

---

# City of Saskatoon Long-Term Financial Sustainability Plan: 2015 - 2025

## Recommendation

That the Executive Committee recommend to City Council:

1. That the First Edition of the City of Saskatoon's Long-Term Financial Sustainability Plan: 2015 – 2025 be received as information; and
2. That the recommendations included within the First Edition of the City of Saskatoon's Long-Term Financial Sustainability Plan: 2015 – 2025 be approved.

## Topic and Purpose

To provide the Executive Committee and City Council with the First Edition of the City of Saskatoon's Long-Term Financial Sustainability Plan: 2015 – 2025 (Plan), and to obtain City Council's approval of the recommendations included within the Plan.

## Report Highlights

1. The attached Plan is a First Edition. The intent is to update the Plan on a regular basis which includes responding to recommendations and bringing forward information on other issues that have a significant financial impact.
2. The Plan addresses both the City's current financial position and financial trends. It also summarizes a number of financial-related issues facing the City.
3. The Plan includes a number of recommendations which are intended to assist City Council in making future financial decisions from a sustainable standpoint.

## Strategic Goal

The recommendations in the Plan support the Strategic Goal of Asset and Financial Sustainability by being open, accountable and transparent with the City's financial planning processes.

The Plan takes into consideration a number of long-term strategies including increasing revenue sources and reducing reliance on residential property taxes, reducing the gap in the funding required to rehabilitate and maintain our infrastructure, and protecting the City's credit rating.

## Background

On November 12, 2013, the Executive Committee received the Terms of Reference for the City's Long-Term Financial Sustainability Plan. The majority of the initial draft was prepared by the former CFO, Ms. Marlys Bilanski, for which recognition is required.

## Report

### First Edition

Best practices recommend the development of a long-term financial plan. While the Administration has consistently provided City Council with a short and long-term view of

the City's financial situation, some of the information is ad hoc. The intent of the Long-Term Financial Plan is to provide City Council with a total financial picture, both current and projected. All financial decisions can then be vetted against the Plan. Specific issues addressed within the Plan include the City's aging infrastructure, city growth, limited funding tools, rising costs, uncertainty around external sources of funding, and regulatory changes.

The outcomes should be based on solutions that are aligned to the Strategic Plan, affordable and predictable for the taxpayer, long term, and balanced between funding existing assets and services and funding growth.

All recommendations within the Plan are based on the following principles to help guide the City's decisions:

1. Funding of core services are aligned with what our citizens expect;
2. Services are received and funded equitably by all residents;
3. Recognize that there is only one taxpayer and respect their ability to pay;
4. Financial resources are used to address the needs of citizens today and tomorrow; and
5. The City is open, accountable and transparent with respect to resource allocation and collection.

#### Current Financial Position and Financial-Related Issues

The City of Saskatoon Long-Term Financial Sustainability Plan: 2015 – 2025, First Edition, is contained in Attachment 1. It includes information on the City's current financial position, as well as the financial trends, and identifies recommendations intended to maintain, and in some cases, strengthen the current financial position. The Plan also summarizes the following financial-related issues facing the City: asset management, alternative revenues, city growth, affordable housing, and pension sustainability, and identifies recommendations that begin to address these issues.

Issues raised by the Hemson Growth Report ("Financing Growth Study") tabled with Executive Committee and City Council in April 2015 will be incorporated within the Plan and addressed through a series of discussion papers in the near future.

The Plan will be updated on a regular basis along with a status of the various recommendations and issues. Any new issues identified that have a significant financial impact will also be brought forward at that time.

#### Recommendations

There are 17 recommendations included within the Plan. Key recommendations include:

- That the five financial principles be approved. These principles currently form the basