contracted services;
- > construction materials and commodities;
- > capital and equipment purchases;
- > land costs; and,
- > debt service charges.

Research conducted by the City of Calgary shows that the MPI is typically higher than the CPI.



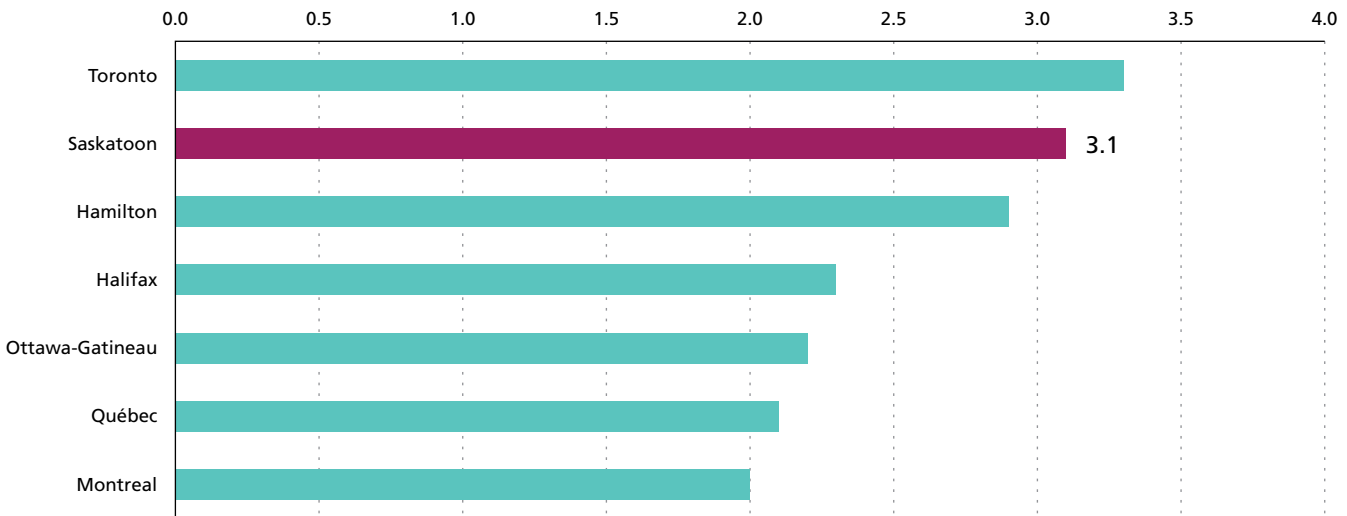
Although the City of Saskatoon has not yet developed an MPI to more accurately measure the true costs of inflation, the economic trends identified in this document would show a similar result for Saskatoon. In fact, for 2010 the City of Saskatoon estimated that its MPI, or the true cost of inflation, would be between 3.7% and 4.1%. Given the projected GDP growth for Saskatoon in 2011, it is estimated that the MPI for Saskatoon would range somewhere between 4% and 5%.

**Gross Domestic Product (GDP)**

Several positive signs are indicating that the world economy is slowly recovering from the global economic downturn. As a result, it is expected that many Canadian cities will see substantial economic growth in 2011 and beyond. In fact, according to forecasts by the Conference Board of Canada, Saskatoon is expected to be among the leaders in terms of economic growth, with only Toronto, Calgary, and Edmonton leading the way.

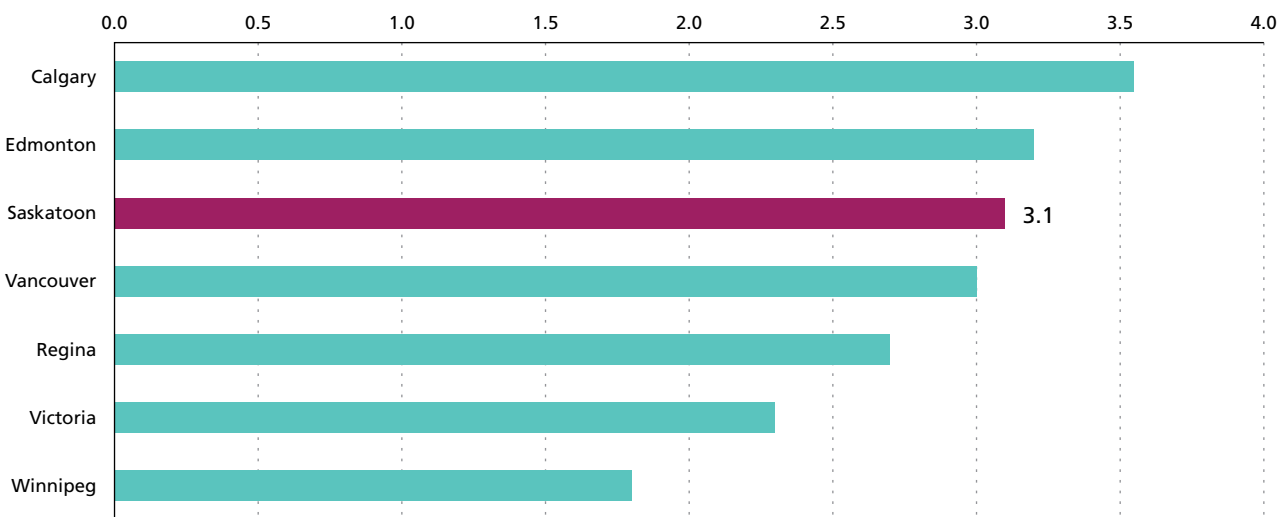
In Canada, and throughout the world, economic output is measured by GDP. GDP is the value of all goods and services produced in a country in a calendar year. The gross domestic product includes only final goods and services, not goods and services used to make another product. Changes in the GDP are an indication of economic output.

**Projected Saskatoon Real GDP Growth vs. Eastern Cities, 2011**



Source: Conference Board of Canada, Saskatoon: On its feet and Running (October 2010)

**Projected Saskatoon Real GDP Growth vs. Western Cities, 2011**

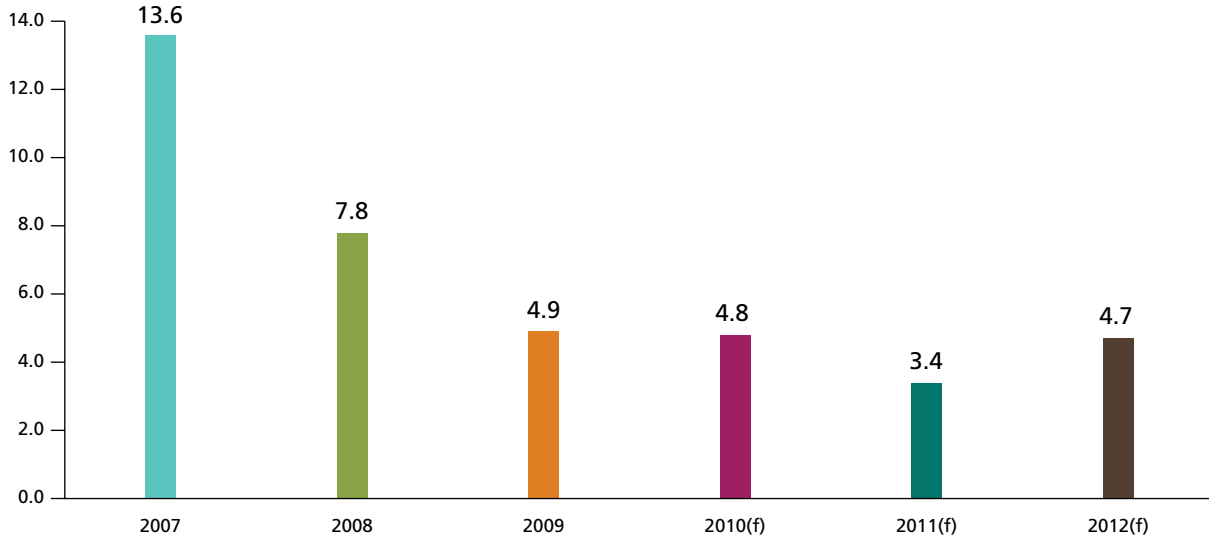


Source: Conference Board of Canada, Saskatoon: On its feet and Running (October 2010)

## Retail Sales

Saskatoon is expected to see positive retail sales growth. Although the growth in this area has moderated since the economic boom of 2007, the good news is that retail sales growth remains positive. Retail sales information provides a measure of the health and performance of the retail trade sector. As an important industry in the Canadian economy, governments are able to better determine the overall health of the economy and understand the important role that retailers have in the economy.

**Retail Sales Growth in Saskatoon - 2007-2012(f)**

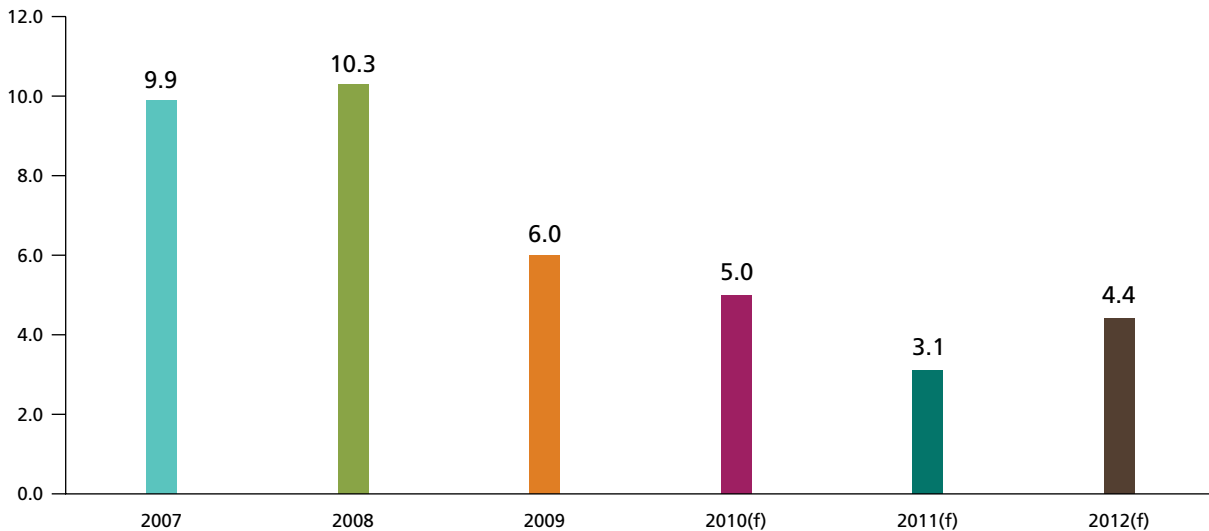


Source: Conference Board of Canada, Saskatoon: On its feet and Running (October 2010)

## Disposable Income

Personal disposable income growth in Saskatoon is also expected to rise over the next two years, although at a much slower pace than witnessed in 2007 and 2008. Personal disposable income is the amount left over after payment of personal direct taxes, including income taxes, contributions to social insurance plans (such as the Canada Pension Plan and Employment Insurance) and other fees. It is a measure of the funds available for personal expenditures on goods and services and personal savings for investments as well as personal transfers to other sectors of the economy.

**Disposable Income Growth in Saskatoon 2007-2012(f)**



Source: Conference Board of Canada, Saskatoon: On its feet and Running (October 2010)

## Housing Starts

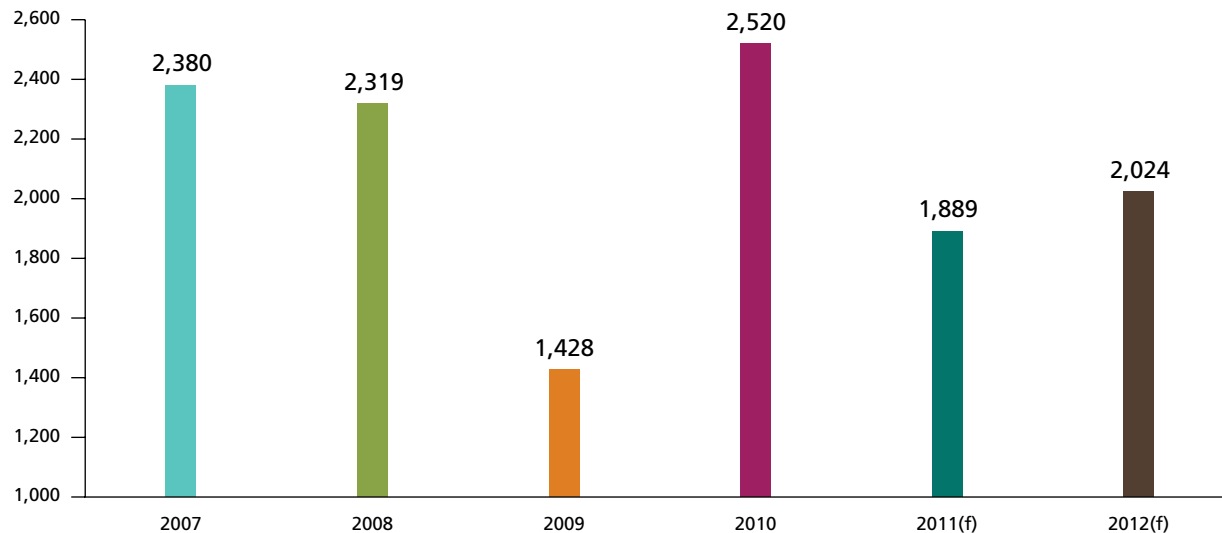
After several years of strong growth, all regions in Canada experienced declines in their housing markets in January 2009, with western Canada feeling the biggest impact. Manitoba saw the biggest drop at 58%, followed by Saskatchewan at 48%, British Columbia at 29%, and Alberta at 19%. The decline is attributed to fewer dwelling starts in larger urban centres.

After falling in response to the economic downturn, housing starts in Saskatoon have rebounded. Single-detached housing starts in November 2010 totalled 177, the highest level for the month since 1979. The 184 multiple units contributed to the best November for multiple unit starts since 1982.

House prices in Saskatoon and area climbed dramatically in 2007 and early 2008. The economic downturn has seen prices decrease as the market moves to a more balanced position regarding sales and listings. However, prices have recovered and Saskatoon's housing market is reaching a balance, benefitting both buyers and sellers.

Saskatoon had 2,520 housing starts in 2010. Projections for 2011 are similar to the 2010 numbers for permits and residential units. Upward momentum for housing starts indicates that Saskatoon is in the midst of sustained economic expansion.

**Saskatoon Housing Starts 2007-2012(f)**



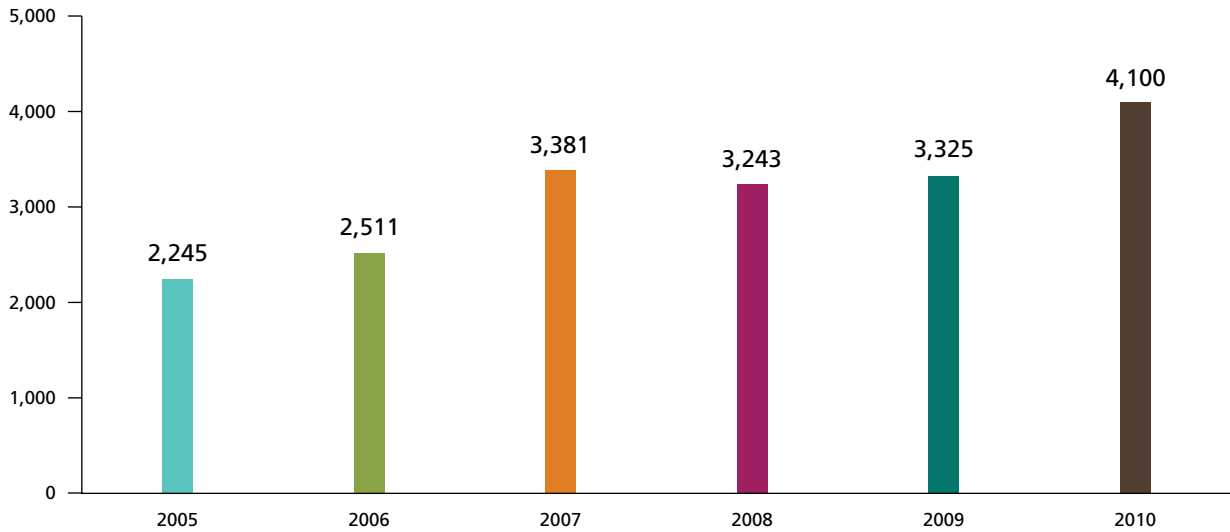
Source: Conference Board of Canada, *Saskatoon: On its feet and Running*, (October, 2010)

## Building Permits

For cities, a good indicator of economic activity is the number of building permits issued each year. In 2009, the City of Saskatoon issued more than 3,300 building permits, keeping pace with those issued in 2007, which was a record year for construction activity in Saskatoon. This result is even more significant, considering that access to credit markets and capital investment was virtually stagnant in the first quarter of 2009.

However, in 2010 the number of building permits issued by the City of Saskatoon reached its highest level since 1987.

**Building Permits Issued By the City of Saskatoon 2005-2010**



Source: City of Saskatoon, Building Standards Branch

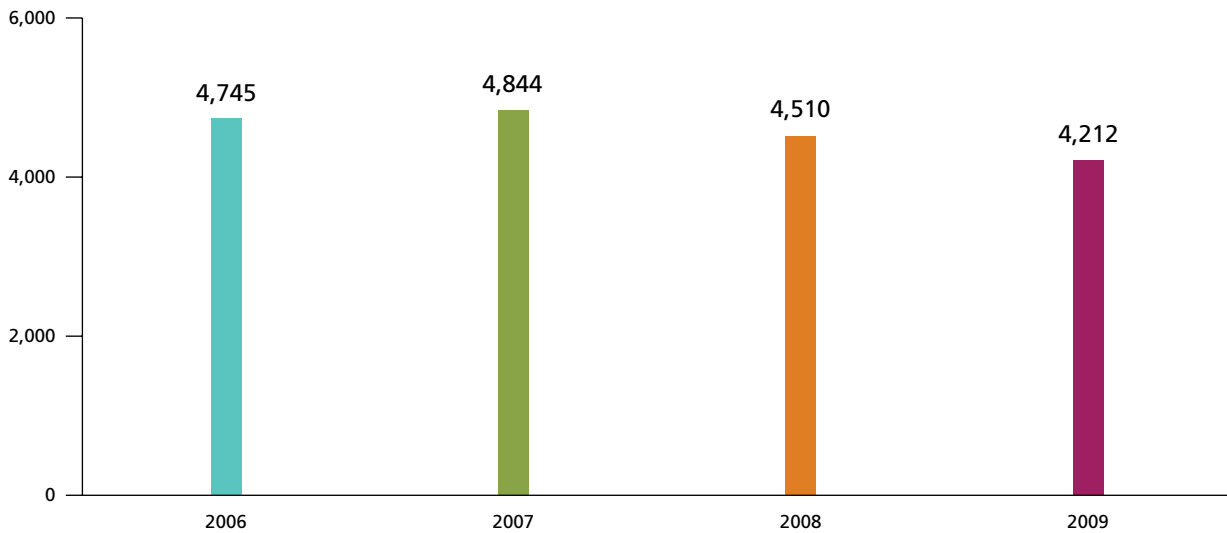
**Social Trends and Issues**

While population and various economic growth indicators are important in determining the level of economic activity in Saskatoon, the City of Saskatoon also realizes that these are not the only factors that have an impact on the programs and services that the City provides to its citizens. Because the City has become more involved in providing “people” related services, it needs to pay attention to some key social indicators, such as crime, housing affordability, immigration, Aboriginal population, the aging population, and poverty in determining the level of investment in key programs and services. By investing in programs and services that help to address these issues, the City of Saskatoon will enhance the quality of life of its residents.

**Crime and Public Safety**

The City of Saskatoon has increased the police budget in recent years to help the Saskatoon Police Service reduce crime in the community. This investment is paying off. In fact, since 2007, crimes against the person have decreased by 13%.

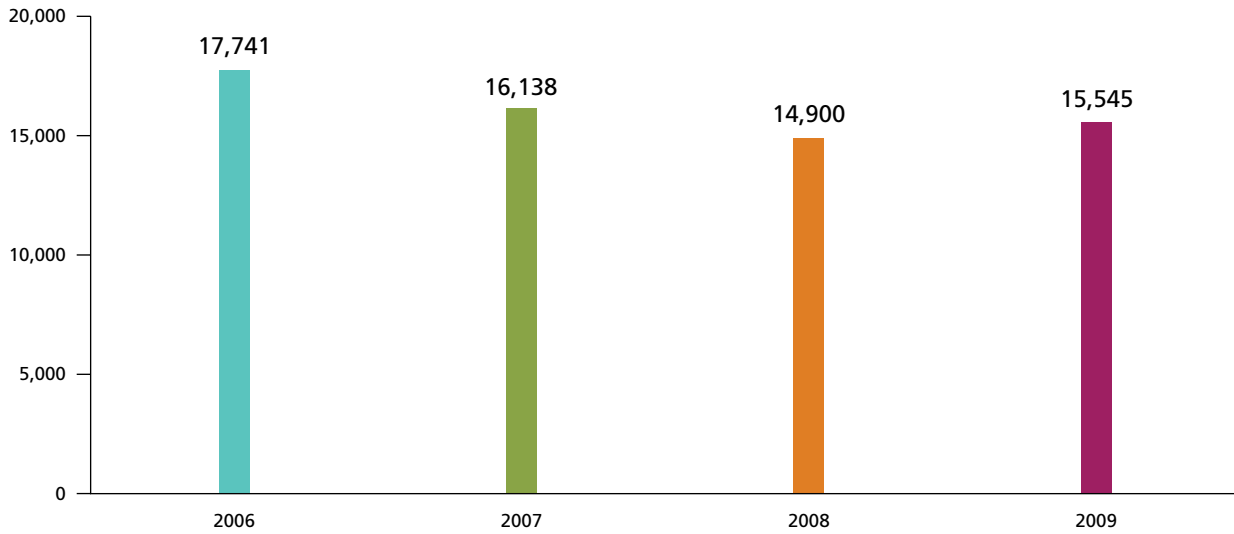
**Crimes Against the Person in Saskatoon 2006-2009**



Source: Statistics Canada, Saskatoon Police Service

In contrast to crimes against the person, there was an increase in the total number of crimes against property between 2008 and 2009 of 4%. However, since 2006, property crimes decreased by 13%.

**Crimes Against Property in Saskatoon 2006-2009**

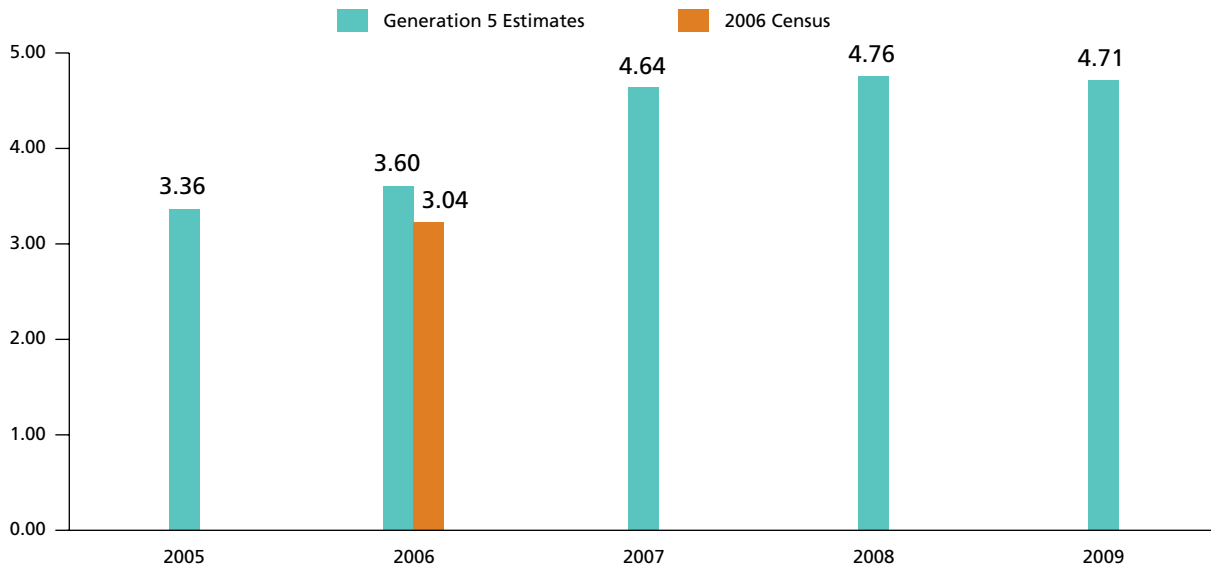


Source: Statistics Canada, Saskatoon Police Service

**Housing Affordability**

Because of increasing economic activity in Saskatoon, housing prices have also increased. While this has created new wealth for many homeowners in Saskatoon, it has also eroded housing affordability in the city. Since 2005, as shown in the following chart, the median price of a home has grown faster than the median income, resulting in an erosion of housing affordability.

**Median Multiple Housing Affordability Index**



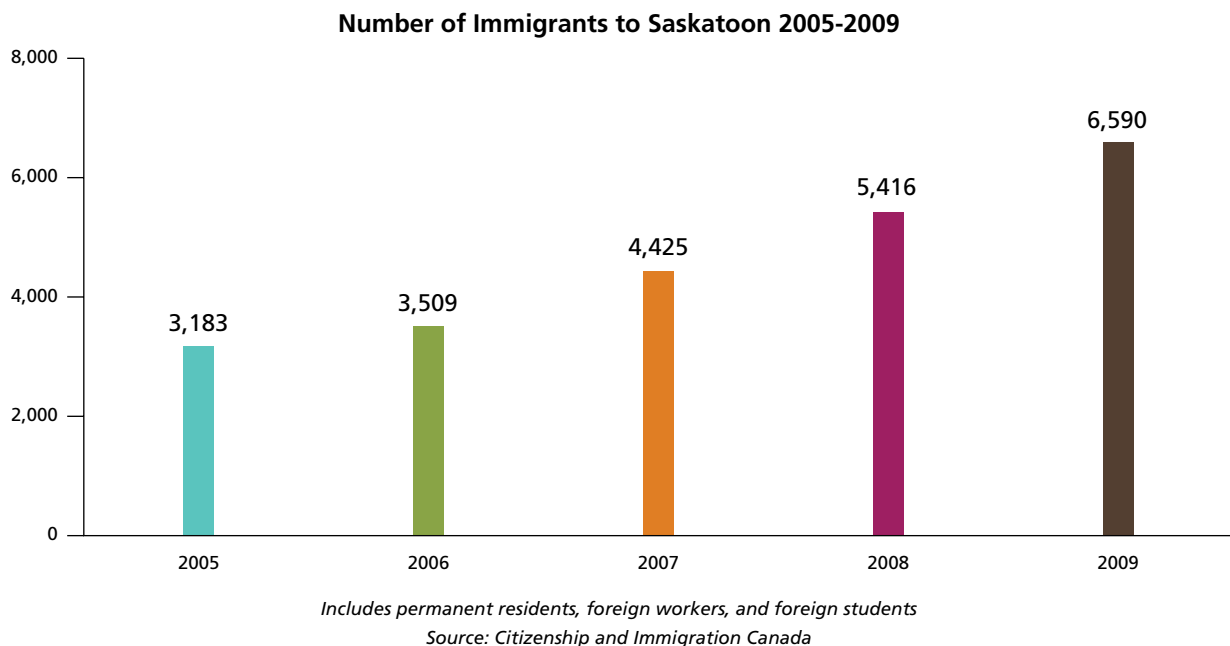
\*Historically, an index value of 3.0 has been considered to be "affordable"

Although housing is not a traditional responsibility of the City of Saskatoon, the City is aware of the impacts that the lack of affordable housing has on individuals, families, the economy, and the community. As a result, the City of Saskatoon has adopted an innovative Housing Business Plan to help encourage the building of more affordable housing in the city. This Business Plan seeks to define where the City can be most effective in serving the community to meet the pressing need for affordable and entry-level housing. Funding for the Housing Business Plan has been committed at \$2.5 million per year until the end of 2012.

The City is fortunate to be in the land development business, as it allows the City to provide meaningful assistance and can directly influence the community's affordable housing agenda. For example, the City of Saskatoon can designate parcels of land for affordable housing projects, and it can also direct revenue from development activity into projects which ensures all citizens benefit from land development growth in Saskatoon.

### Immigration Trends

The number of immigrants to Saskatoon has increased significantly in recent years. The overall share of provincial immigrants, however, has remained relatively constant at 40% to 42%. However, as Saskatoon's economy continues to grow, the City anticipates that more and more new immigrants will be moving to Saskatoon. Although immigration is a federal and provincial responsibility, the City of Saskatoon does play a role in providing support services to new immigrants.



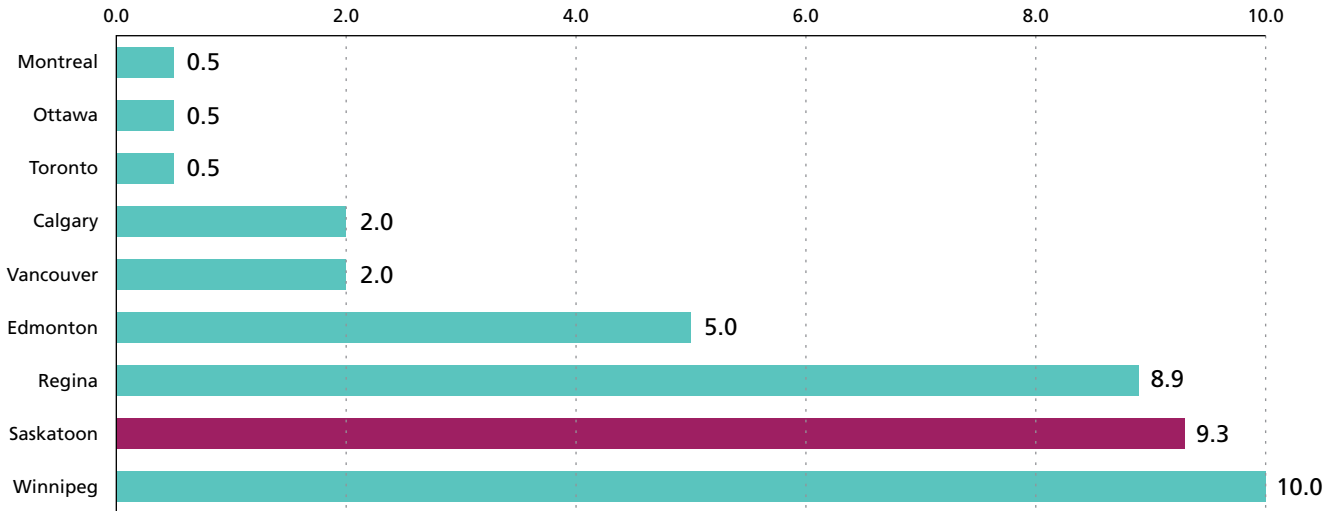
### Urban Aboriginal Population

According to the 2006 Census, the number of Aboriginal (First Nation, Métis and Inuit) people in Canada surpassed one million (1,172,790) for the first time. Aboriginal people today account for 3.8% of the total population, which is an increase from 3.3% in 2001.

The Aboriginal population is growing at a faster rate than the total population, due in part to a birth rate about 1.5 times the national average, and increasing numbers of people identifying themselves as Aboriginal. First Nations people comprise the majority (60%) of the Aboriginal population.

As shown in the following chart, Saskatoon has the second highest percentage of Aboriginal residents (9.3%) of all major cities in Canada.

Canadian Urban Aboriginal Populations, 2006 (as % of total population)



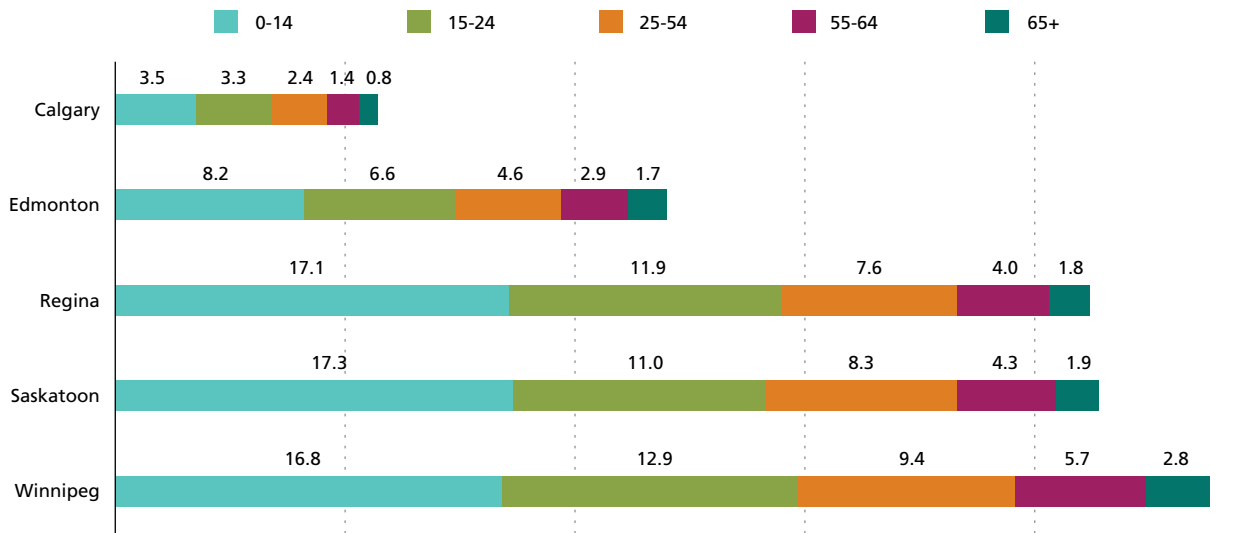
Source: Statistics Canada

According to the City's Neighbourhood Profiles, Saskatoon's Aboriginal population is still largely concentrated in core neighbourhoods, but it is becoming more dispersed in terms of neighbourhood residence.

In terms of Aboriginal youth in Saskatoon, the Aboriginal population accounts for 17.3% of all those aged 0 - 14 and 19.3% of those aged 15 - 54, but only 6.2% of those aged 55 and older. This concentration of Aboriginal youth in Saskatoon is the highest in western Canada.

Although decreases have been evident in the fertility rates of Aboriginal women, the increase in absolute number of Aboriginal children and youth in urban areas is impacting education planning and municipal service delivery.

Aboriginal Population as % of Age Cohort, by Western City



Source: Statistics Canada

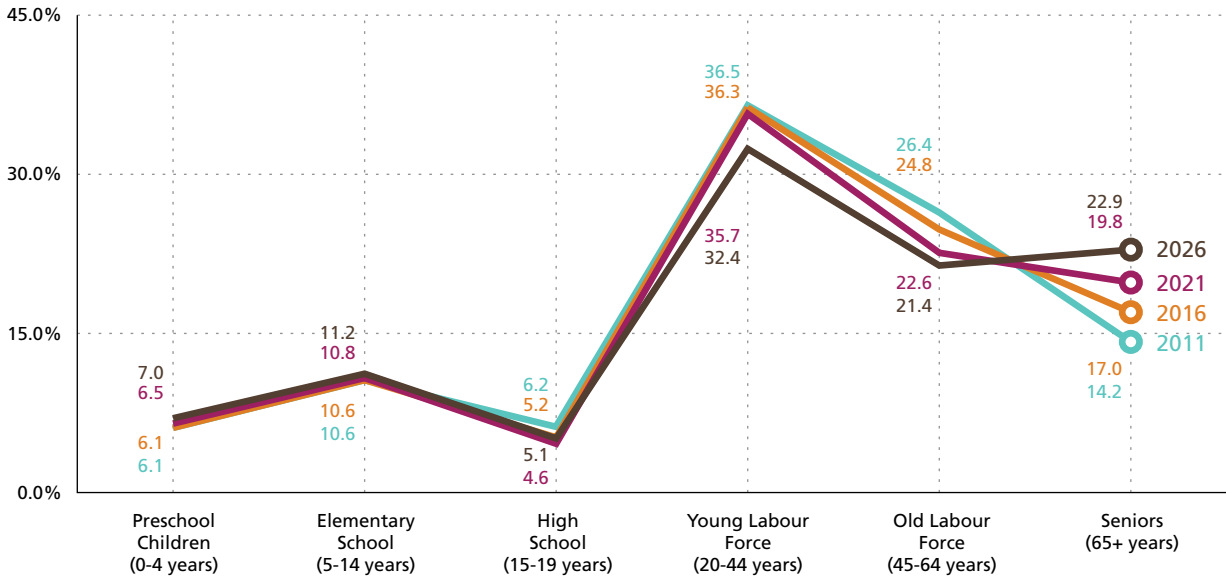
### Aging Population

According to Statistics Canada, Saskatoon’s median age has risen 10 years (from 25.8 to 35.9) over the past 30 years. The Aboriginal population is younger, with a median age of 22.5 years. Saskatoon’s median age will increase at a slower rate than Saskatchewan’s.

Statistics Canada projections suggest that over a 20-year period (2006 - 2026):

- > Saskatoon will see a large increase in proportion of seniors. The 65+ cohort will increase from 13% to 23% of the total population. In actual numbers, the senior population is projected to increase from 26,413 to 58,713 by 2026.
- > Communities immediately surrounding Saskatoon will also see a large increase in proportion of seniors from 9% to 12% of the total population.
- > Saskatoon and surrounding area will see a 47% increase in preschool-aged children from 6% to 7% of the total population.
- > Saskatoon will see a decrease in high school-aged students. The proportion of teens will decrease by 15% over the 20 year period.
- > Overall, the actual number of persons in each age group will increase, with the exception of teens.

**Saskatoon: Age Demographic as % of Total Population, 2011-2026**

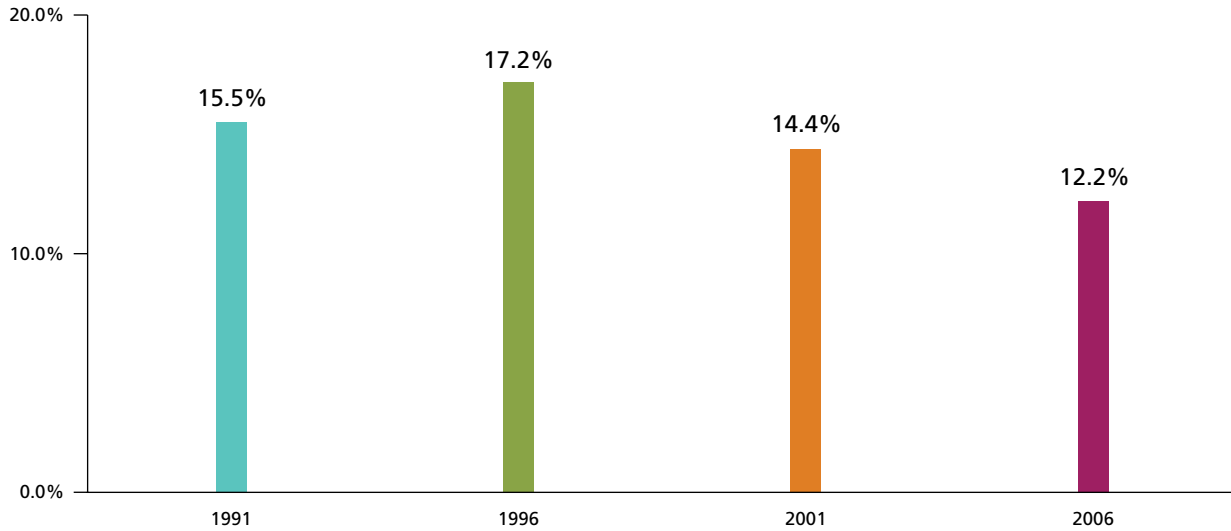


Source: Statistics Canada

**Low-Income Saskatonians**

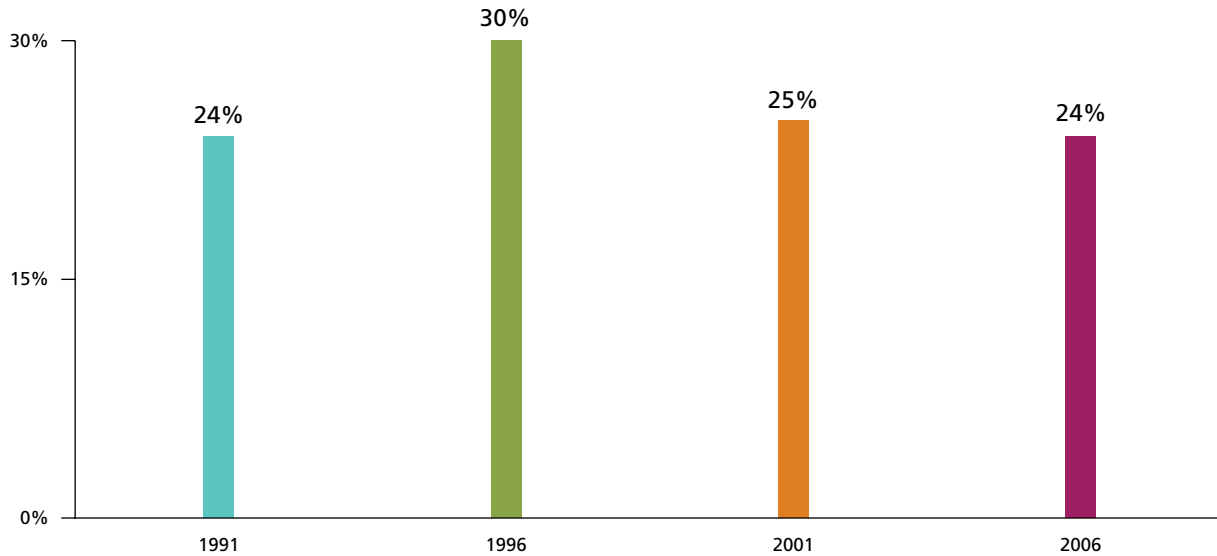
In Saskatoon, the number of low-income families dropped between 1991 and 2006. Nonetheless, close to one in five children in Saskatoon lives in poverty.

**Incidence of Low Income Among Saskatoon Families**



Source: Statistics Canada Census Data

**Proportion of Children in Low-Income Cut-Off Families in Saskatoon**



Source: Statistics Canada Census Data

Income distribution and support programs for low-income persons are not deemed to be a traditional role or responsibility for municipal governments. However, the City of Saskatoon does provide various programs to help low-income individuals and families access key programs and services. For example, the City offers low-income transit and recreation passes to ensure that low-income residents can have access to these important services.

## Environmental Trends and Issues

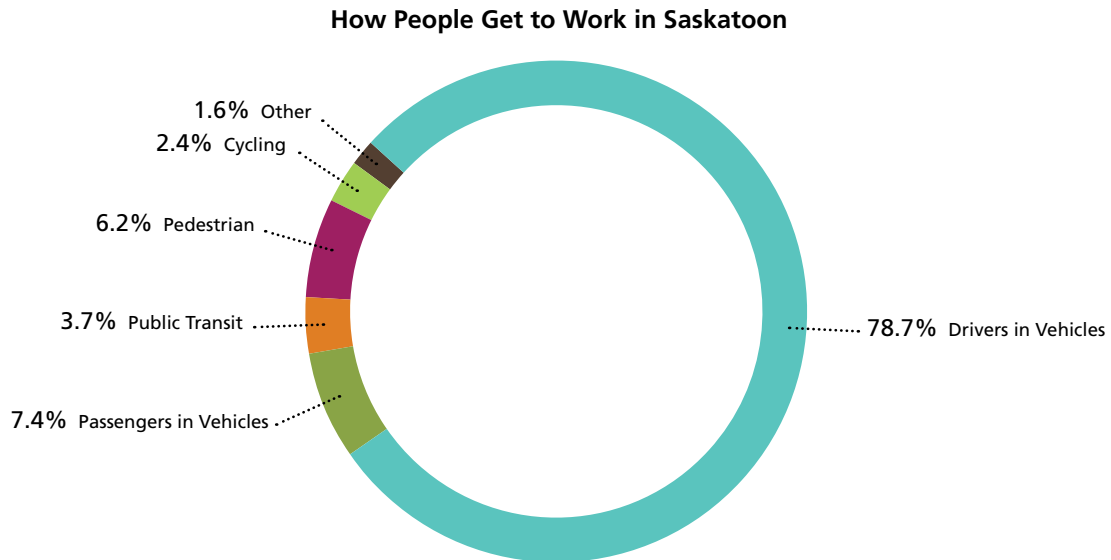
The citizens of Saskatoon value a healthy environment, including parks and open spaces, clean air, and safe drinking water. But as the city continues to grow, there will be corresponding pressures on these resources. For example, the City will have to find ways to address the pressures of:

- > increasing park usage;
- > increasing water consumption;
- > rising greenhouse gas emissions;
- > more waste generation; and,
- > more absorption of available land to accommodate new industrial and residential developments.

The community looks to the City to provide cost-effective leadership and action on the environment. As such, the City of Saskatoon has considered various environmental trends and issues in developing its 2011 Corporate Business Plan and Budget.

### Modes of Transportation

Like most Canadian cities, the primary mode of transportation for Saskatoon commuters is the personal vehicle. The following chart shows that over 86% of commuters use the automobile, as drivers or passengers, as their primary mode of transportation.



*Source: Statistics Canada*

This reliance on the automobile obviously creates not only pressures on the environment, but it also creates pressures on the City's transportation costs, both capital and operating.

## Public Transit Ridership

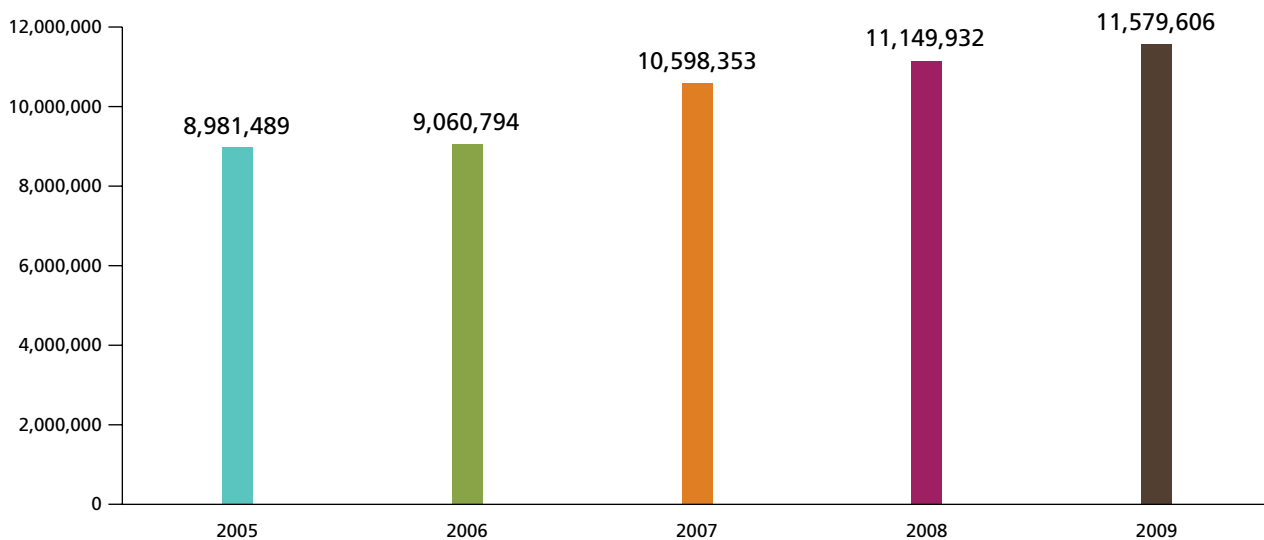
It is well documented that increased usage of public transit has a positive impact on the environment, as it helps to reduce the amount of greenhouse gas emissions produced in a particular community. According to Transport Canada, public transit offers many benefits:

- > It offers the potential to reduce greenhouse gas emissions and smog in urban areas by improving services and offering Canadians greater flexibility in their transportation options.
- > Investments make public transit more attractive and can induce a shift from auto travel to more fuel-efficient and cost-effective transit.
- > Increased use of public transit can lead to a reduction of congestion levels, further improving energy use and air quality.

In order to realize these benefits, the City of Saskatoon will continue working to make transit a more convenient and reliable transportation option in 2011.

Despite the reliance on the automobile in Saskatoon, as shown in the following chart, transit ridership has been steadily increasing in Saskatoon. In 2009, Saskatoon Transit had 11.5 million passenger trips.

**Transit Ridership in Saskatoon 2005-2009**



Source: Saskatoon Transit

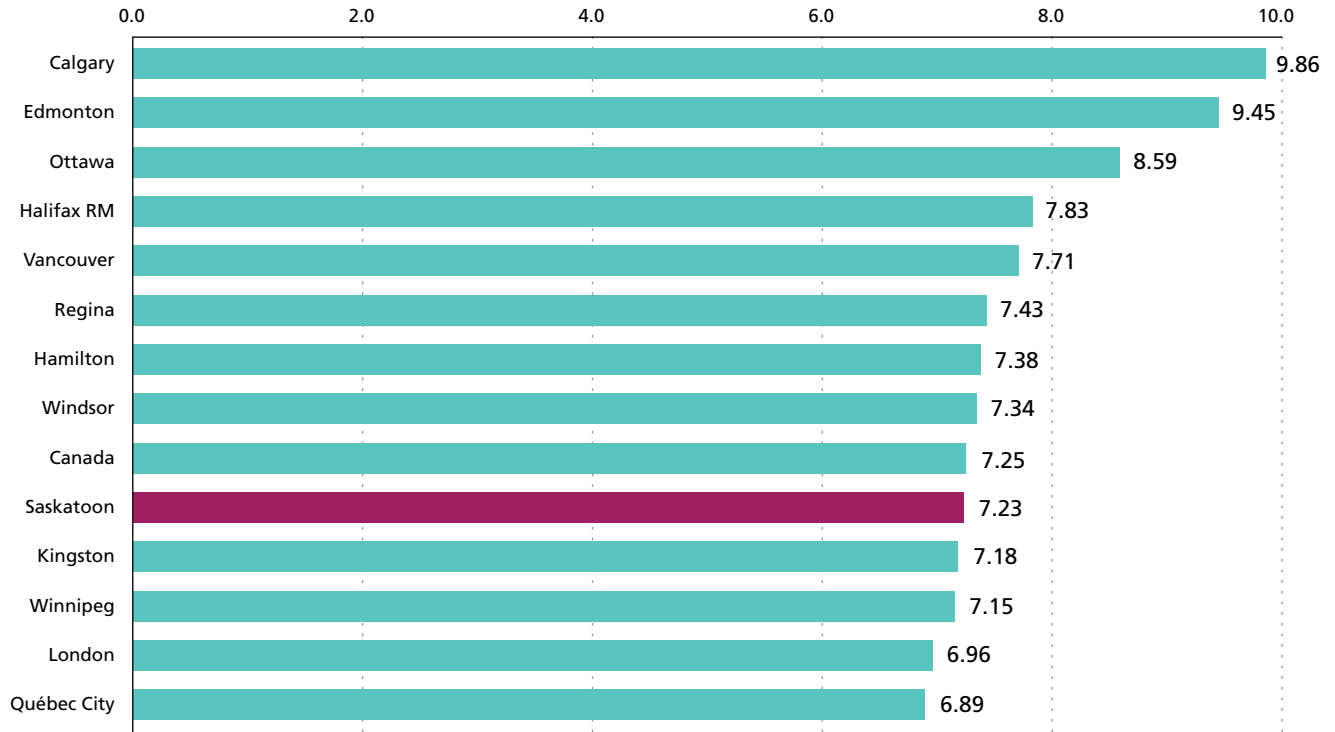
## Ecological Footprint

As a city grows, it needs to acquire more land to accommodate new businesses and residents. However, the expanding geographic size of a city increases its ecological footprint. The Federation of Canadian Municipalities (FCM) defines an ecological footprint as:

*"...a measure of the demands humans place on nature. It shows how much biologically productive land and water we occupy to produce all the resources we consume and to absorb our waste. By measuring the present footprint, and then calculating the footprints for various household lifestyle or government policy options, more efficient ways of meeting human needs can be evaluated and implemented."*

According to FCM's 2006 analysis of ecological footprints of major Canadian cities and regions, Calgary and Edmonton had the highest municipal footprints. Saskatoon was on par with the national average. A growing ecological footprint obviously has an impact on environmental sustainability and increases the amount of greenhouse gas emissions produced in a community.

**Ecological Footprint of Canadian Cities - Hectares per Capita**



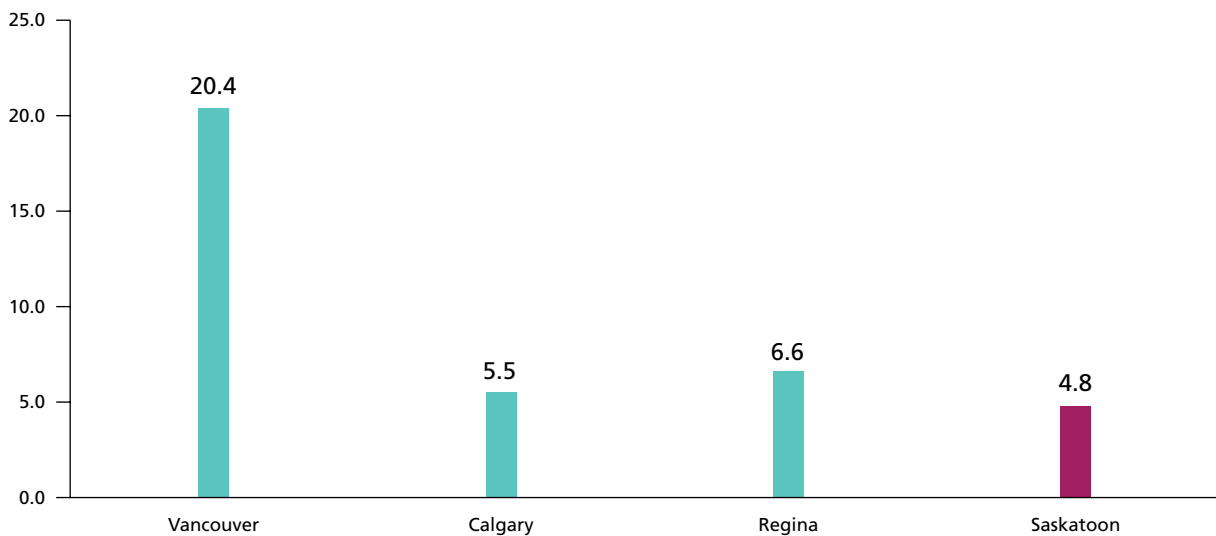
Source: FCM

**Population Density**

One important way that cities can reduce their ecological footprints is by achieving greater population density targets. Population density is typically defined as the number of persons per square kilometre in a particular geographic area. Saskatoon has a low population density when compared with other major cities.

Contributing to this low density is the fact that Saskatoon added 40 square kilometres in 2010. This new land is expected to accommodate a population of 450,000. In addition, with the development of higher density targets in new neighbourhoods and new infill development in more established neighbourhoods, this number will undoubtedly improve in future years.

**Population Density - Residents per Acre**



\*These figures are based on 2010 information

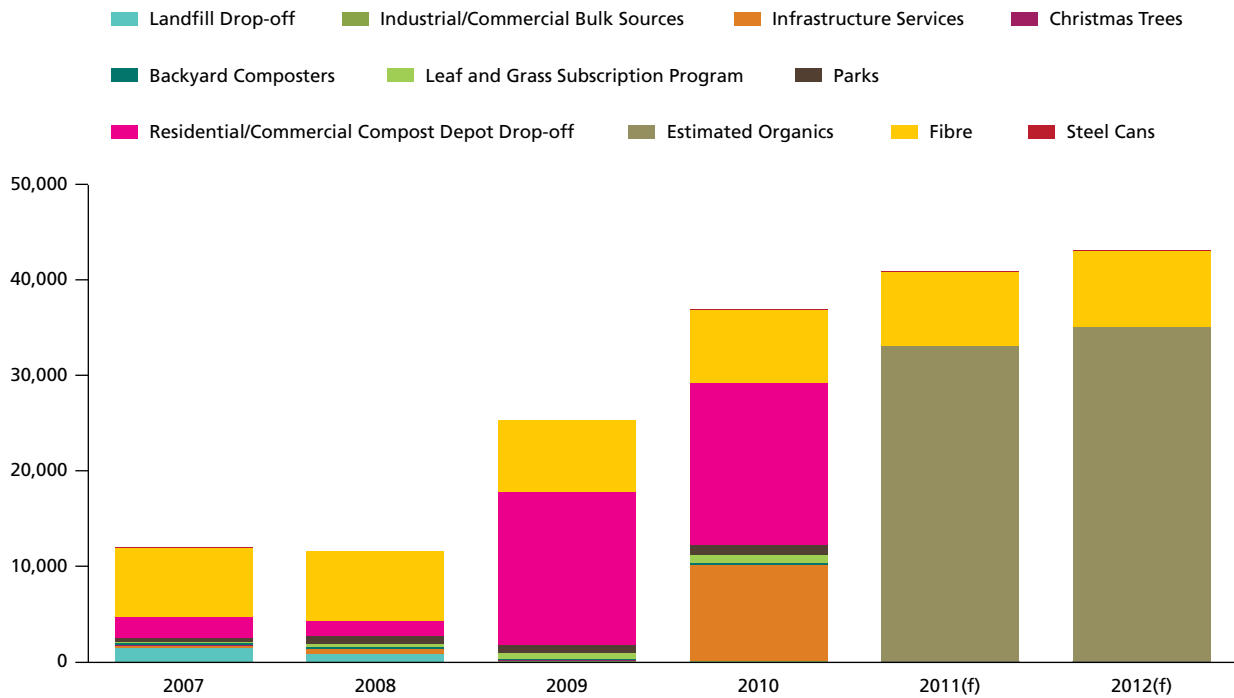
**Waste Diversion**

Waste diversion directs garbage away from landfills or incinerators through reuse, recycling, composting, or gas production through anaerobic digestion. Waste diversion is a key component of effective and sustainable waste management. There are many benefits of waste diversion:

- > Recycling uses less energy than disposal in a landfill and manufacturing with recycled materials is more energy efficient than with virgin materials.
- > The greenhouse gases and toxins generated by landfills and incineration are reduced.
- > More land is available for agricultural and other uses.
- > Reuse and recycling conserve resources.

Currently, the City of Saskatoon diverts approximately 37,000 tonnes of material from its landfill. This is expected to increase substantially in future years, as the City develops more waste diversion strategies.

**Organics and Recycling Trends - Municipal Programs Only**

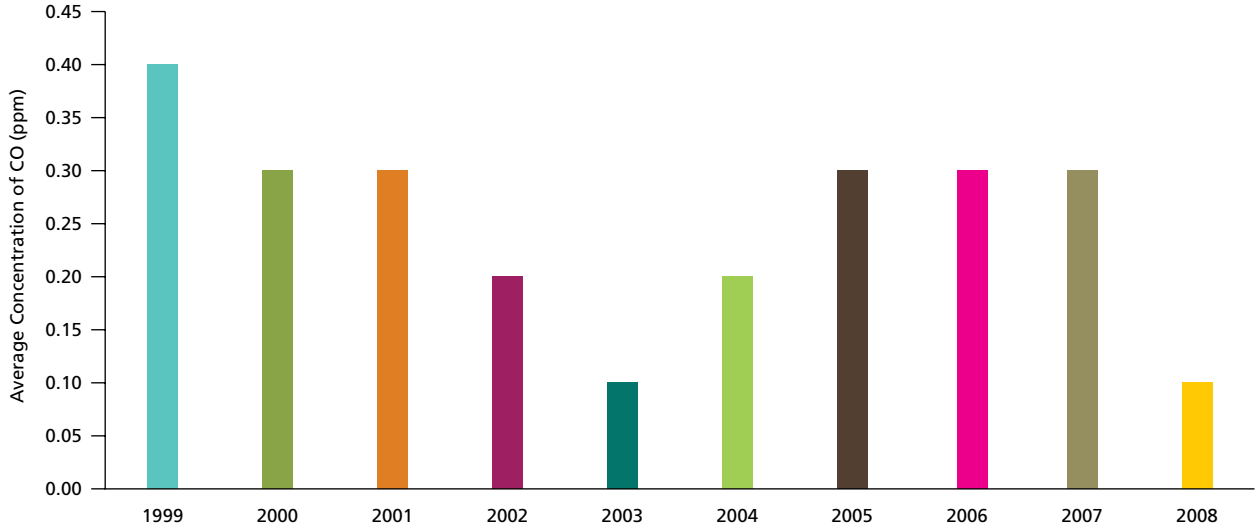


Source: City of Saskatoon

### Air Quality

Air quality indicators include measures of two key elements of smog: ground-level ozone and fine particulates (PM2.5). Ozone is a gas, and when it is 10 to 50 km above the earth’s surface, it protects the earth from radiation. Historically, air quality in Saskatoon trends up and down. However, with a greater concentration on reducing greenhouse gas emissions, air quality is expected to improve.

**Historical Air Quality Measures in Saskatoon**

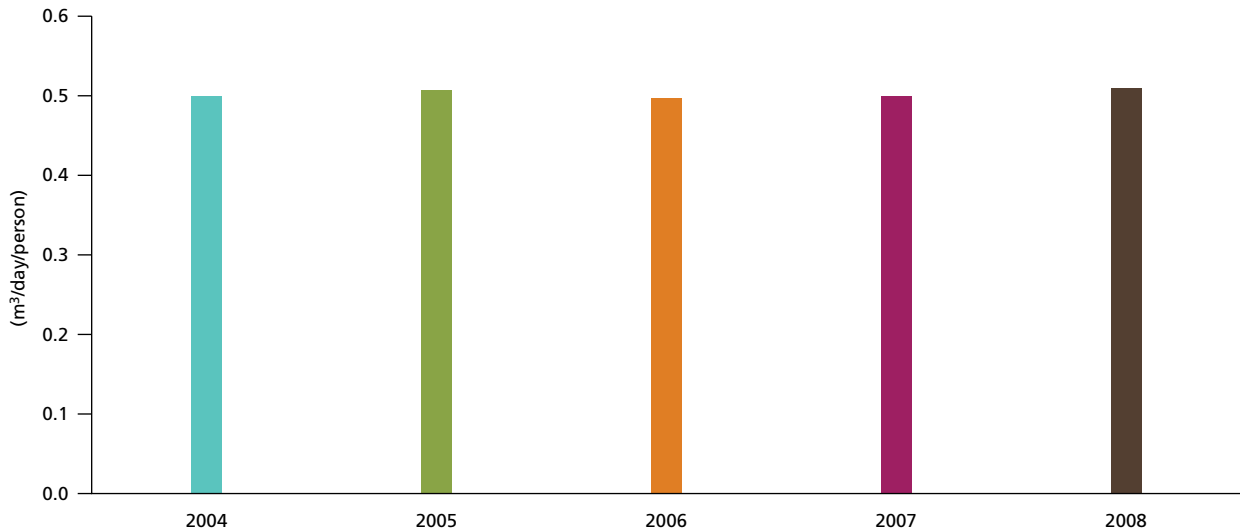


Source: Environment Canada

### Daily Water Consumption

Another key environmental trend is the amount of water consumed in a community. Domestic water use includes drinking water, as well as all water withdrawn for homes, municipalities, commercial establishments, and public services like hospitals. Although Saskatoon’s water consumption has remained relatively steady since 2004, the City has recently implemented a new water pricing policy to encourage conservation.

**Daily Domestic Water Consumption in Saskatoon**



Source: City of Saskatoon and SaskWater

## Input by the Citizens of Saskatoon

In order to ensure that the City of Saskatoon is dedicating its resources to the programs and services that citizens want, the City actively seeks input from the people it serves. One method the City utilizes to accomplish this is by conducting a formal, random survey of its citizens.

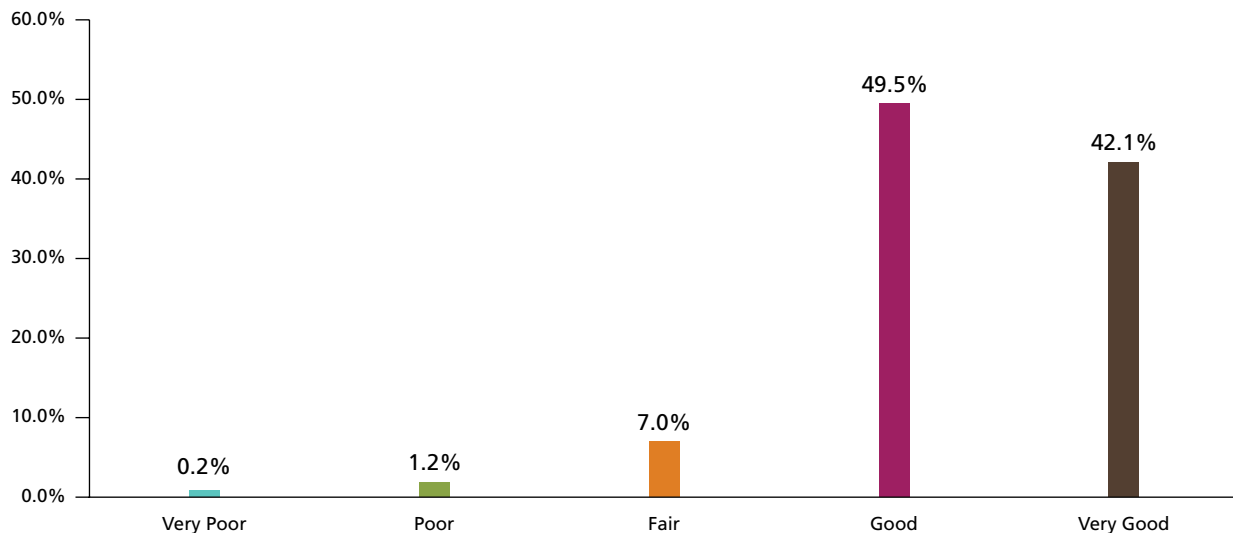
In November 2009, the City of Saskatoon engaged Inshtrix Research Inc. to conduct an annual Civic Services Satisfaction Survey. Between November 9 and November 15, 2009, a total of 501 randomly selected households participated in the survey.<sup>1</sup>

The primary purpose of this survey was to gauge the opinion of the citizens of Saskatoon on a variety of issues including their perceptions about the quality of life in our city and the various types and levels of service they receive from the City of Saskatoon. The survey results assist the Administration and City Council in making key budgetary and public policy decisions about the types and levels of service that the City of Saskatoon provides to its residents. What follows is an overview of the key results from that survey.

### Quality of Life

Saskatoon is often perceived as having a high quality of life. As noted above, the City of Saskatoon was interested in obtaining citizens' perceptions about the quality of life in our city. The survey results reveal that a large majority of citizens have positive views about the quality of life in Saskatoon. In fact, 91.6% of respondents view Saskatoon's quality of life as being good or very good.

Quality of Life in Saskatoon



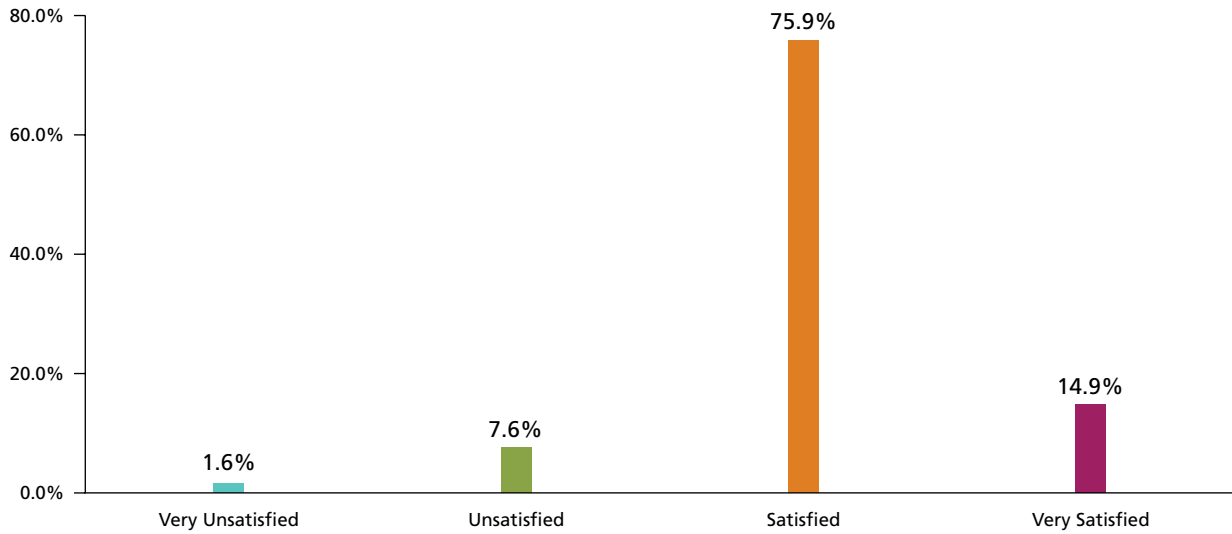
While these results are very encouraging, the City of Saskatoon understands that additional work needs to be done in enhancing the quality of life for all residents. As such, the City of Saskatoon's Operating Budget provides \$3.8 million in assistance to community groups to support recreation, sport, culture, heritage, and social initiatives. The City is also developing a new program to make public transit more affordable for low income workers.

### Satisfaction With City Services

In addition to obtaining residents' views about the quality of life in Saskatoon, the City of Saskatoon wanted to determine the level of satisfaction residents have regarding the services they receive from the City. The survey results indicate that overall satisfaction with civic services is very positive. Specifically, 90.8% of respondents report that they are satisfied or very satisfied with the level of services they receive from the City.

<sup>1</sup> The City of Saskatoon has conducted a Civic Services Satisfaction Survey for 2010. However, because the 2010 survey utilized a different sample methodology and was conducted in late October and early November, the results of the 2010 survey were not used in the preparation of the 2011 Corporate Business Plan and Budget.

### Overall Satisfaction With City Services

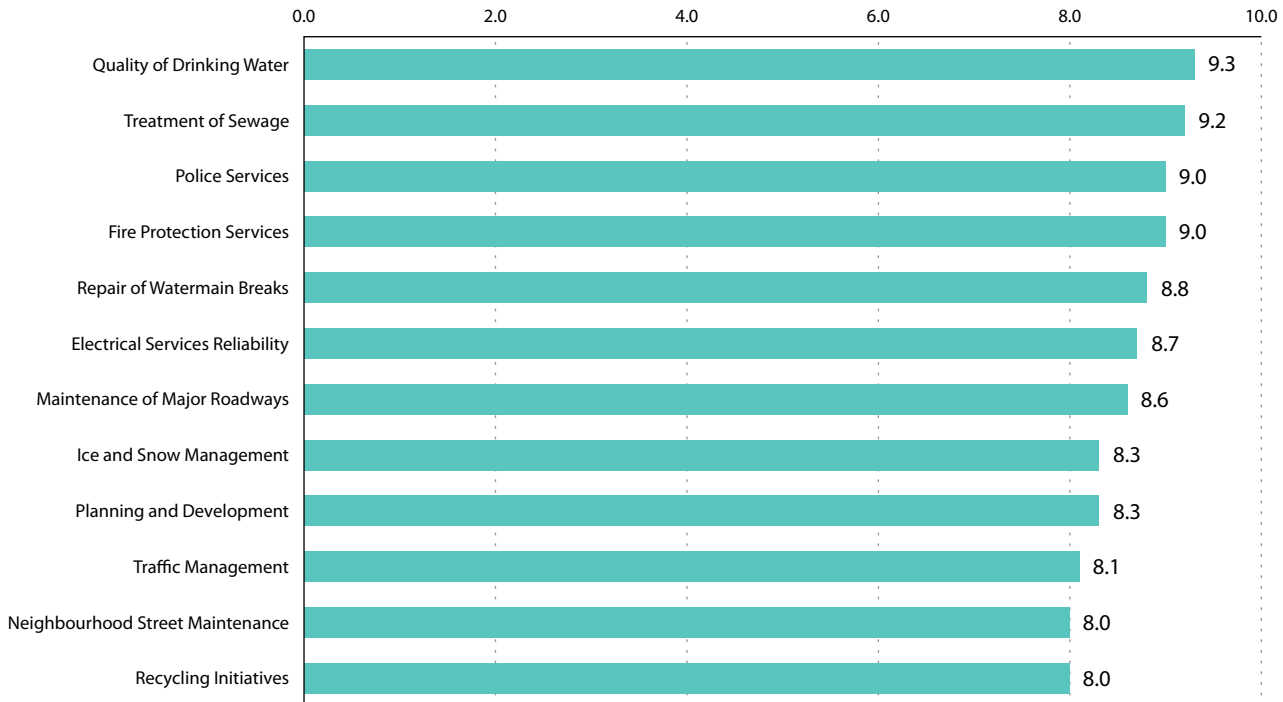


### Importance of Key Services

The City of Saskatoon was also interested in obtaining citizens’ opinions on what services are important to them. The City believes that this information is helpful in determining where to allocate its resources.

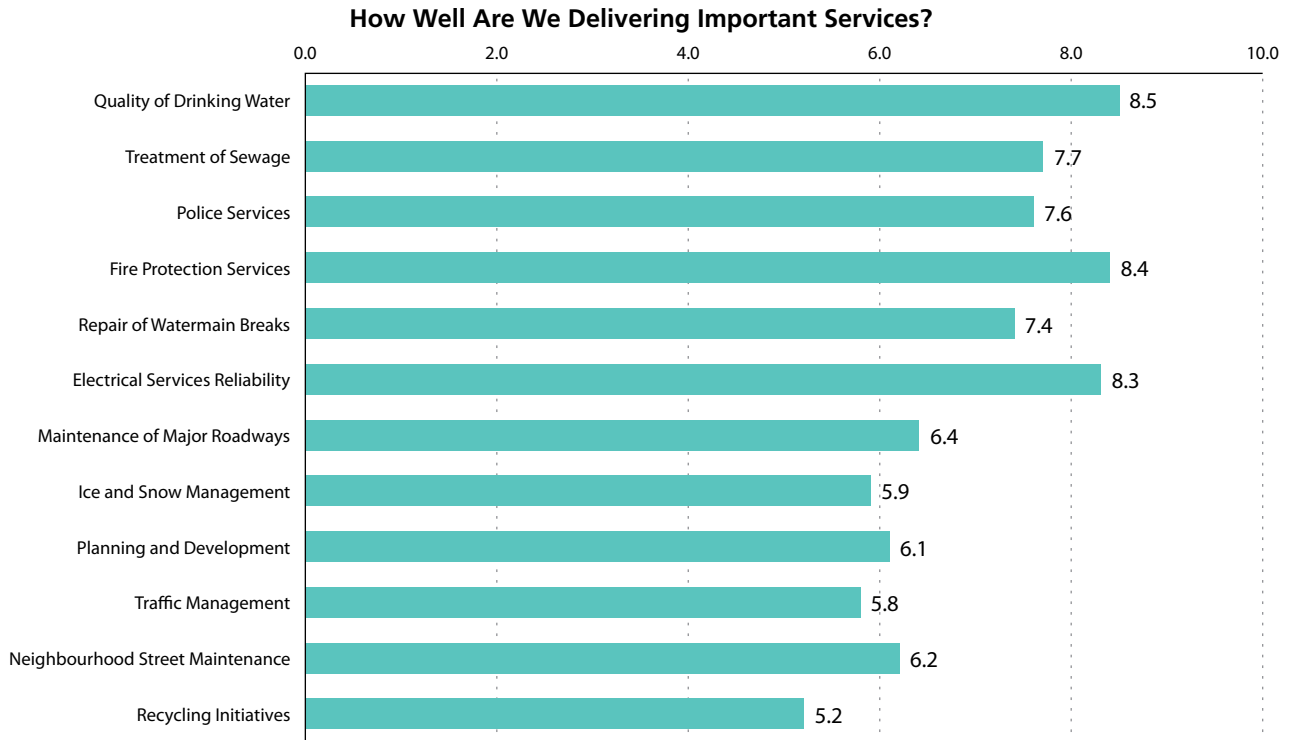
Respondents were asked to rate the importance of the services the City of Saskatoon provides on a 10-point scale, with 1 meaning “not at all important” and 10 meaning “extremely important”. Generally, the results indicate that services relating to environmental health, public safety, and transportation are the most important to the citizens of Saskatoon. The following graph provides an overview of those services that respondents believe to be most important.

### What Are the Most Important Services to the Residents of Saskatoon?



### Assessment of the Delivery of Important Services

As a complement to the above results, the City of Saskatoon was also interested in obtaining citizens' perceptions about how well it provides those services that matter most. The results indicate that the City of Saskatoon provides many of the important services very well. For example, respondents believe that the City does a good job in providing quality drinking water, fire protection services, treatment of sewage, and police services. However, many respondents believe that the City needs to improve in providing transportation-related and recycling services.

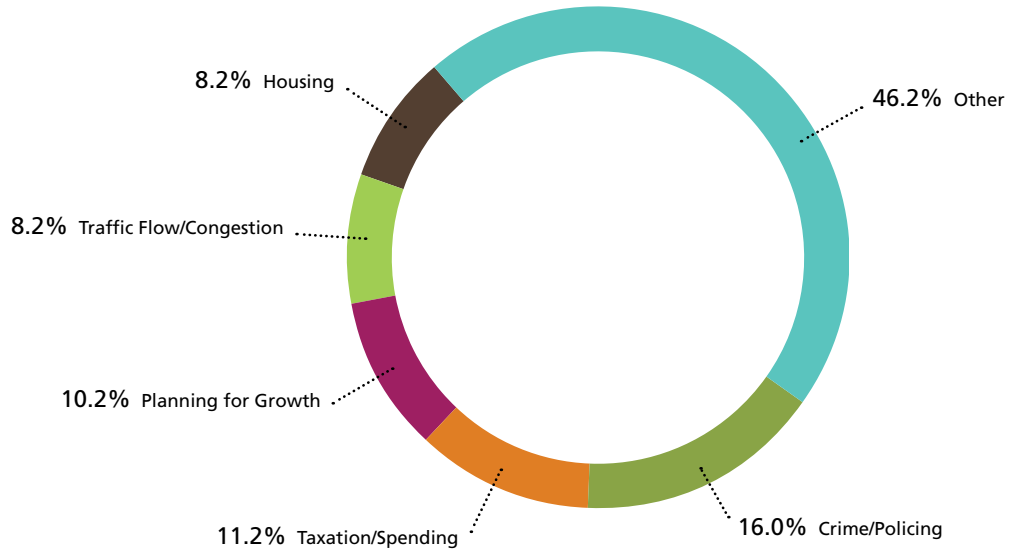


The City of Saskatoon, through the investments made in both the Capital and Operating Budgets, will be dedicating financial and human resources to improve the delivery of the important programs and services identified above.

### Issues of Importance

In order to ensure that the City of Saskatoon is responding to the needs of its citizens, the City was interested in obtaining citizens' views on what are the most important issues facing Saskatoon today. The results reveal that 16% of respondents believe that crime and policing is the most important issue facing Saskatoon, followed by taxation/spending, and planning for growth.

**What Issues Are Important to the Residents of Saskatoon?**



Over the course of 2011 and beyond, the City of Saskatoon will be dedicating resources to address many of the important issues identified above. The 2011 Corporate Business Plan and Budget includes several initiatives that will help to address these key issues.

# A New Plan: The City of Saskatoon's 2011 Corporate Business Plan

## Introduction

The first decade of the 21st century has been a time of remarkable growth for Saskatoon. Between 2006 and 2009, the city's population grew by over 22,000 people. Saskatoon's vibrant economy continues to attract migrants from other provinces and immigrants from around the world. Today, over 223,000 people call Saskatoon home. If Saskatoon continues to grow at an annual rate of 2%, the city's population will reach 260,000 by 2026.

However, as the city grows, so too does the complexity of the economic, environmental, social, and cultural issues facing it. A larger city can offer more amenities and opportunities, but because of its growing population and expanding geographical footprint, it undoubtedly faces increasing pressures in delivering the necessary programs and services that its residents have come to rely on each and every day.

The City of Saskatoon uses strategic planning to identify and address the major issues facing both the City itself and the community. Since 1993, this planning process has been guided by the City's vision, mission, and values, and driven by 11 core strategies. These elements were developed by City Council and Administration with input from the community, employees, and civic union executives. However, because Saskatoon is now entrenched in a new era of sustained economic development, the existing planning process no longer meets the current realities facing both the City and the community.

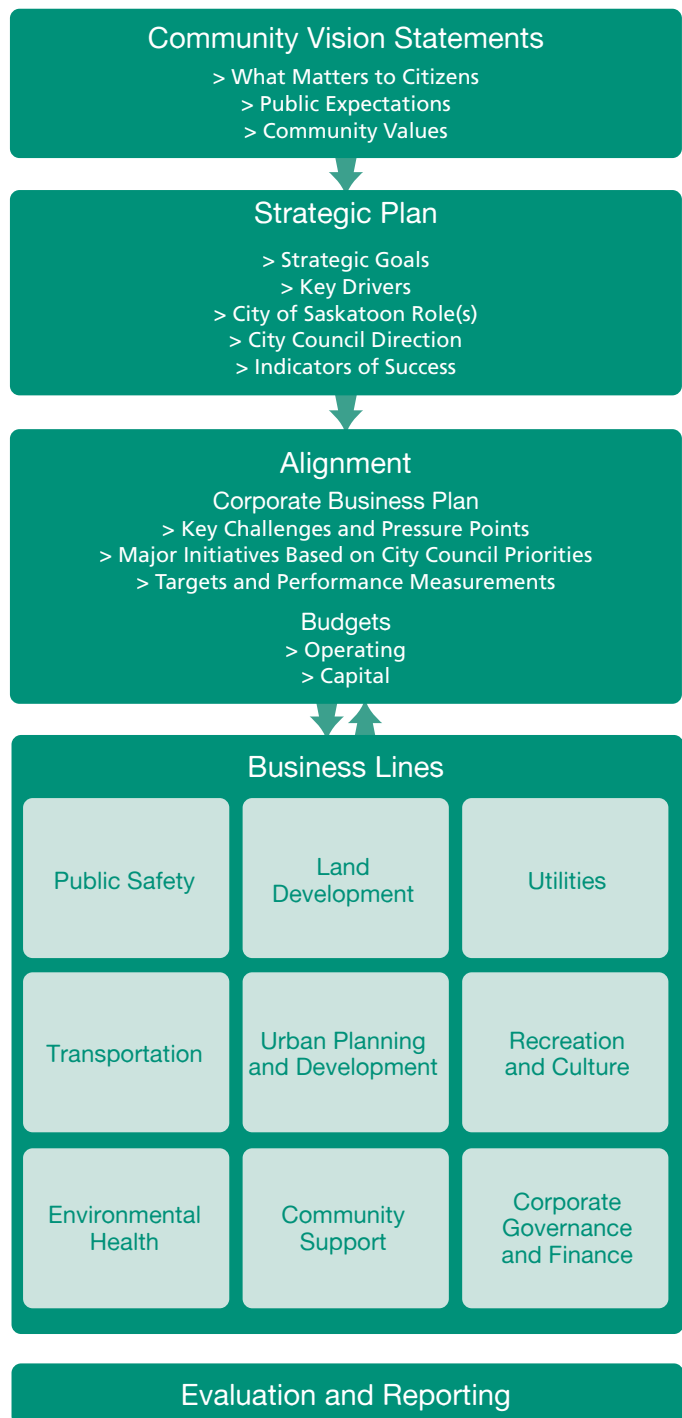
To address these realities, the City of Saskatoon is transitioning to a new strategic and business planning process, which will be fully implemented for the 2012 business planning and budget cycle. For the 2011 business plan and budget cycle, the City of Saskatoon has prepared a business plan that reflects key business and service lines that the City is involved in.

This new plan is a departure from the City's traditional planning model, whereby plans were developed on the basis of departmental responsibilities. The change was necessitated by the fact that, in today's new era, City programs and services are interrelated and cross departmental lines. An investment in one program or service can pay significant dividends and provide attributes that benefit the entire community. For example, funding for recreation and cultural services is an important ingredient in attracting and retaining skilled workers. Attracting and retaining these workers provides a boost to the economy and the City's revenues, which is a benefit to the entire community.

This new planning process will better allocate financial resources to the programs and services provided. In turn, this will help to enhance organizational accountability and transparency, ensuring that Saskatoon's taxpayers continue to receive good value for the tax dollars they pay. Details of the

City's new strategic planning process and the 2011 Corporate Business Plan are addressed in the subsequent pages.

## The City of Saskatoon's Strategic Planning Model



## The Planning Process

The City of Saskatoon is planning for its future by realigning its direction-setting process. A new model is necessary to ensure that the City is able to meet existing and future challenges. This new strategic planning model is illustrated on the previous page.

In 2009, the Administration established a task group to review its current business planning process. The result was the development of a new business plan that focuses on delivering the programs and services that the people of Saskatoon have come to rely on.

As such, two major changes are evident in the 2011 Corporate Business Plan:

- 1) The business plan is being presented in conjunction with the City of Saskatoon's capital and operating budgets.
- 2) Strategies are presented by nine business lines rather than departmental silos.

This business plan outlines the achievements, key challenges, and major initiatives planned within each business line for the 2011 business planning and budget cycle. However, because the 2011 Corporate Business Plan is a transitional document, collective City Council priorities and performance measures and targets are not included in the 2011 Plan. While the City realizes that performance measures and targets are crucial in measuring the level of success or failure of a particular initiative, it also needs to ensure that such measures and targets are both meaningful and achievable, given the available resources.

To assist the City of Saskatoon in developing a more comprehensive strategic planning model, City staff are encouraged to explore and adopt new and innovative ways of delivering programs and services to the citizens of Saskatoon. One of the key deliverables is to create a culture of innovation and creativity within the corporation.

In 2010, the City of Saskatoon quantified the results of this process by preparing a productivity report called "2009 Report on Service, Savings, and Sustainability: How the City of Saskatoon is Improving its Productivity". The report concluded that this new process resulted in savings of approximately \$65 million in 2009 and beyond. While the savings identified in the report may not be entirely attributed to the change in attitudes and behaviours of staff, there is undoubtedly a direct correlation to a number of the creative and innovative projects that City employees are undertaking that improve service, increase savings, and contribute to growing a sustainable city for the citizens of Saskatoon.

For example, the City adopted a new procurement strategy for the financing of the Circle Drive South Project which, in conjunction with market conditions, resulted in savings to the City of approximately \$50 million when compared to the City's traditional procurement model.

In addition, the City of Saskatoon has launched an external engagement process designed to seek citizen input on the issues that matter to them, and how best the City of Saskatoon can take advantage of the opportunities and tackle the challenges that lay ahead. This process, called *Saskatoon Speaks, Shape our Future* is described below.

### **Saskatoon Speaks - A New Model of Citizen Engagement**

As Saskatoon embarks on a new era of sustained growth and development, the City needs to engage its citizens in a community-wide discussion to realign the vision, mission, values, and strategies that will help address today's needs and tomorrow's future. To assist in the process, the City of Saskatoon launched a comprehensive community visioning initiative called *Saskatoon Speaks* in 2010. The primary objective of this initiative is to engage the citizens of Saskatoon on the type of city they want to live, work, and play in.

More specifically, *Saskatoon Speaks* is a visioning project that will engage the community in a conversation with citizens about what:

- > matters to them;
- > they like and value about Saskatoon;
- > they want to improve; and,
- > the City should aspire to achieve as Saskatoon grows over the next 50 - 70 years.

Once complete, *Saskatoon Speaks* will be a collective Vision Document that will provide direction for the City's overall Strategic Plan and other major civic documents. It will act as a guide for City policy and City Council decisions as the city grows over the next 50 years. Ideas will emerge through the conversations on what matters to the citizens of Saskatoon. These ideas will be discussed among City Council, the community, and the Administration to create a vision that aligns the community's perception and expectations of the future. Themes will emerge to create new strategic goals.

The newly expressed strategic goals will provide a framework for achieving those public expectations within the set of values defined by the community. Intelligence reports will assist City Council and the Administration to understand what drives performance (positive or negative) and identify the achievement levels of our community.

Analysis of the City's performance will result in the setting of priorities, performance targets, and decisions related to the role to be played by our municipality in achieving the desired performance targets. The defined role of the municipality will be put into action through authorized services and programs supported with appropriate resource allocations.

However, because the *Saskatoon Speaks* process is still underway, the outcomes from this initiative will not be known until mid 2011. Thus, the vision, goals, and objectives resulting from *Saskatoon Speaks* are not part of the City of Saskatoon's 2011 Corporate Business Plan.

## Key Elements of the 2011 Corporate Business Plan

Because the City of Saskatoon is in the process of developing a new vision, a new mission, and new values, the 2011 Corporate Business Plan is based on the City's existing vision, mission, values, and core strategies. Readers will note, however, that the 2011 Plan does not have performance measures and targets. These measures and targets will be developed for future business plans and will reflect the outcome of the *Saskatoon Speaks* community visioning initiative.

### Vision

Our vision for Saskatoon, building on our history, includes:

- > an enhanced quality of life;
- > a vibrant economy;
- > responsible, progressive environmental management;
- > continued river valley stewardship;
- > recognizing the diversity of neighbourhoods while promoting a united community;
- > planned growth; and,
- > regional and global opportunities.

### Mission

Our corporation, the City of Saskatoon, exists to provide excellent local government through leadership, teamwork, partnership, and dedication to the community. We will facilitate effective and efficient delivery of public services and nurture the economic, environmental, social, and cultural well-being of the community, now and in the future.

### Values

In order to achieve our vision, we commit ourselves to:

- > quality service;
- > fiscal responsibility;
- > high performance;
- > respect for others;
- > providing open and accountable government;
- > a supportive work environment; and,
- > a cooperative spirit.

### Core Strategies

- 1) **Economic Development:** Create an environment that encourages economic development.
- 2) **Service Delivery:** Optimize the effective and efficient delivery of services.
- 3) **Customer Service:** Customers come first - provide responsive and flexible customer service.
- 4) **Environmental Commitment:** Exercise responsible, progressive environmental management in the provision of all civic services.
- 5) **Infrastructure Management:** Build, maintain, and operate the City's infrastructure in a manner that maximizes current infrastructure, fosters growth, and is fiscally sustainable.
- 6) **Aboriginal Partnerships:** Build on the strengths of our existing relationships with Aboriginal communities.
- 7) **Community Development:** Enable active community-based participation in issue and problem identification and resolution.
- 8) **Employee Relations:** Encourage and support employees to achieve corporate objectives by reaching their full potential.
- 9) **Fiscal Responsibility:** Manage the collection, stewardship, and allocation of public funds in the delivery of municipal services in a fiscally responsible way.
- 10) **Multicultural Cooperation:** Recognize the cultural diversity of our community and support growth through immigration.
- 11) **Community Safety:** Optimize the safety and security of our community.

## New Business Lines

The 2011 Corporate Business Plan outlines the achievements, key challenges, and major initiatives planned for the year ahead, which are provided by business lines rather than departmental silos. By adopting this planning process, the City will be able to better communicate its primary lines of business and utilize a more integrated approach in the delivery of its programs and services. The new business lines are briefly described below.

- > **Public Safety:** Ensures Saskatoon continues to be a vibrant, safe city with an excellent quality of life.
- > **Land Development:** Operates on a level playing field with the private sector, and ensures adequate levels of serviced inventory for both residential and industrial land are maintained to meet demand.
- > **Utilities:** Provides cost-effective and high-quality electricity, quality drinking water, treatment of wastewater, and storm water management.
- > **Transportation:** Efficiently moves people, services, and goods while minimizing environmental impact and promoting sustainability.
- > **Urban Planning and Development:** A proactive approach to addressing future opportunities and pressures on our community that accommodates growth and change (e.g. population, diversity of public services and amenities, broader scope of education, research, business) while balancing long-term economic, environmental and social needs, and achieving the desired quality of life expressed by our residents.
- > **Recreation and Culture:** Provides opportunities for citizens to participate in and enjoy the benefits of sport, recreation, culture, and park activities.
- > **Environmental Health:** Preserves and protects the long-term health of our urban environment.
- > **Community Support:** Provides supports and community investments to help build capacity in sport, recreation, culture, heritage, and social organizations, and enhances neighbourhood-based associations and organizations.
- > **Corporate Governance and Finance:** Provides administrative, human resource, information technology, and finance supports for all other business lines. The City's vehicle and equipment fleet, and building operations and maintenance services provide support to the other business lines.

## Public Safety

Ensures Saskatoon continues to be a vibrant, safe city with an excellent quality of life.

### Overview

Nine out of ten residents believe Saskatoon provides a good quality of life. Public safety is key to this perception, and is also essential in a healthy, growing community. Individuals, families, community groups, social agencies, businesses, and visitors – all benefit from the many programs and services offered through the Public Safety business line.

Lead services in this business line are the Saskatoon Police Service (SPS) and Saskatoon Fire & Protective Services (SFPS). The SPS works in partnership with the community to develop collaborative strategies to reduce crime and victimization. SFPS provides emergency responses to incidents of fire, pre-hospital emergency medical services, rescue, and unplanned releases of regulated and dangerous goods. SFPS also provides direction and coordination of the City's emergency planning, preparedness, business continuity and recovery (EMO) requirements. Both the SPS and SFPS, in partnership with City Council and the community, combine enforcement with proactive prevention, education, and early intervention strategies.

Public Safety also involves other programs including the Home First Inspection Program, Property Maintenance and Nuisance Abatement, Safe Housing and Neighbourhoods Committee, Animal Services, Graffiti Management, Crime Prevention Through Environmental Design (CPTED), and the Crime Free Multi-Housing Program. The ultimate goal of the Public Safety business line is to ensure Saskatoon continues to be a vibrant, safe city with an excellent quality of life.

### At A Glance

- > The SPS has 422 police officers, 54 special constables, and 123 civilians for a total of 599 staff members. There were 270,933 calls to the communication centre, and cars were dispatched to 71,000 calls for service.
- > SFPS has 331 full-time employees, 12 fully staffed front-line engines, and 2 aerial apparatus responding out of 9 stations.
- > The Home First Program was introduced in 2005, and as of December 2009, 3,265 inspections of Home First (single-family) rental properties to assist clients of Social Services have been completed. To qualify for the additional rental income supplement, the property needs to meet minimum fire and life safety standards.
- > In 2009, there were 20,432 property maintenance inspections; 4,600 fire inspections; and 827 Home First Rental Housing Supplement Program inspections.

- > SFPS provides contract services to the Rural Municipality of Corman Park, Vanscoy, Delisle, Whitecap Dakota and English River (Grasswood gas station) First Nations.
- > Over 500 rental units have been certified as Crime Free Multi-Housing units.
- > In 2008, there were 2,696 incidents of needle pick-ups and 21,610 sharps retrieved. In 2009, after extensive public education and a partnership program with the Saskatoon Health Region, there was a substantial decrease to 1,889 incidents and 8,096 sharps retrieved.
- > SFPS provides a major support function in the City's Emergency Medical Services system through a long standing, formal Tiered Response Agreement with the Saskatoon Health Region. The agreement formalizes the relationship for emergency medical and rescue responses between SFPS and the Saskatoon Health Region.

to provide timely information to officers regarding crime trends, suspects, prediction of when certain crimes can happen, and crime hot spots.

- > In 2010, over 100 rental property owners and managers (representing over 185 rental properties in the city and about 5,198 rental units - about a quarter of the rental market of properties with 4 or more rental units) attended a one-day seminar on Crime Free Multi-Housing.
- > External consultation sessions have been held with the public regarding their views for policing.
- > Inshtrix Satisfaction Survey shows overall satisfaction with police service at 90%. Significant increase regarding trust in police by Aboriginal population increased from 38% in 2005 to 68% in 2009.
- > The new fire station built to serve the neighbourhoods of Rosewood, Briarwood, Lakeridge, and East College Park was built to LEED standard.



Police officer investigating a traffic accident



The newly opened Fire Station #8

### Major Achievements 2009 - 2010

- > The crime rate continues to drop. Comparison of violent crimes from 2007 - 2009 indicates: 16% decrease in violent crime, 35% reduction in street robbery, 36% reduction in robbery, and 9% decrease in assault.
- > Increased attention to traffic safety with the addition of 8 additional traffic constable positions in 2010 has reduced serious collisions by 12% (fall 2010), coupled with a substantial increase in fine revenue.
- > As stated in the Saskatoon Civic Services Survey, crime/policing has decreased in concern as the number one issue facing Saskatoon. In 2006, 35% of respondents rated crime/policing as the number one concern - that number has now dropped to 16%.
- > SPS adopted a crime analysis capability to assist in deploying officers to areas where crime trends are developing. SPS is increasing its analytical capability

### Key Challenges

- > Crime and social disorder challenges have accompanied Saskatoon's rapid population growth.
- > Physical and population growth is straining the City's funding capacity while increasing pressure on human resources.
- > Servicing a community with a large marginalized population facing poverty, poor housing, and non-inclusion. These are contributing factors to street and gang activity such as robbery, assault, theft, and vandalism.
- > Increased vehicle traffic and road infrastructure congestion which has an impact on the number of traffic violations.
- > SPS will require additional growth to meet the demands of an increasing population, coupled with an increase in land size due to annexation on the east side of the city from Corman Park.

- > Current demographics of the SPS result in salary increases attributable to (i) less turnover among senior staff, and (ii) more younger staff who will begin to move up the pay scale.
- > Population projections mean Saskatoon will need three new fire stations by 2020 to continue to meet National Fire Protection Association standards of having at least one fire apparatus attend an emergency within four minutes and additional resources on-site within eight minutes, 90% of the time.
- > There is a growing demand to complete inspections of all major occupancies (commercial and industrial) including residential dwellings. Also, the number of complaint-driven property maintenance inspections continues to increase in all areas of the city.
- > There is a growing demand to complete inspections for all the rental properties which are currently involved in the Crime Free Multi-Housing Program.
- > It is the responsibility of the City to provide emergency services to residents living within the newly acquired annexed lands, putting additional pressure on existing resources.

### Major Initiatives 2011 - 2013

- > Design and construction of new headquarters for SPS.
- > Upgrade radio systems for Saskatoon Police Service, Fire & Protective Services, and Utility Services.
- > Increase capacity of SPS Street Crime Unit.
- > Implement a web-based reporting option to enable citizens to report minor crimes over the internet.
- > Install in-car cameras in SPS patrol cars.
- > Implement a cultural diversity action plan for police to enhance community relations, cultural recruiting, and diversity training.
- > Continue to place specific emphasis on traffic safety through enforcement to reduce traffic collisions.
- > Additional police officers, fire personnel, and apparatus are required to provide emergency services for the recently annexed land.
- > Construction of new fire hall in Hampton Village.
- > Purchase of City-owned land in the Stonebridge/CN Industrial area for the future Fire Station #11.

## Land Development

Operates on a level playing field with the private sector, and ensures adequate levels of serviced inventory for both residential and industrial land are maintained to meet demand.

### Overview

Saskatoon has witnessed considerable economic growth in recent years – growth that would have been constrained if sufficient land had not been available for development. The Land Development business line plays an integral role in the city's growing economy. It responds to the needs of a variety of customers in the housing, commercial, institutional, and industrial sectors. It invests capital dollars in the provision of municipal infrastructure, and creates demand for durable products and employment. This adds value to the economy and encourages job growth, positive net migration, and other important multiplier effects.

The City of Saskatoon is unique in that it is a land developer. The Land Bank Program operates on a level playing field with the private sector. Its primary focus is to ensure adequate levels of serviced residential, institutional, and industrial land are available at competitive market value to meet demand. The Land Bank Program is operated on a for-profit basis, with surplus funds allocated for reinvestment in the community.

This business line operates a real estate portfolio to address short and long term land and facility needs.

The Land Development Capital Program also includes the construction of major arterial roadways, major trunk sewers, primary water mains, and suburban park development. These projects are funded from the collection of off-site levies collected from all land developers and are necessary for the City to support continuous urban growth.

### At A Glance

- > The City of Saskatoon Land Bank Program was established in 1954.
- > Since 2007, City Council has committed over \$53 million from the City's Neighbourhood Land Development Fund towards a variety of projects, including the Pleasant Hill Neighbourhood Revitalization, local area road upgrades, an east side fire hall, and designated future land purchases.

### Major Achievements 2009 - 2010

- > In 2009, the City Land Bank Program sold 364 residential lots, 12 acres of multi-family land, and 16 acres of industrial/commercial properties for a total sales value of \$51.2 million. In 2010, the Land Bank Program sold 510 residential lots, 45 acres of multi-family land, and 75 acres of industrial/commercial land for a total sales value of \$112.7 million.

- > In 2009, the Concept Plan for the development of the Evergreen neighbourhood, with a projected population of 12,600, was approved by City Council.



The concept plan for the new neighbourhood of Evergreen

- > In 2010, the final phase of single-family lots in the Willowgrove neighbourhood were serviced and sold.
- > With the commencement of the Evergreen neighbourhood, several green initiatives will be undertaken which will encourage home builders and home purchasers to participate in reducing greenhouse gas emissions. For each lot, this includes provision of a \$500 rebate to home builders and individuals who obtain Energy Star or greater certification for their homes; provision of a rainwater collection barrel to promote reduced water use; a compost barrel to promote sustainable organic waste practices; two Saskatoon Berry bushes to promote xeriscaping practices and home food production; and the provision of LED lighting for all street lights and park lights with a combined reduction in greenhouse gas emissions of 156 metric tons with an energy savings of 351,573 kilowatt hours per year.
- > In 2010, the sale of the final and major commercial property in University Heights Suburban Centre to Pillar Properties Ltd. was completed, which is now in the process of commercial development of the site.

**Key Challenges**

- > Attracting residents and developers to west side neighbourhoods to ensure balanced growth.
- > The inability of private developers to meet demand on time will impact sufficiency of inventory to meet overall community requirements. This places unplanned pressure on the Land Bank to fill the deficiency.
- > New developers entering the market will reduce the City's future market share, making

coordination more difficult and increasing raw land prices.

- > Ensuring all land developers carry a reasonable sufficiency of inventory in order to meet demand and avoid speculation pressure on land prices.
- > Economic growth puts pressure on the City's ability to meet demand for serviced industrial and residential land given current availability of servicing contractors.
- > Ensuring availability of services to future development areas (both new and infill) will require significant capital investment today that will not be recovered for many years. This creates stress on the City's borrowing limits.

**Major Initiatives 2011 - 2013**

- > The final phases of the Hampton Village neighbourhood, a City-owned development, will be completed in 2012.
- > A concept plan for the development of the Kensington neighbourhood is being finalized for submission for approval in 2011. Servicing will commence in 2011, with 110 lots scheduled for sale in 2013.
- > In Rosewood, 165 lots are scheduled for sale in 2011, and 183 lots in 2012.
- > In Evergreen, 800 lots are expected to be serviced and made available for sale in 2011.
- > A total of 26 acres of multi-family land will be serviced in 2011, with a further 15 acres in 2012, and 5 acres in 2013.
- > In the Marquis Industrial Area, 49 acres of land will be serviced in 2011, with a further 48 acres in 2012, and 60 acres in 2013.

**Utilities**

Provides cost-effective and high-quality electricity, quality drinking water, treatment of wastewater, and storm water management.

**Overview**

Electricity, quality drinking water, treatment of wastewater, and storm water management are basic amenities provided through the Utilities business line. Utilities is not only responsible for keeping the lights on, taps flowing, and toilets flushing, it is also responsible for the long-term, sustainable management of Saskatoon's water and energy resources.

Saskatoon Light & Power (SL&P) provides safe, reliable and cost-effective electricity to customers. The Water Treatment Plant and water distribution system deliver treated water to households, businesses, institutions, and users outside the city limits on a cost recovery basis. The Wastewater Treatment Plant

treats wastewater that is delivered to the Plant by an extensive network of pump stations and underground pipes, and returns high-quality water back to the South Saskatchewan River. The storm water management system is a separate network designed to drain storm water away from streets and buildings.

Fees generated by services within the Utilities business line are an important source of revenue for the City. SL&P, for example, generated approximately \$22 million in revenue in 2010. This revenue is therefore available to the City in order to help offset property taxes and fund various municipal projects.

**At A Glance**

- > SL&P’s distribution network includes 519 km of overhead lines and 243 km of underground power cables.
- > The Water Treatment Plant treats approximately 44.8 million cubic metres of water per year.
- > The Wastewater Treatment Plant treats approximately 33 million cubic metres of wastewater per year.
- > The storm water management system includes 680 km of storm sewers, 12 wet ponds, 8 dry ponds, 3 natural ponds, and 2 constructed wetlands.

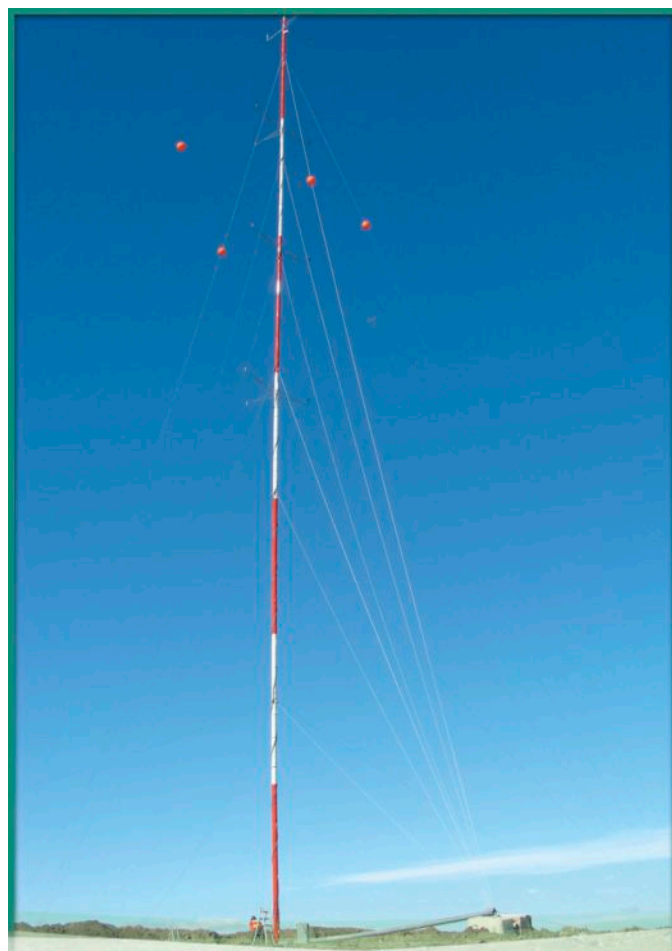
**Major Achievements 2009 - 2010**

- > Completed \$1.2 million of electrical work for the Circle Drive South Project.
- > Increased Wastewater Treatment Plant capacity from 240 to 275 million litres per day.
- > Installed approximately 7,000 new electrical Smart Meters that can be read remotely and with more detailed readings.
- > Completed construction of various projects including a new ultra-violet disinfection facility and grit chamber at the Wastewater Treatment Plant, various electrical upgrades, and underground infrastructure replacement.



Dams in the river keep water out during construction of the new water intake

- > Replaced the screens and electrical system in the back-up water intake structure at the Water Treatment Plant.
- > At a cost of \$49.8 million, a new main raw water intake, independent of the intake at the Queen Elizabeth Power Station, is under construction and will be completed in 2011.
- > Flood control strategy – installed “superpipes” which are underground collector tanks, typically in parks, below the surface where excess water from the sanitary sewer fills the tanks rather than spilling into the basements of homes. These collector tanks were installed in the Dundonald neighbourhood.



The test tower for the proposed tall wind turbine at the Landfill

**Key Challenges**

- > Changing weather patterns have led to more extreme weather events. Saskatoon normally experiences 5 rain events larger than 10mm a year. Between April and August 2010, the city experienced 17 events greater than 10mm. Saskatoon also experienced the largest total seasonal rainfall in our history. From April to August, the city had 475mm of rainfall; the average

is 234mm for this period. Those patterns can strain existing sewer systems.

- > Significant growth throughout the city, including increased infill development at the city core, has placed new demands on existing infrastructure. Expansion and upgrading of the water, wastewater, and electrical systems will be required to continue to meet this demand.

### Major Initiatives 2011 – 2013

- > A new raw water intake and pump house is under construction, and will be completed in 2011. This facility will provide for the current and future water supply needs of the city.
- > The flood control strategy will be expanded with the installation of additional “superpipes” in Confederation Park, Westview, Early Drive, Erindale, Lakeview, and Dundonald.
- > A new \$3 million Turboexpander Power Generation Facility located at SaskEnergy’s Natural Gas Regulating Station, west of the Saskatoon Landfill, will produce electricity for up to 600 homes with zero emissions by recovering pressure energy and heat energy. This facility is expected to be operational by fall 2012.
- > A \$10 million gas collection system at the Saskatoon Landfill will be constructed. This infrastructure has the potential to reduce annual greenhouse gas emissions by over 90,000 tonnes per year and provide electricity for up to 2,600 homes. This facility is expected to be operational by fall 2012.
- > The viability of hydropower generation at the Saskatoon Weir, which could generate green electricity for up to 4,800 homes while also generating revenue for the City, will be further explored in 2011. The hydropower plant could be built in conjunction with a whitewater park.
- > Construction of a tall wind turbine located at the Saskatoon Landfill will be explored, and if confirmed feasible, design will commence in 2011. This wind turbine is expected to generate green electricity for up to 600 homes. This project is anticipated to be constructed in 2012 and be operational by early 2013.
- > Major upgrades (\$29.4 million) to the water reservoir located at Avenue H and 11th Street include expanding the existing reservoir, installing a new high-lift pump station, and a system that will utilize ultra-violet disinfection. All three projects will be installed on the existing footprint of land.
- > At a cost of \$21.3 million, the reservoir located at 42nd Street West will be expanded, and combined

with a new pumping facility to service the industrial and northeast residential areas.

- > A study is underway to review the condition of the City’s electrical distribution system against industry standards. The study may identify necessary capital improvements and costs, and will project the long-term rehabilitation and growth work required, which may have a corresponding impact on the return on investment.

## Transportation

Efficiently moves people, services, and goods while minimizing environmental impact and promoting sustainability.

### Overview

Saskatoon is growing in geographic size as well as population. As the city grows, the challenges involved in safely and efficiently moving people, services, and goods around it become increasingly complex. The Transportation business line brings together a wide range of City services and programs, each of which plays an important role in meeting the transportation needs of the city.

Transportation involves planning, design, building, maintenance, operation, and regulation of the City’s expanding transportation systems. This includes facilities for all modes of travel – pedestrian, bicycle, vehicle, and public transit. Saskatoon Transit provides fixed route service on designated bus routes as well as service for people with mobility issues. Discounted passes are offered to citizens with low income to assist with their transportation needs.

Transportation also involves traffic signal operation, parking control and enforcement, street lighting, seasonal lighting, sidewalk and back lane maintenance, sound attenuation, street sweeping, and snow and ice management. In addition, it provides services for maintenance and rehabilitation (preservation) of all roadway assets including roads, bridges and overpasses, sidewalks, back lanes, and pathways.

Finally, Transportation is about planning for the future. With some projections calling for Saskatoon’s population to surpass the 400,000 mark by mid-century, a main focus of the Transportation business line is to explore innovative ways to efficiently move people, services, and goods, while minimizing environmental impact and promoting sustainability.

### At A Glance

- > Bridges and structures:
  - 5 river crossings;
  - 35 interchanges and overpasses; and,
  - 15 pedestrian overpasses and tunnels.
- > 1,100 km of roads; 1,600 km of sidewalks; 502 km of back lanes;
- > Public transit fleet is comprised of 58 conventional, 82 low-floor, 3 articulating, and 24 Access Transit

- buses, for a total of 167 buses (120 buses have bicycle racks);
- > Transit operates 365 days a year, and has a passenger load of approximately 11.5 million rides per year;
- > 724 km of bus routes operate on 276 km of streets;
- > Total number of parking meters: 2,450;
- > Total number of traffic signals: 246;
- > Total number of traffic count stations: 544;
- > Total annual vehicle kilometres travelled in Saskatoon: 1.48 billion;
- > Number of work requests issued from Public Works Dispatch:
  - 10,331 – Water and Sewer;
  - 7,765 – Roadways; and,
  - 667 – Support Services.
- > Alternative modes of transportation in Saskatoon as measured during the 2006 Census:
  - Walking – 6.16%;
  - Cycling – 2.43%;
  - Public Transit – 3.69%; and,
  - Saskatoon has the second highest cycling rate per capita in Canada.

- > Global attention on successful Transit services during the 2009/2010 World Juniors Hockey Championship.
- > Transit ridership increased by 4% in 2009 due to increased marketing efforts and the UPASS at the University of Saskatchewan.
- > Access Transit ridership increased by 8% in 2009.
- > Conversion of Transit bus fleet to electronic fare box system and SMART card technology.
- > Implemented multi-space parking meter technologies in the River Landing area.



Sharrows, as part of the new Cycling Plan, show bikes and cars they need to share the road

### Major Achievements 2009 – 2010

- > Secured funding and began construction of Circle Drive South Project.
- > Reduction in street rehabilitation back-log due to federal stimulus funding.
- > Approval of alignment of 25th Street extension.
- > Rehabilitation of Idylwyld Freeway at Saskatchewan Crescent and 8th Street.
- > Introduced a bus eco-pass program.
- > Accelerated bus refurbishment program due to escalating bus prices and results associated with a 2010 SGI bus audit of older buses. Between 35 and 40 buses will be refurbished by the end of 2010.
- > Added mid-size low-floor and articulating low-floor buses which allow Transit to provide “fit-for-purpose” sized buses to appropriate routes.
- > Secured funding from the Saskatoon Health Region to cover partial costs for Access Transit to provide transportation for renal patients.
- > Completed construction of Access Transit bus storage building to LEED standard.
- > Expanded the bike sharrow program to encourage and support the use of bikes as an alternate form of transportation in the downtown, Riversdale, and Broadway commercial areas.

### Key Challenges

- > There is a growing gap in the amount of money that is required on an annual basis to rehabilitate and maintain the existing infrastructure, such as roads and bridges.
- > Saskatoon currently spends 0.7% (\$30 million) of total existing infrastructure asset value per year. Many experts recommend spending between 2% and 4% (\$106 million to \$212 million).
- > Supply of parking in certain areas of the downtown is not able to meet demand.
- > Growing network of roads, sidewalks, and back lanes, resulting in growing infrastructure funding gap.
- > Major overpasses are being built adjacent to existing neighbourhoods, thus creating excessive noise to residents in the area.
- > Building major transportation infrastructure, such as bridges and overpasses, are currently delayed until well after they are required, creating more pressure on existing streets and bridges.
- > Future modifications to the environmental legislation requirements could present a future challenge to the City’s snow dump sites.

- > Meeting public expectation for snow and ice management.
- > Growing demand for expansion of cycling infrastructure with limited resources.
- > Increased demand on Access Transit due to aging population.
- > Increased expectation for Transit to provide a viable alternate form of transportation.
- > The current bus storage facility needs to be relocated from its current location in the Caswell Hill neighbourhood.
- > There is an aging bus fleet and a growing gap in the amount of money required to replace or refurbish this bus fleet in order to meet current and growth demands.
- > The City Yards, used for storage and maintenance of City vehicles and equipment, will need to be relocated to make way for the extension of 25th Street to Idylwyld Drive.

recognition for recognizing length of time in parking stall.

- > Develop and implement a five-year capital plan for the expansion of cycling infrastructure (pathways, bike lanes, sharrows) and educational and awareness initiatives. Expansion of bus eco-pass program to businesses, non-profit agencies, high schools, etc.
- > Review new neighbourhood design standards from a long-term Transit perspective. If changes are desired, the City will then work with developers to update these standards.
- > Pilot signal-priority system at five intersections to improve Transit service between downtown and the University of Saskatchewan.
- > Report on comprehensive short and long-term bus refurbishment.
- > Design and construct a bus terminal and bus route for easier entrance and exit from Credit Union Centre during special events.
- > Develop a plan to relocate the bus barn and City Yards to a multi-use site.

**Major Initiatives 2011 - 2013**

- > Opening of the new South Bridge, related interchanges, and overpasses (2012).
- > Report on mid-2011 Transit fare increase requirements and project fares for the next two years.
- > An increase to the funding for basic infrastructure to address some of the maintenance of roads, back lanes, bridges, etc.
- > Construction of Phase I of Highway 7 and Highway 14 interchange.
- > Develop a long-range transportation master plan integrating all transportation modes including transit, walking, cycling, and driving.
- > Commence plans for replacement of the Traffic Bridge.
- > Construction and extension of 25th Street from Idylwyld Drive to 1st Avenue.
- > Improve the level of service for snow and ice removal by focusing on priority travel routes, areas near schools, bus stops, and accessibility of roadways in new neighbourhoods.
- > Develop and implement a Transportation Demand Management Strategy to make more efficient use of transportation resources.
- > The retrofitting of two signalized intersections at priority locations.
- > Implement alternative options to City Card payment for parking, and new technologies for parking enforcement, including license plate



The proposed concept plan for the new 25th Street extension

**Urban Planning and Development**

A proactive approach to addressing future opportunities and pressures on our community that accommodates growth and change (e.g. population, diversity of public services and amenities, broader scope of education, research, business) while balancing long-term economic, environmental and social needs, and achieving the desired quality of life expressed by our residents.

**Overview**

The primary goal of the Urban Planning and Development business line is to build an increasingly sustainable community over time with an enhanced quality of life, which is consistent with the vision and core strategies of the City's Strategic

Plan. This is accomplished through the provision of several interrelated services:

- > Planning for the future growth of the City with long-range land use and infrastructure plans that are efficient and sustainable.
- > Planning new development areas to ensure there are appropriate amounts of land for areas to work, live, and shop, and that these lands are situated in a compatible way with good access to transportation and community facilities, with a variety of housing options and price ranges.
- > Encouraging economic development by supporting the Saskatoon Regional Economic Development Authority; assisting the start-up of new businesses; and providing advice and timely reviews for new development applications.
- > Renewing and sustaining existing areas of the city through local area plans, neighbourhood rejuvenation projects, incentives for supportive and affordable housing, and appropriate licensing and civic bylaw enforcement.
- > Providing quality public spaces throughout the city through streetscape master plans and urban design projects in key areas such as the downtown and business improvement districts.
- > Providing timely reviews of building permit applications, to ensure the health and safety of owners and occupants.
- > Continually monitoring the quality of life in our community, with our partners at the University of Saskatchewan and the Saskatoon Health Region, to facilitate ongoing evaluation of our Strategic Plan performance.
- > Collaborating with our regional partners to build an economically and environmentally sustainable region.

In recent years, it has become increasingly apparent that the sustainability of our community, from an economic, environmental, social and cultural perspective, will require new approaches to the way we plan and build our city. This is especially true in our current high-growth environment. Therefore, while we will always pay attention to our citizens' current needs in all our service line activities, we will also look to the future in everything we do to ensure Saskatoon remains economically viable and environmentally, socially, and financially sustainable over the long term.

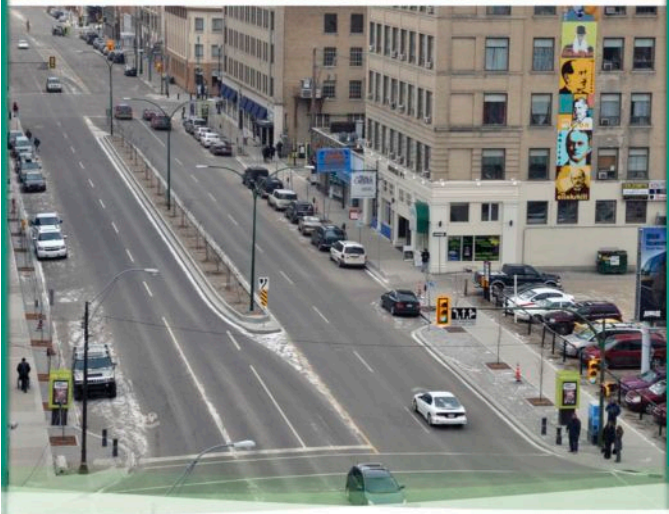
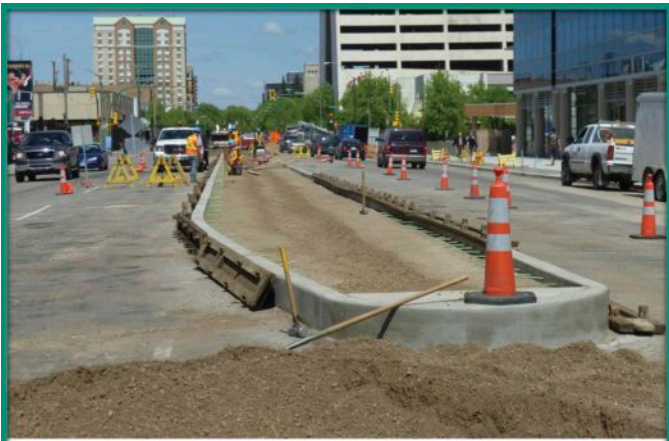
#### At A Glance

- > Saskatoon is growing. There are 223,000 people in the city and over 250,000 in the region. Saskatoon has grown by 5,000 people in the last year alone.

- > In 2010, the number of approved building permit applications were 4,100. This is an increase from an average of about 3,000 from the preceding 6 years.
- > There are now 9,000 licensed businesses in Saskatoon - an increase from about 7,500 in 2006.
- > Over 300 property-use complaints are received each year, along with 40 applications to legalize existing basement suites.
- > There are ten neighbourhoods with approved Local Area Plans (LAP), with two new LAPs now being prepared.
- > In 2010, over 200 significant development applications were received of all types, with about 40 requiring public consultation meetings.

#### Major Achievements 2009 – 2010

- > Completed the first new housing units in the Pleasant Hill Village project.
- > Partnered with Sutherland and Broadway Business Improvement Districts to table major new planning studies with City Council.
- > Enterprise Zone Program replaced by proposed Vacant Lot Incentive Program.
- > Creation of the new Business Start-Up Guide which provides an enhanced level of service to prospective business operators in Saskatoon.
- > The Aero Green Business Park concept plan was approved by City Council.
- > Major boundary alteration was completed, providing future growth opportunities in the north and east areas of the city.
- > New Official Community Plan and Zoning Bylaw was completed for the Corman Park – Saskatoon Planning District.
- > Completion of 3rd Avenue streetscape work from 20th Street to 22nd Street.
- > The 25th Street Streetscape and North Downtown Gateway Concept Plan presented at a public open house.
- > City Park Local Area Plan was approved by City Council.
- > South Caswell Concept Plan was approved by City Council.
- > Updated 2026 population projection for the city.



Construction and finished view of the 3rd Avenue streetscaping

**Key Challenges**

- > Using a moderate annual growth rate of 1%, Saskatoon will have a population of about 260,000 in 20 years. Using a 2% growth rate scenario, Saskatoon could have a population of over 310,000 in 20 years.
- > One of Saskatoon’s great attributes has always been the affordability of both rental and ownership housing. Over the last few years, the affordability of housing has declined significantly. Renewed funding will be required for housing support programs beyond 2012.
- > Demand for housing options will be impacted by a growing population of senior citizens and a high percentage of youth in our Aboriginal and immigrant populations.
- > Preliminary data shows that social service organizations and supportive housing units tend to be concentrated in certain areas of the city.
- > Maintaining the role of downtown as the centre and heart of the city and region as population grows outward.

- > Taking advantage of strategic infill opportunities in existing neighbourhoods, and ensuring new neighbourhoods offer housing diversity and choice.
- > Regulatory functions keeping pace with new and innovative ways of doing business in our city.
- > Building permit application volumes and values continue to exceed activity levels from the last three years, which makes it difficult to process applications in a timely manner.
- > Municipalities and First Nations in the Saskatoon region are also facing challenges related to growth and development. Enhanced regional partnerships are likely to evolve, in order to manage complex inter-jurisdictional relationships.

**Major Initiatives 2011 - 2013**

- > 3rd Avenue streetscape work from 19th Street to 20th Street.
- > Construction of new section of 25th Street streetscape from 1st Avenue to Idylwyld Drive.
- > Table Westmount and Varsity View Local Area Plans with City Council.
- > Local Area Plan review and future strategy, including updated Neighbourhood Indicators Status Report, to be tabled with City Council.
- > Ongoing affordable housing target of 500 units per year, including plans to distribute city-wide.
- > Permanent funding for affordable housing.
- > Online applications for business licenses and subdivisions.
- > Partner with RM of Corman Park to begin sector planning studies for planning district.
- > Table recommendations for new care home and daycare policy.
- > Create a Wetlands Policy and Implementation Plan that will provide for the conservation of wetlands within the City’s future growth areas.
- > Submit the Blairmore Sector Plan to City Council for approval.
- > Table the East Sector Plan with City Council.
- > Continue to refine the Master Future Growth Plan.
- > City Centre Plan Phase II to integrate the civic buildings, public spaces, and infrastructure in the downtown core.
- > Provide a leadership role in the development of the Kinsmen Park and Area Master Plan, which includes the Mendel Art Gallery building and grounds, and the Shakespeare on the Saskatchewan site.
- > Provide a leadership role in North Downtown Master Plan to create a comprehensive vision

for the vacant City-owned land resulting from the extension of 25th Street to Idylwyld and the relocation of the City Yards from the city's central business district.

- > Expand relationships with regional partners to respond to projects associated with wastewater management, Treaty Land Entitlement communications, and planning district concept plans.
- > Implement a Planning for Growth study in partnership with the RM of Corman Park, Martensville, Osler, and Warman.

## Recreation and Culture

Provides opportunities for citizens to participate in and enjoy the benefits of sport, recreation, culture, and park activities.

### Overview

The Recreation and Culture business line provides a wealth of opportunities for citizens to participate in and enjoy the benefits of sport, recreation, culture, and park activities. Such activities are a core element of Saskatoon's quality of life, and an essential part of individual and community health.

One of the City's over-arching goals is to encourage as many citizens as possible to take advantage of the recreation and culture activities available. In order to do this, the Recreation and Culture business line operates a number of facilities, provides direct services and programs, and provides support to community-based organizations involved in delivering programs and services. Saskatoon's parks and open spaces provide space for citizens to play sports, walk or bike along pathways, swim in the paddling pools, and play in the playgrounds.

### At A Glance

- > City-operated sport, culture, and recreation facilities attract approximately 1.5 million visits a year.
- > The business line delivers paid admission programs and services, including swimming, skating, fitness, recreation, golfing, zoo, and horticulture.
- > At leisure facilities in 2010, there were 15,500 registered program hours; 13,500 people who registered in swimming lessons; 135,000 rounds of golf played; 60,800 hours available for general admission; and 25,000 hours rented to community organizations.
- > In 2010, there were 138,000 admissions to the Forestry Farm Park and Zoo, and 14,000 visitor nights at the Gordon Howe Campground.
- > The business line supports community associations to provide 15,200 hours of year-round low cost/ no cost neighbourhood-based sport, culture, and recreation programs to 10,200 registrants.

- > Community associations have volunteers that volunteer over 75,000 hours annually.
- > Approximately 2,400 acres of park and open spaces are maintained.
- > There are outdoor sports fields for softball, baseball, soccer, slo-pitch, lacrosse, football, speed skating, rugby, and field hockey.
- > There are 44 parks that have paddling pools (88,000 annual users) and playground sites (18,600 children registered).
- > Approximately 60 indoor and outdoor sport, culture, and recreation buildings are maintained.
- > Provides funding support to Tourism Saskatoon.
- > Provides venues for major sport, culture, and entertainment events, including Mendel Art Gallery, River Landing, Credit Union Centre, and TCU Place.
- > Supports various community-based boards and agencies which in turn, provide programs and services in visual art, performing art, and cultural heritage, including Marr Residence and Albert Community Centre.
- > Trees planted: urban forestry – 1,009; new/upgraded park development planting (2009) – 2,193.
- > Park pathways: 107 kms.
- > River Landing area is 14.8 hectares; 274,000 users of the riverfront trail; 75% of the public infrastructure is complete; location of three major festivals including WinterShines, the Fireworks Festival, and Wakefest.

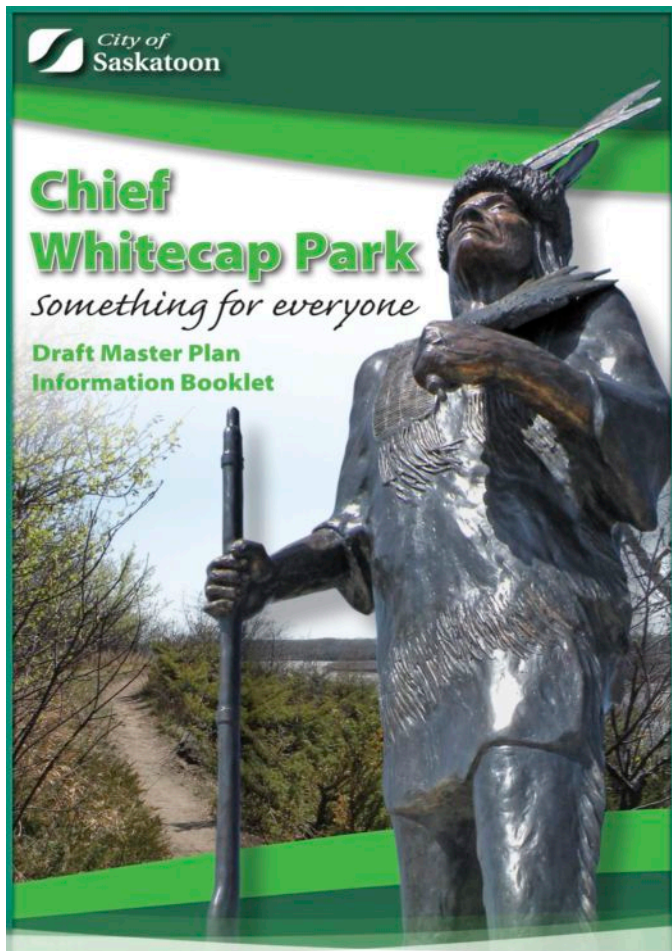
### Major Achievements 2009 – 2010

- > Installed solar panels at Harry Bailey Aquatic Centre and Lawson Civic Centre.



Installation of solar panels at the Lawson Civic Centre

- > Added 3,000 permanent seats to Credit Union Centre.
- > Hosted several national events in Canada's newest international competitive swimming pool at Shaw Centre.
- > Opened Affinity Education Centre and accessible playground at Saskatoon Forestry Farm Park and Zoo.
- > River Landing Phase II opened the riverfront promenade, Isinger Park, and Spadina Crescent.
- > Secured funding for the Art Gallery of Saskatchewan building design and construction at River Landing from the Government of Canada, Province of Saskatchewan, and City of Saskatoon.
- > Forestry Farm Park and Zoo received accreditation from the Canadian Association of Zoos and Aquariums.
- > Completed the Chief Whitecap Park Program and Master Plan.



The master plan for Chief Whitecap Park

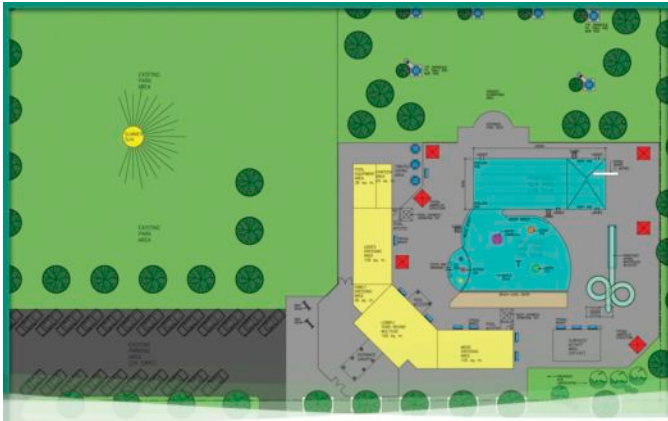
### Key Challenges

- > Keeping activities affordable and accessible to all residents.
- > Reacting in a timely fashion to the changes with sport, culture and recreation, participant preferences, and general trends.
- > Aging infrastructure of recreation facilities such as outdoor pools, paddling pools, and recreation units.
- > Adapting programs and services to meet the changing needs of customers - such as seniors and persons with disabilities.
- > Private sector development at River Landing.
- > There is a growing demand for off-leash dog parks, and users would like them to be at various locations throughout the community.

### Major Initiatives 2011 – 2013

- > \$12.5 million in park upgrades and new development.
- > Design and construction of the Art Gallery of Saskatchewan at River Landing.
- > Conduct Future Sport and Recreation Facility Needs Assessment Study.
- > Implement Municipal Culture Plan.
- > Installation of automatic irrigation management system to reduce water consumption.
- > Additional accessible playground units.
- > Upgrades to golf courses, rinks, Forestry Farm Park and Zoo, and campground facilities.
- > Upgrading of Pleasant Hill and Dundonald Neighbourhood Parks.
- > Take over maintenance of new parks in Stonebridge, Willowgrove, Hampton Village, Evergreen, and Blairmore neighbourhoods.
- > Provide hosting grants to support major special events, such as the 2012 Canadian Country Music Awards.
- > Prepare the first ever Memorandum of Understanding (MOU) between a neighbourhood and its elementary schools to recognize and protect the cash investment of \$3.5 million into the elementary schools/community centre facility and land costs. The MOU will formally acknowledge that the design, construction, operation, and access to the school facility will provide activity space to support community programs and activities.

- > Develop new off-leash dog areas.
- > Replacement of the Mayfair outdoor swimming pool.



The concept design for Mayfair Pool

## Environmental Health

Preserves and protects the long-term health of our urban environment.

### Overview

A healthy environment is essential to a healthy population, now and in the future. In order to create an environmentally sustainable community, a number of City programs, services, and activities have been brought together in the Environmental Health business line. Grouping these activities enables the City to more effectively preserve and protect the long-term health of Saskatoon's urban environment.

Saskatoon's environmental program forms the core of this business line. It seeks to protect and improve the environment by reducing the impact of our activities within our community and region on air, water and land for citizens today and tomorrow. Guided by plans such as the Energy and Greenhouse Gas Management Plan, the Saskatoon Waste and Recycling Plan, and Permits to Operate for environmental facilities, a wide range of activities are initiated within this business line. Examples include: collection and management of solid waste; implementation of environmental projects and programs related to energy efficiency; waste minimization and diversion; hazardous waste; responsible management or remediation of contaminated City-owned sites; water chemistry; and environmental policy development. Management of Saskatoon's urban forest, which numbers well over 90,000 trees, is also a critical element of this business line.

The City is expected to be a leader in environmental stewardship. The Environmental Services Branch supports and facilitates the implementation of environmentally friendly and sustainable practices for improved environmental performance both by the corporation and the community at large.

### At A Glance

- > Parks Branch maintains over 95,000 trees on boulevards and in parks.
- > Landfill received 130,000 tonnes of garbage; approximately 54% is residential garbage.
- > Compost depots received 19,000 tonnes of leaves, grass, and branches.
- > Recycling depots received 7,000 tonnes of paper, cardboard, milk jugs, and tin cans.

### Major Achievements 2009 – 2010

- > Commissioned second landfill scale to reduce landfill line-ups.
- > Completed retrofits on several civic facilities to reduce energy costs.
- > Conducted energy audits on a number of civic facilities.
- > Initiated greenhouse gas tracking program to track environmental impact of City activities.
- > Completed public consultations on new recycling program.
- > Planted an average of 3,000 trees a year to enhance urban forest and maintain air quality.



Public consultation on recycling

### Key Challenges

- > Quantifying greenhouse gas emission reductions and maintaining momentum for improved air quality.
- > Cost effective and efficient systems for reducing, reusing, recycling, and energy and resource capture from the waste stream.
- > Landfill site is an important and finite resource - its use must be optimized.
- > Maintaining the urban forest free from pests and disease.
- > Cost effective and safe procedures for reusing vacant or underutilized contaminated sites.

## Major Initiatives 2011 – 2013

- > Prepare a report card on greenhouse gas emissions reductions and initiatives.
- > Complete a master plan (2011) for the landfill to extend its active life and increase the level of service provided, and begin expansion of the landfill through construction of a new cell (2012).
- > Design (2011) and construct (2012) a new facility to divert residential construction and demolition waste from the landfill for re-use in other construction projects.
- > Complete the conversion to individual garbage containers to enhance cost effectiveness and efficiency in the system for managing and reducing the waste stream.
- > Expand recycling under the Waste and Recycling Plan to enhance cost effectiveness and efficiency in the diversion of materials suitable for resource capture from the waste stream.
- > Expand the organic waste program under the Waste and Recycling Plan to divert organic material from the landfill.
- > Continue the tree planting and maintenance program to ensure a healthy urban forest.
- > Establish soil protection and remediation policies and procedures for City-owned properties.
- > Deliver feasibility report on district heating opportunities for the City.

## Community Support

Provides supports and community investments to help build capacity in sport, recreation, culture, heritage, and social organizations and enhances neighbourhood-based associations and organizations.

### Overview

Saskatoon consistently ranks among the top cities in North America for quality of life. The City of Saskatoon defines quality of life as the sense of well-being achieved when people are physically and emotionally healthy, economically secure, safe, have adequate shelter, a sense of belonging, and share cultural and social connections.

Achieving quality of life for the residents of Saskatoon requires the combined commitment of individuals, families, community organizations, service providers, and City of Saskatoon staff. The Community Support business line provides both human and financial supports for community groups, as well as a broad range of City-led initiatives. These initiatives are aimed at building capacity in sport, recreation, culture, heritage, and social organizations and enhancing neighbourhood-

based associations. The Community Supports business line also provides subsidized or no cost programs where cost is a barrier for families and individuals.

Community supports often take the form of investments in community-based organizations. This approach ensures a balance between municipal leadership and community involvement in the development and revitalization of facilities, programs and services, and the protection of Saskatoon's heritage buildings and structures. Partnerships and community collaboration continue to be key to the success of this service delivery approach.



Part of the diversity and inclusion initiatives

### At A Glance

- > Provides supports and community investments to 70 social agencies; 50 sports organizations; 50 community outdoor rinks; 45 community associations; 15 arts, culture, heritage organizations; and 6 community gardens.
- > Coordinates programs designed to enhance racial harmony and engagement of Aboriginal citizens.
- > Facilitates Community Engagement process.
- > Provides \$4.25 million in community grants each year.
- > Maintains Woodlawn Cemetery and Nutana Pioneer Cemetery.
- > Subsidizes 250 spay or neuter surgeries a year.
- > Subsidizes 52,000 Leisure Access visits to leisure facilities a year.

### Major Achievements 2009 - 2010

- > Establishment of capital reserve fund for major arts/cultural institutions.
- > Establishment of new community associations in Stonebridge and Hampton Village.
- > Formalization of agreements with the ten flagship social agencies receiving multi-year funding.
- > Formalization of community garden program.
- > Implementation of Leisure Access cards for agencies representing transient, low-income individuals.
- > Established coordinated review of grants where organizations apply once, and then the three participating granting agencies determine which agency is most suited to fund that request.



Graduates from the Aboriginal Youth Leadership Training Program

### Key Challenges

- > Balancing public expectations with available resources.
- > Collaborative delivery of services depends on partners/arms-length service delivery agents living up to commitments.
- > Building cultural and social cohesion with our growing Aboriginal and immigrant populations.
- > Volunteer burnout and lack of volunteer pool for community-based organizations.

### Major Initiatives 2011 – 2013

- > Intercultural initiatives aimed at facilitating formal and informal civic participation of diverse groups. Targeting aboriginals, newcomers, and Canadian born youth in building leadership skills for youth empowerment.
- > Intercultural awareness training sessions for civic staff.
- > Community workshops on multiculturalism, and building bridges with Aboriginal and immigrant communities.
- > Targeted volunteer recruitment campaign for community organizations to ensure there is broad representation from the community.
- > Mentorship opportunities for aboriginals and newcomers joining community associations.
- > Conduct an accessibility review of civic facilities.
- > Develop a self-assessment tool for community organizations to ensure accountability for use of grant funds and organizational effectiveness.
- > Civic participation and leadership 'toolkits' prepared through a youth action network and the Urban Aboriginal Leadership initiatives.

- > Review of Heritage Policy to ensure the City's role to support an inventory of heritage buildings in being fully realized.
- > Establishment of Cemetery Assurance Fund to protect the ongoing operations of the cemetery.

## Corporate Governance and Finance

Provides administrative, human resource, information technology, and finance supports for all other business lines. The City's vehicle and equipment fleet, and building operations and maintenance services provide support to the other business lines.

### Overview

The Corporate Governance and Finance business line provides essential administrative, human resource, information technology, and finance supports for all other business lines. The expertise provided by City staff in these key areas help to ensure the smooth, seamless provision and delivery of services to residents, businesses, organizations, and stakeholders.

The City Manager is the Chief Administrative Officer for the City of Saskatoon and is responsible for planning, directing, supervising, coordinating, and controlling all municipal operations as approved by City Council. Strategic and business planning, intergovernmental affairs, corporate communications and community engagement are coordinated through this office.

The City Clerk's Office administers the City's legislative processes. This includes preparing and distributing agendas and minutes, and disseminating decisions of meetings of City Council and its committees; ensuring that the business of City Council and its committees are conducted in accordance with the applicable statutes; and maintaining corporate records, including bylaws, agreements, contracts, and archival records. The City Clerk's Office also conducts municipal elections and administers the provisions of *The Local Authority Freedom of Information and Protection of Privacy Act*.

The City Solicitor's Office provides legal services to the municipal corporation and related bodies. It also administers the corporate risk management program. This includes the handling of claims from citizens who believe that they have suffered damages which were caused by the City.

There is a wide range of employee and organizational services including: workplace safety, health and wellness, employee benefits, recruitment, corporate accounting, and information technology. The City's vehicle and equipment fleet, and building operations and maintenance services provide support to the other business lines.

## At A Glance

- > There are 11 elected officials consisting of one Mayor and 10 Ward Councillors.
- > There are 12 unions and associations within the City's organizational structure.
- > Total revenues collected - \$297 million.
- > There are 875 vehicles in the City's fleet.
- > The 2010 assessed value of all property in Saskatoon is \$11.6 billion.



The new electronic utility bill

## Major Achievements 2009 - 2010

- > Increased in-house training opportunities for our employees, a renewed commitment to make us a learning organization.
- > Implemented a dual tax bill in 2010 whereby the municipal and school taxes are shown separately to provide a clear picture of where tax dollars are being spent.
- > Implemented eBill for taxes and utilities for ease of citizen payment and to reduce the amount of paper used and mailing costs.
- > Introduced a corporate blog, Facebook, YouTube, and Twitter to enhance communication opportunities.
- > Excellence Within Us training provided to all permanent employees to make us ready for our new way of conducting business, and provide an excellent and measurable service to our citizens.



New social media tools the City is using

## Key Challenges

- > Aging workforce and a competitive job market creates challenges in recruitment, retention, and knowledge transfer.
- > Difficult to have an integrated approach to human resource management without an automated system.
- > A diverse workforce (age, cultural backgrounds, etc.) where employees have different needs and expectations.
- > Rapid, ongoing changes in technology.
- > Maintain and improve the health and safety records of employees.
- > Aging fleet of vehicles and equipment leads to higher maintenance costs.
- > A new level of growth in Saskatoon has created extra pressures and demands on the taxi industry.

## Major Initiatives 2011 – 2013

- > Introduce a competency model to develop leadership competencies. Align the different functions such as employment and performance to this model.
- > Develop a comprehensive workforce strategy to respond to aging workforce and competitive job market.
- > Integrate health and safety management systems for civic employees.
- > Implement City Council recommended revisions to the Taxi Bylaw.
- > Civic Election in 2012 which will introduce a four-year term (currently three-year term).
- > Property reassessment will occur in 2013.
- > Phase-in the replacement of aging vehicles and equipment to reduce maintenance costs.
- > Introduce video streaming of City Council meetings.

## A New Budget: The City of Saskatoon's 2011 Budget

The 2011 Budget was approved by City Council on December 20, 2010. This section gives a general overview of the Budget; however, for more detailed information, please consult the 2011 Budget document.

### Introduction

The 2011 Budget provides the financial resources to fund the 2011 Corporate Business Plan. It includes both the dedication of financial resources for capital infrastructure projects, as well as the financial resources required to run the City's day-to-day operations. To reiterate a point made earlier in this document, the City of Saskatoon has revised its budget process for 2011. The budget document now integrates the City of Saskatoon's Business Plan with the City's Capital and Operating Budgets. The reasons for this are:

- > The City of Saskatoon believes that the resources allocated to the various programs, services, and projects should be tied to clear and achievable plans.
- > Because the City of Saskatoon's capital investments have a direct impact on the day-to-day operations, the City believes that by integrating the operating and capital budgets, it enables more effective management of the City's financial resources.
- > By combining the operating and capital budgets, the full costs of funding the City's business lines are more clearly understood.

In short, this new process allows City Council to make fully informed decisions that impact both sides of the funding equation.

The City of Saskatoon's 2011 Budget has combined capital and operating investments of approximately \$676.4 million, with approximately \$351 million going to capital projects, and \$325.4 million going toward paying for the City of Saskatoon's operations.

To help pay for these investments, the City of Saskatoon's 2011 Budget has a 3.99% impact on municipal property taxes. This means that a homeowner who owns a single-family detached home with a market value assessment of \$200,000 (based on the preliminary 2011 assessments) will see his or her municipal property taxes increase by approximately \$58 annually, or \$4.85 per month.

The 2011 Budget also includes \$48 million in planned borrowing for a number of projects including the Circle Drive South Project, the Police Headquarters, and a number of utility projects. In addition, a new financing strategy has been included for the replacement, expansion, and addition to civic facilities.

A new borrowing plan to fund this strategy includes an incremental provision of \$350,000 to increase the base for debt repayment on the borrowing for these needs. The base already includes the repayment for the borrowing for the Police Headquarters. Other projects added to the list include any new fire halls, and the relocation of Saskatoon Transit and the City Yards to a new multi-use site. All borrowings will be subject to a public notice hearing.

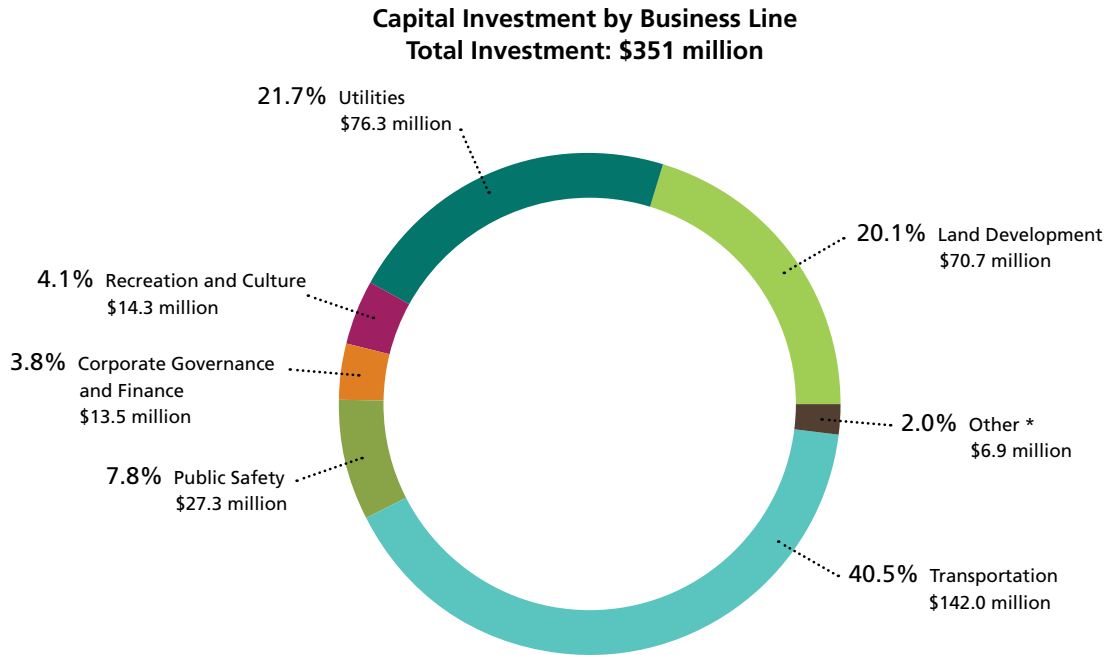
### The City of Saskatoon's 2011 Capital Budget

The City of Saskatoon's Capital Budget directs funding for the construction or refurbishment of major capital infrastructure projects such as roads, bridges, buildings, and water and sewer lines. The 2011 Capital Budget not only addresses the city's growth, but also its basic infrastructure needs. This includes replacements for buses, vehicles, and equipment; building maintenance; roadway and bridge maintenance; as well as utility maintenance and replacements.

The City of Saskatoon is committed to building and developing infrastructure that meets the needs of our growing community. Like all growing cities, however, one of the major challenges facing the City of Saskatoon is finding a way to pay for growth. Internal estimates indicate that the City of Saskatoon has a ten-year infrastructure deficit of over \$900 million. To help reduce this deficit and enhance our competitive position relative to other major cities, the City of Saskatoon's 2011 Capital Budget provides a total capital investment of \$351 million. Together, the various projects that make up this total investment aim to:

- > improve our mobility;
- > enhance the safety of our public;
- > increase our quality of life; and,
- > protect our environment.

The following pie chart shows the 2011 capital investment by the new business lines.



*\*Other includes Environmental Health, Community Support, Urban Planning and Development, and the Saskatoon Public Library*

### Summary of Capital Investments

As noted in the pie chart, over 40% (or \$142 million) of the City’s capital budget will be allocated to transportation projects that will help to improve the movement of people and goods in our community. The bulk of this investment (\$104.3 million) is allocated to the Circle Drive South Project. This investment will pay for over one-third of the total cost (\$258 million) associated with the completion of this important and major roadway. This project is expected to be completed by September 2012.

This budget also makes a \$27.3 million capital investment in projects that will greatly enhance public safety in Saskatoon. The majority of this investment, \$25 million, is allocated to the design and construction of a new Police Headquarters. This project is needed to help ensure that the Saskatoon Police Service can respond more effectively to public safety and law enforcement concerns.

To accommodate our growing population, the City of Saskatoon is investing over \$70.7 million dollars for various land development projects with the 2011 Capital Budget. This investment will help to provide the necessary infrastructure upgrades for new and existing neighbourhoods that will ultimately enhance the quality of life in our neighbourhoods.

In addition, the City of Saskatoon increases the quality of life for its residents by providing important recreation and cultural amenities. As a result, the 2011 Capital Budget is investing over \$14 million in recreation and cultural projects. The replacement of Mayfair Pool will begin in 2011 with a planned opening in 2012. Most of this \$5 million project has been funded through a pre-allocation of capital funds during the 2010 Capital Budget.

The City of Saskatoon owns and operates various utilities to provide services such as clean drinking water, wastewater collection, environmental protection, and electricity for the people it serves. Because these utilities provide vital services to the residents of Saskatoon, it is important that the City continues to make investments to enhance these services. As such, this budget is investing approximately \$76.3 million in various utility-related projects that will help ensure our citizens have access to electricity and clean drinking water, while at the same time, protecting our environment.

## Operating Budget Impact of Capital Investments

One of the main reasons why the City of Saskatoon has integrated its Capital and Operating Budgets is because many capital projects have an impact on the City's operating programs. The additional operating costs for the approved projects for the years 2011 - 2013 are summarized in the following categories:

Mill Rate Impact (000's)	2011	2012	2013
Public Safety	\$ 54	\$ 94	\$ 0
Recreation and Culture	19	70	31
Community Support	0	0	0
Urban Planning and Development	0	29	0
Transportation	112	319	64
Environmental Health	103	103	0
Utilities	0	0	0
Land Development	0	524	410
Corporate Governance and Finance	44	114	97
<b>Total</b>	<b>\$332</b>	<b>\$1,253</b>	<b>\$602</b>

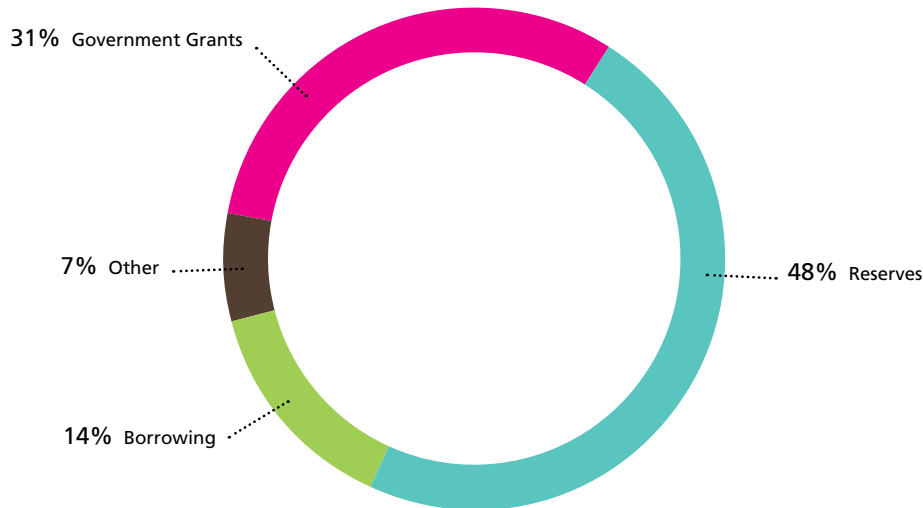
A number of the above-noted impacts are the result of the City's land development program. This program, together with development from private land developers/home builders, contributes to the City's annual assessment growth. The 2011 revenue from assessment growth is estimated at \$2.8 million. Specific operating impacts are disclosed at the project level throughout the Capital Budget.

## Funding for the 2011 Capital Budget

Funding for the 2011 Capital expenditures can be summarized by the following sources:

Funding Sources (000's)	2011 Budget
<b>Reserves</b>	
Withdrawal from Reserves	\$ 77,844
Withdrawals from Prepaid Reserves	81,255
Reserve for Capital Expenditures	3,866
Reallocation of Capital Funding	6,120
<b>Borrowing</b>	
General	24,009
Utilities	24,365
<b>External Sources</b>	
Building Canada Funding (Federal & Provincial)	11,832
Federal Gateway and Border Crossings	50,272
Provincial Government Funding	45,800
Western Economic Diversification	750
Other External Sources	598
<b>Other</b>	24,322
<b>Total</b>	<b>\$ 351,033</b>

### Funding Distribution of the 2011 Capital Budget



## Overview of Key Funding Sources

### Borrowing

The 2011 Capital Budget contains borrowing of \$48.4 million for a number of projects including the Circle Drive South Project, the Police Headquarters, and a number of utility projects. While borrowing is budgeted for projects as a source of funding, the actual borrowing is based on cash flow requirements. The total outstanding debt is estimated to be \$174.8 million by the end of 2011, which is well within the approved debt limit of \$400 million for the City.

Borrowing related to the utility projects will be repaid through utility rates. The repayment of the debt related to the other projects is funded through the general operating budget and through the overall borrowing strategy, using gas tax revenues from the federal government.

The future borrowing for the Art Gallery of Saskatchewan will be repaid through the Recreation and Cultural Funding Strategy, which was approved in 2009 by City Council. This strategy included the conversion of the annual cash contribution of \$500,000 of city assessment growth (previously dedicated to capital as a cash contribution) to debt repayment.

There is continued pressure for the replacement, expansion, and the addition of new civic facilities. One such facility is the new Police Headquarters, which will cost approximately \$91 million, and will be entirely funded through a combination of cash and borrowing. However, this borrowing can only be funded through a mill rate contribution. In previous years, an incremental amount of \$750,000 per year was being phased-in over a seven year period to build the base needed to repay the loan over a 20 year period. The 2011 Operating Budget includes the fourth year of this phase-in.

However, the need for new fire halls, the relocation of Saskatoon Transit and City Yards to a new site, as well as other civic facility requirements has required the development of a funding strategy to address these needs. As a result, the budget includes a new borrowing plan to fund this strategy including an incremental provision of \$350,000 to add to a base for debt repayment on the borrowing for these projects.

### Reserves

Reserves accumulate funds from various sources and are used to fund many capital projects. Annual contributions are made to designated capital reserves based on formulas and provisions as described in the Capital Reserves Bylaw and City policy.

There are a number of reserves that have been identified as having a shortfall in funding based on the future capital work planned for the next ten years. This is primarily due to the fact that future needs have significantly increased as a result of aging infrastructure as well as city growth, and partly due to insufficient reserve contributions to match the future needs. Alternate sources of funding of reserves and/or capital projects are required to meet the demand. Administration is working with City Council and will be pursuing these options including seeking unconditional, predictable, and sustainable capital funding from senior levels of government.

Due to the number of funding programs, such as Building Canada and Infrastructure Stimulus, that became available during the past two years, the City was required to inject its own funds into these projects that would have been undertaken in later years. However, as these programs were aimed at economic stimulus, the requirement to advance projects resulted in the City not only receiving additional funds from senior levels of government, but required the advancement of reserve funds in order to meet the program matching requirements. This advancement of reserve funds, as agreed to by City Council, placed some of the City's reserves in a deficit position due to the advanced timing of the projects.

There are other civic reserves in deficit situations that have received City Council's approval as an exception from the normal requirement to remain in a zero or positive balance. One such reserve is the Infrastructure Replacement – Water and Sewer Reserve. The Flood Protection Program has created a temporary deficiency in this reserve. Revenues from the flood protection levy on customers' utility bills over a ten-year period will be used to replenish this reserve. Infrastructure Stimulus Funding also accelerated the use of reserve funds to match senior government funding for projects undertaken in 2010. Another reserve that has City Council's approval to remain in a deficit balance until 2015 is the Infrastructure Replacement - Parks Reserve to cover the higher construction costs of the WJL Harvey Park redevelopment. Approval was also granted to allow the Fire Apparatus Replacement Reserve to be in a deficit position until 2012 to allow the purchase of an aerial pumper. The Fire Apparatus Replacement Reserve and Parks Reserve will be replenished through annual contributions.

The Corporate Capital Reserve was created during the 2010 Capital Budget to fund administrative projects that were formerly funded under the Reserve for Capital Expenditures (RCE). However, to revise the purpose of RCE funding to be for projects that are at the discretion of City Council for community issues, the administrative projects were removed from RCE and a new reserve created. Due to the timing and size of projects, it was agreed that the Corporate Capital Reserve could temporarily be in a deficit as long as the reserve would be in a positive position within a five-year period.

The Bridge Major Repairs Reserve will receive an allocation from the operating budget of \$521,000 in 2011. Savings from debt retirements in the past have been redirected to fund this reserve. In 2011, an additional provision of \$125,000 has been included to bring the total provision to \$521,000. The previously reported annual requirement for this reserve is about \$2.5 million. This phase-in plan will be reviewed annually to ensure the expected reserve requirement will be achieved over time, as well as ensuring the mill rate can support the incremental allocation.

The RCE has \$3.867 million available to fund discretionary capital projects. These are projects that do not have a dedicated reserve to fund them. The RCE is funded by an annual mill rate contribution of \$3,412,400. In addition, the practice of allocating one-third assessment growth to capital is being followed, net of the \$500,000 contribution to the Recreation and Culture Financing Plan, which left \$266,600 for the RCE.

As approved during the 2008 Operating Budget deliberations, \$1 million per year for five years, beginning with the 2009 Capital Budget, is being allocated to capital from the Neighbourhood Land Development Fund. One other source of capital funding is \$166,900 from the expected interest earnings from the investment of the funds received from the Saskatchewan Infrastructure Growth Initiative.

Deducted from these amounts is the contribution from the RCE to cover the revenue shortfall in the River Landing program. This is being estimated at \$1,019,300 for 2011. This subsidization from the capital funds will eventually be eliminated once the build-out in the River Landing area is completed and property tax, lease and parking revenues fully flow to offset the operational and maintenance costs of the River Landing operations.

### **Other External Sources**

Funding from external sources include, but are not limited to, senior government programs, private contributions, fundraising campaigns, and corporate sponsorship or partnership arrangements. Some of the key external funding sources are the Federal Gas Tax, and Federal Gateway and Border Crossings Funding, in addition to the already mentioned Building Canada Fund and Infrastructure Stimulus Funds.

#### **Federal Gas Tax:**

In the 2008 Federal Budget, the federal gas tax transfer was made a permanent source of funding for municipalities. To date, the City has received \$30.6 million from the gas tax transfer. In fiscal year 2011, the City of Saskatoon will receive over \$12 million from the gas tax transfer.

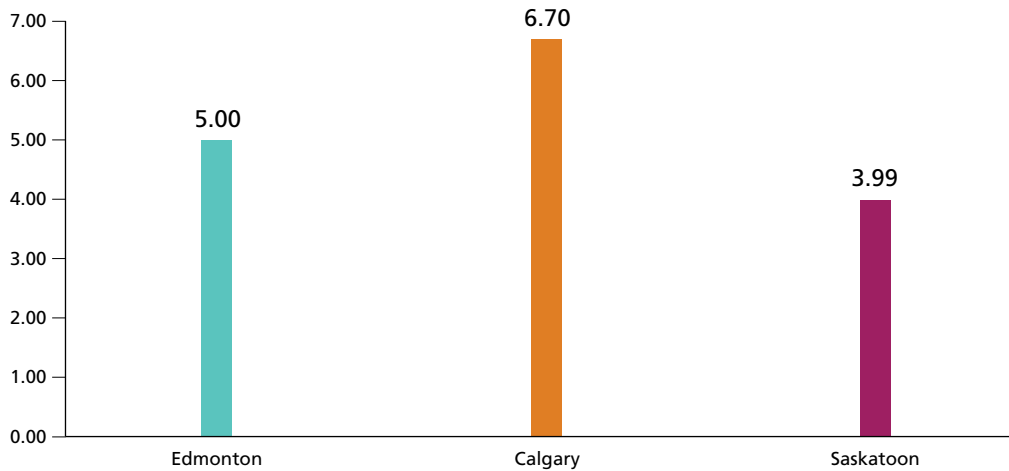
These funds are being allocated to a number of completed projects as cash and/or debt repayment on borrowing for these projects.

## The City of Saskatoon's 2011 Operating Budget

As noted earlier in this document, the City of Saskatoon's 2011 Operating Budget is \$325.4 million which will help fund the day-to-day operations of the City of Saskatoon. As a reminder to readers, the operating budget pays the salaries of civic staff including police officers, firefighters, bus drivers, and lifeguards. It also pays the salaries of staff required to provide clean drinking water, clear snow, fix potholes, and maintain the City's public parks. The operating budget also pays for the costs of heating civic facilities, such as swimming pools and recreation centres, and it helps to pay for the various programs and services that the City of Saskatoon offers to its citizens.

To help pay for the City's operations, the 2011 Operating Budget impacts the municipal property tax by 3.99%. This means that a homeowner who owns a single-family detached home with a market value assessment of \$200,000 (based on the preliminary 2011 assessments) will see his or her municipal property taxes increase by approximately \$58 annually, or \$4.85 per month. The City of Saskatoon's 2011 property tax increase is comparative to what other cities are proposing for 2011.<sup>1</sup>

**Property Tax Increases for 2011**  
(Percentage)

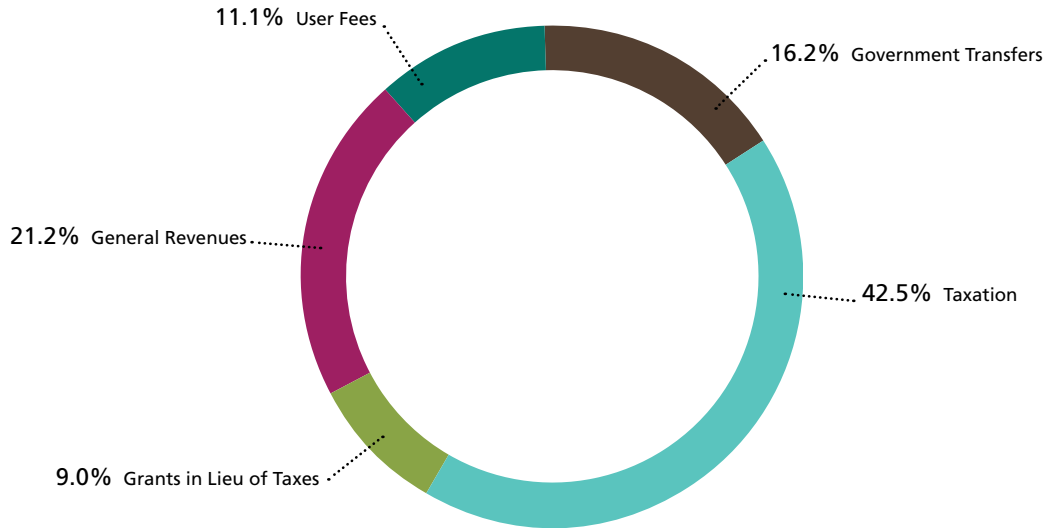


In Saskatoon, one percentage point of the property tax is equivalent to approximately \$1.3 million for 2011.

While the City of Saskatoon tries to keep property tax increases to a minimum, the reality is that it derives its revenues from very few sources. As shown in the following chart, approximately 43% of the City of Saskatoon's 2011 operating revenues come from property taxation.

<sup>1</sup> Other major cities have not proposed a budget for 2011 at the date of publication of this document.

The City of Saskatoon's 2011 Operating Revenue Sources



This reliance on one particular source of revenue is challenging to the City of Saskatoon's financial sustainability. As noted in a recent study by the Canada West Foundation:

*"The property tax is the only substantial tax available for local governments in Canada, and critics of the tax are right when they claim it alone is insufficient to meet the needs of today's large modern cities. Defenders of the tax are wrong in asserting that the property tax is the only way — or even the best way — to fund all of our varied civic endeavours. What is more, property taxes across the local government sector are not out of control, and the same can be said for property taxes in most large western Canadian cities as well. In fact, property taxes are currently at some of the lowest levels seen in the past 50 years despite claims to the contrary. The property tax may have served our cities well in the past but it is no longer up to the task." -Source: Canada West Foundation, Problematic Property Tax, November 2008.*

**Property Taxation**

Unlike the federal and provincial governments, the City of Saskatoon does not have access to a wide variety of taxes, such as income taxes, sales taxes, payroll taxes, excise (or fuel) taxes, and resource royalties to pay for its operations. The following table shows the taxes that the City of Saskatoon, the Government of Saskatchewan, and the Government of Canada have access to and can levy. The table shows that out of all taxes levied, the City of Saskatoon has access to only one major tax source: the property tax.

The Taxing Authority of Municipal, Provincial, and Federal Governments

Types of Taxes	City of Saskatoon	Government of Saskatchewan	Government of Canada
Personal Income Tax	No	Yes	Yes
Corporate Income Tax	No	Yes	Yes
Sales Tax	No	Yes	Yes
Liquor Tax	No	Yes	No
Resource Royalties	No	Yes	Yes
Payroll Tax	No	No	Yes
Excise Taxes	No	Yes	Yes
Property Tax	Yes	Yes	No

A report released by the Canada West Foundation in October 2010 found that:

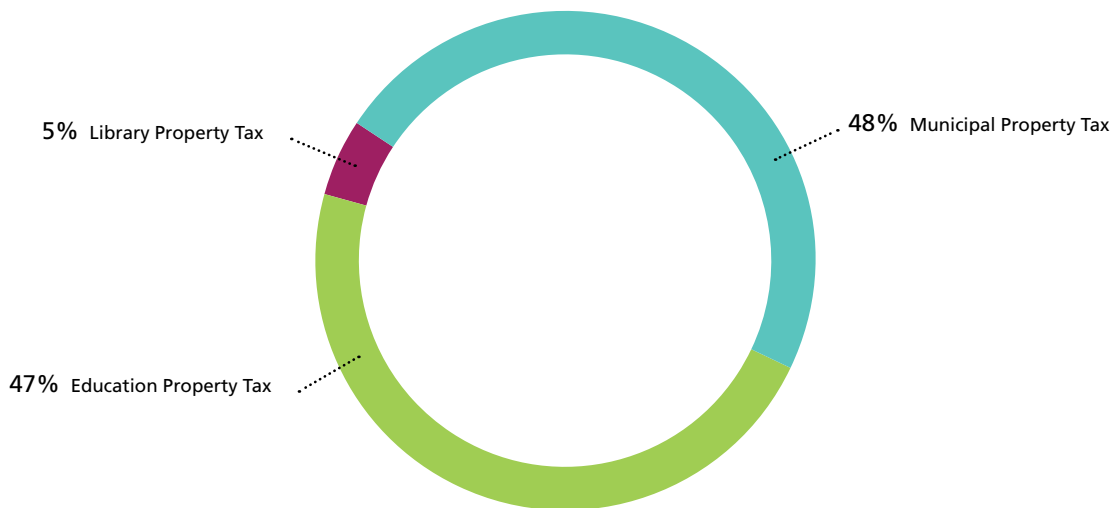
- > Municipal property taxes in Saskatoon are generally competitive with other cities across western Canada.
- > Saskatoon collects a higher percentage of its total property tax than other cities in western Canada from residential properties than non-residential properties.
- > Growth in municipal property taxes in Saskatoon has generally been slower when compared to other western Canadian cities.

What complicates matters for Saskatoon property taxpayers is the fact that the City of Saskatoon is required by provincial legislation to collect property taxes for not only municipal purposes, but also for libraries, and the provincial government for education purposes. In other words, when homeowners receive their property tax notices, they are required to pay:

- > a municipal property tax, which goes to the City of Saskatoon;
- > a library property tax, which goes to the Saskatoon Library Board; and,
- > an education property tax, which goes to the Government of Saskatchewan.

The following chart shows how property tax dollars are distributed. The chart reveals that less than half of all property taxes collected go to the City of Saskatoon for the delivery of key services such as municipal policing, fire protection, and public transit.

**The Distribution of Property Tax Dollars**



*\*Note the education property tax rate will not be set until the 2011/12 provincial budget is released in March 2011.*

In Saskatoon, property taxes are determined by applying the following formula to each taxable property in the city:

$$\text{Taxable Assessment} \times \text{Mill Rate} \times \text{Mill Rate Factor}$$

It has been argued that this formula could be substantially simplified by expressing the municipal property tax as a percentage of assessed value.

The taxable assessment for an individual property is determined in accordance with provincial legislation. In Saskatchewan, Alberta, and Manitoba, a market value assessment system is in place. In Alberta, legislation requires municipalities to update property assessments every year. In Manitoba, assessments have been updated every four years, but as of 2010, assessments are now updated every two years. In Saskatchewan, property assessments are updated every four years. So, according to existing provincial legislation, Saskatoon’s next property assessment cycle will not occur until 2013 (as the last one occurred in 2009). The 2013 assessment cycle will reflect a property’s market value as of January 1, 2011.

According to the Canada West Foundation, “reducing the assessment cycle and expressing municipal taxes as a percentage of assessed value will improve upon equity, visibility, transparency, accountability, and understandability”.

## Mill Rates

City Council set the mill rates and approved the required bylaws at its meeting on April 18, 2011.

### Uniform Mill Rate

The Municipal and Library taxing authorities have established their uniform mill rates to reflect the requirement to finance operations while the two School Boards have their mill rates set by the Province as announced in the Provincial Budget.

The 2011 Uniform Mill rates, identified in the following table, reflect all of these 2011 requirements:

Taxing Authority	2007	2008	2009 (Note 1)	2010	2011
Municipal	12.98	13.67	10.66	11.09	11.57
Library	1.45	1.52	1.21	1.25	1.30
Schools	18.07	18.78	(Note 2)	(Note 2)	(Note 2)
	<b>32.50</b>	<b>33.97</b>	<b>11.87</b>	<b>12.34</b>	<b>12.87</b>

*Note 1: 2009 was a reassessment year for all properties in Saskatchewan. In 2009 all property values were updated to reflect fair market values as at June 30, 2006. Due to this update in property values, the tax levy is not comparable to previous years' levies.*

*Note 2: Beginning in 2009, the Provincial Government set province-wide mill rates, by class, for education.*

The education mill rates are set as follows:

2011 Education Mill Rates	
Residential, Condominium, Multi-residential	9.51
Agricultural	3.91
Commercial	
Tier 1 - First \$499,999 of taxable assessment	12.25
Tier 2 - Next \$5,500,000	14.75
Tier 3 - \$6,000,000 and greater	18.55

### Mill Rate Factors

Mill Rate Factors serve to redistribute uniform mill rate revenues between property classes. As such, the establishment of mill rate factors on an annual basis is not dependent upon establishing the uniform mill rate (which raises revenue for each taxing authority), but is based on various tax policies set by City Council. Two items impact the 2011 factors. First, City Council approved a 10-year tax shift in 2001. At the end of 10 years, Council determined that it wanted all three residential property classes to have the same effective tax rate, and that commercial and industrial properties be taxed at 1.75 times the residential rate. This 10 year shift was complete in 2010. The 2011 Mill Rate Factors reflect the maintenance of this shift of the municipal portion of the taxes. The Provincial Government announced during its 2009 Budget the establishment of prescribed mill rates for school boards across the province. This restricted the City's ability to shift the School Boards' share of taxes to meet the City's tax policy. As a result, the municipal and library taxes were shifted in accordance with the policy while the school board taxes were levied as prescribed without the ability to shift that portion of the tax bill.

Secondly, the 2011 tax roll experienced growth, but not evenly through the property classes. The Mill Rate Factors have been adjusted to ensure that uniform mill rate revenue distribution remains neutral.

**Mill Rate Factors**

Property Class	2007	2008	2009	2010	2011
Residential	0.9081	0.9206	0.9329	0.9456	0.9421
Condominiums	0.9081	0.9206	0.9329	0.9456	0.9421
Multi-unit Residential	1.1855	1.1054	1.0394	0.9623	0.9578
Commercial	1.2142	1.1968	1.1782	1.1612	1.1730
Privately-owned light aircraft hangar	0.6357	0.6444	0.6530	0.6619	0.6595

**Effective Tax Rates**

Effective Tax Rates are a way of expressing taxes as a percentage of the fair value of property. The 2011 uniform mill rate and mill rate factors result in the following effective tax rates.

Property Class	2007	2008	2009*	2010	2011	2011 Taxes per \$200,000 of Fair Value Assessment
Residential	2.066	2.189	1.484	1.520	1.515	\$3,029
Condominiums	2.066	2.189	1.484	1.520	1.515	\$3,029
Multi-unit Residential	2.697	2.628	1.573	1.530	1.528	\$3,058
Commercial	3.932	4.051	2.626	2.660	2.740	\$5,470**

\* 2009 was a reassessment year for all properties in Saskatchewan. All property values were updated in 2009 to reflect fair market values as at June 30, 2006. Due to this update in property values, the tax levy is not comparable to previous years' levies in those years.

\*\* Commercial rate applies to all commercial/industrial property with fair values up to and including \$499,999 that are to be taxed completely using the first tier Commercial education mill rate.

## General Revenues

For the 2011 Operating Budget, general revenues make up approximately 21% of City of Saskatoon operating revenues. For the purposes of this document, general revenues include the following items:

- > investment income;
- > franchise fees;
- > land sales;
- > fines and penalties; and,
- > licenses and permits.

The City of Saskatoon has established five utility funds – Water; Wastewater; Storm Water; Light & Power; and Transit. General revenues from these utilities include a return on the City's investment in the Light & Power utility, and an administrative cross-charge to cover the costs of providing certain corporate support services (e.g. legal, payroll, purchasing, accounts payable, etc.). Franchise fees are also received from SaskPower (10% surcharge and 5% of electricity sales) and SaskEnergy/TransGas (5% of the cost of supply and delivery). In March 2008, City Council adopted a policy to annually transfer a portion of the accumulated return on investment from land development activities to general revenues.

## User Fees

User fees comprise 11% of the budgeted revenues for the 2011 Operating Budget. Various services provided by the City of Saskatoon are funded, in whole or in part, through fees paid directly by the user. Some services are expected to be self-sufficient, while others are only expected to recover a portion of their total costs from users. In other words, for those services that directly benefit a particular user, in most cases, user fees are charged. However, for those services that have social or community benefits, and where the cost to the user would be prohibitive, then the City will subsidize a portion of the cost of the service. A good example would be public transit.

Some of the major user fees collected by the City of Saskatoon include:

- > public and/or specialized transit fares and charters;
- > leisure facility admissions, registration, and rental fees;
- > traffic violations;
- > Landfill tipping and recycling program fees;
- > cemetery grave, interment, and monument sales;
- > zoning, sub-development, and discretionary use fees;
- > golf course green fees and cart rentals; and,
- > Zoo admissions.

## Government Transfers

In order to provide necessary and essential public services and programs to its residents, the City of Saskatoon receives funding from other orders of government. For 2011, 16.2% of the City's 2010 budgeted operating revenues came from other governments, particularly the Government of Saskatchewan.

In Budget 2009, the Government of Saskatchewan implemented a new provincial/municipal revenue sharing model called the Municipal Operating Grant (MOG). The objective of the MOG is to provide long-term predictable funding to municipalities to help them address the operational challenges they face as a result of growing populations and increased demands for services.

After a series of consultations with municipalities, both the Government of Saskatchewan and the municipal sector agreed that the MOG should be tied to a particular revenue source that grows with the economy. As a result, the province and the municipal sector agreed that the most appropriate source is the Provincial Sales Tax (PST) because it is predictable, sustainable, and reflective of economic growth.

For 2011, the Government of Saskatchewan will be providing the City of Saskatoon with \$38.7 million in MOG funding. The 2011 MOG commitment is based on 2009 PST revenues and represents the equivalent 100% of one point of the 2009 PST revenue pool.

**Grants-in-Lieu of Taxes**

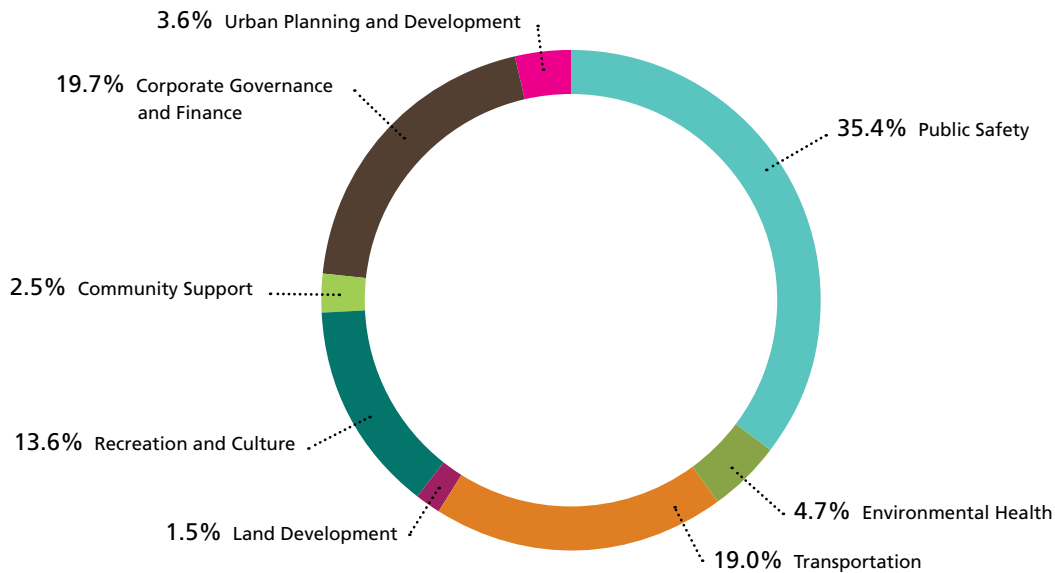
Grants-in-lieu of taxes are typically grant payments to municipalities from the federal and provincial orders of government. Although these orders of government are exempt from paying local property taxes, they do make grant payments in place of property taxes for government owned/managed properties.

In the City of Saskatoon, a grant-in-lieu is also paid by the Land Branch and Saskatoon Light & Power. This revenue source comprises about 9.0% of the City of Saskatoon’s projected operating revenues for 2011.

The City of Saskatoon’s 2011 Operating Budget includes expenditures of approximately \$325.4 million. As required by provincial legislation, the City of Saskatoon must balance its operating revenues with its operating expenditures. Consequently, the City is prohibited from approving a budgetary deficit or surplus in any given year. Although a surplus or a deficit may arise at year-end, the operating budget must be balanced prior to its approval.

The following chart shows the distribution of the City’s expenditures for 2011.

**The City of Saskatoon’s 2011 Operating Expenditures**



*Note: The chart does not include expenditures for Saskatoon Light & Power, Saskatoon Transit, and the City of Saskatoon’s Water and Wastewater Utility.*

## Key Cost Drivers for the 2011 Operating Budget

The table below shows the key cost drivers for the 2011 Operating Budget. Many of these drivers are explained in more detail on the following pages.

### Cost Drivers and Impacts for the 2011 Operating Budget

	Expenditures	Revenues	Mill Rate Increase	Percent Increase
<b>Provincial Municipal Operating Grant</b>		(\$8,629,900)	(\$8,629,900)	
Full year cost of positions at Fire Hall #8	\$2,026,000		\$2,026,000	
Full year cost of enhanced Transit service	1,517,000		1,517,000	
Elimination of 2009 Surplus	2,878,900		2,878,900	
	<b>6,421,900</b>	<b>(8,629,900)</b>	<b>(2,208,000)</b>	<b>-1.72%</b>
<b>Base Increases</b>	16,720,600	(14,702,899)	2,017,701	<b>1.58%</b>
<b>Growth</b>	2,991,300		2,991,300	<b>2.33%</b>
<b>Increases to Reserves to Address Basic Infrastructure</b>				
Infrastructure Surface Reserve	500,000		500,000	
Bridge Major Repair Reserve	125,000		125,000	
Transit Vehicles Replacement Reserve	100,000		100,000	
Transit Additional Vehicle Reserve	300,000		300,000	
Access Transit Vehicle Replacement	80,000		80,000	
Two New Equipment Acquisitions Reserves	45,000		45,000	
Parks Branch Equipment Acquisition	45,000		45,000	
Addition/Replacement of Civic Facilities	350,000		350,000	
	<b>1,545,000</b>	<b>0</b>	<b>1,545,000</b>	<b>1.20%</b>
<b>Service Level Increases</b>				
Special Events Reserve	50,000		50,000	
Program Supports for Community and Arts Culture Programming	5,000		5,000	
Emergency Measures Director	113,900		113,900	
Establish Cemetery Assurance Fund	30,000		30,000	
Vector Mosquito Control	239,800		239,800	
Affordable Housing	250,000		250,000	
Regional Planning Planner	86,800		86,800	
	<b>775,500</b>	<b>0</b>	<b>775,500</b>	<b>0.60%</b>
<b>Total Mill Rate Increase</b>	<b>\$28,454,300</b>	<b>(\$23,332,799)</b>	<b>\$5,121,501</b>	<b>3.99%</b>

### Municipal Operating Grant Funding

- > The 2011 Operating Budget includes \$8.6 million in incremental funding from the Provincial MOG Program. Of this amount, \$2,878,900 is required to backfill the 2010 Budget as City Council approved a pre-allocation of the 2009 surplus to help reduce the mill rate impact resulting from the 2010 Budget.
- > A residual amount totalling \$5,751,300 can be used to cover the full impact in 2011 of the 2010 decision to increase the level of transit service, as well as the staffing of the new fire hall in late 2010. The full year impact in 2011 of these decisions is \$3.5 million. This leaves a balance of \$2.2 million to cover the remainder of the 2011 inflationary and growth issues.
- > MOG funding will also be expected to cover the costs of providing mosquito control in 2011 and beyond. An amount of \$239,800 has been included in the 2011 Operating Budget to provide the same level of mosquito control that was previously funded by the province.

### Assessment Growth

- > Historically, one-third of assessment growth has been transferred to capital reserves, with another third to offset city growth, and the remaining third to assist with other pressures on the mill rate.
- > The 2011 assessment growth estimate is \$2.8 million due to the change in the timing of the operating budget approval. The 2011 preliminary assessment roll will not be available until early in 2011. Thus, the city's assessment growth is an estimate.
- > With respect to the distribution:
  - \$766,600 has been dedicated to capital (\$500,000 to support the Major Culture & Recreation Facilities Borrowing plan, and \$266,600 to the Reserve for Capital Expenditures).
- > This represents 27% of the total estimated property taxes resulting from assessment growth.
- > The 2011 budget includes \$2,991,300 in expenditures related to city growth. This includes the operating impact from approved capital projects and additional staff due to a growing city. Included in this number is an accounting change, whereby new positions reflect a February 1 hire date, as opposed to May 1 under the previous budgeting process. This has impacted the 2011 Budget by \$525,000.

### Basic Infrastructure Investments

In order to properly maintain the City's current assets, base funding needs to support these infrastructure requirements. Accordingly, the following provisions are included in the 2011 Operating Budget:

- > An incremental increase of \$500,000 to the Infrastructure Surface Reserve. This reserve has been underfunded for many years and is forecasted to be in a deficit position of approximately \$5.1 million by the end of 2011. This is the result of funding commitments that were needed as part of the Infrastructure Stimulus Funding received from the federal and provincial governments. In addition to this incremental base provision, a one-time transfer of \$2,275,000 from the Neighbourhood Land Development Fund has been included.
- > A contribution of \$125,000 to the Bridge Major Repair Reserve, which will increase the base funding to \$520,900 annually. This contribution is being phased-in, as the mill rate permits, to a target of \$2.5 million per year.
- > An increase to the Transit Vehicle Replacement Reserve of \$100,000 to accommodate the growth in the Transit fleet, and the establishment and funding of a Transit Additional Vehicle Reserve for \$300,000.
- > An increase to the Access Transit Vehicle Replacement Reserve of \$80,000 to accommodate the growth in the Access Transit fleet.
- > The establishment and funding of two equipment acquisition reserves (Public Works and Transportation) for \$45,000.
- > The establishment of a funding plan for the addition, replacement, and expansion of civic facilities, including Saskatoon Transit and City Yards, two fire halls, and space requirements of City Hall. This includes a provision in 2011 of \$350,000.
- > Continued contribution towards the borrowing plan to support the new Police Headquarters of an incremental \$750,000.
- > An increase to the Vehicle and Equipment Replacement Reserve of \$315,200 (mill rate impact of \$274,500) to help address the replacement of the corporation's aging fleet.
- > The funding amount of \$239,800 has been included in the 2011 Operating Budget so as to provide the same level of mosquito control which was previously funded by the province.

## Social Pressures

- > In order to secure permanent funding for the Affordable Housing Program, 2011 marks the beginning of a six year phase-in of \$250,000 per year, which will eventually provide \$1.5 million annually to the program from the operating budget.
- > During the phase-in, the \$1.5 million annual contribution will be supplemented from the Neighbourhood Land Development Fund, which was the source of temporary funding for the program.
- > This initiative is a significant policy enhancement and establishes direct funding for affordable housing as a core business function. Provisions will increase incrementally by \$250,000 per year until 2016.

## Impact of the Change in the Approval Timeline

The new budget cycle, which now incorporates the operating budget with the capital budget, which was approved in December 2010 prior to the new budget year, has a one-time impact in 2011.

- > The 2011 Operating Budget has seen a change from previous years. With approval of the budget prior to the new budget year, new positions are identified for a February 1 start rather than using a May 1 hiring date. Based on the 2011 staffing budget, this has resulted in approximately \$525,000 that would normally end-load into 2012. In addition, 2011 is a "catch-up" year, as there is \$899,000 in position/program end-loads that were approved in 2010.
- > Given this change, end-loads account for approximately \$1.5 million in expenditures.

## Deferred or Eliminated Programs and Services

In preparing the 2011 Operating Budget, the Administration considered a number of changes. However, due to budget pressures, the following items were deferred or eliminated to reduce the pressure on the 2011 mill rate:

- > Deferral of the fall sweep of roads to 2012.
- > A cultural consultant position, planned for a mid-year hiring and totalling \$35,300, has been deferred to 2012. As a result, most of the new initiatives resulting from the City's Culture Plan will not begin until 2012.
- > Increased provision to the Park Enhancement Reserve to address sports field deficiencies of \$50,000, which has been deferred to 2012.
- > Elimination of a \$5,000 provision for the maintenance of bike sharrows. Maintenance will be absorbed within the current funding level, which may result in the deferral of other maintenance.
- > A service supervisor position within the Access Transit Program for a cost of \$34,700. This position was intended to assist with the increasing administrative duties such as the customer registration process, statistic compilation, and to provide mobile supervision. Access Transit will attempt to cover these duties with existing staff. However, this may result in a reduction in customer satisfaction.
- > A Transit Operations Superintendent for \$72,000 has been deferred to 2012. This will delay long-term planning, as the emphasis will continue to be on day-to-day operational issues.
- > The hiring of two Special Constables for a total cost of \$122,700 to assist with Saskatoon Police Service web-based reporting has been deferred to 2012
- > Civic Facilities Addition, Replacement and Expansion Funding Plan - the initial provisions of \$750,000 in 2011, 2012, and 2013 have been reduced to \$350,000 in 2011; and \$500,000 in each of 2012 and 2013.
- > A reduction in the phased-in provision for the Special Events Reserve of \$50,000. This will extend the phase-in period by an additional year.
- > Reduced the start-up provision for the Transportation Equipment Acquisition Reserve by \$10,000, as well as a reduction to the second year of a two-year provision to the Parks Branch Equipment Acquisition Reserve by \$10,000. This will result in deferred purchases.
- > Eliminated the increased provision of \$15,000 to the Leisure Services Equipment Replacement Reserve, which will result in deferred purchases.
- > Eliminated the increased provision of \$25,000 to the Fire Capital Reserve, which will result in deferred purchases.



*City of*  
**Saskatoon**

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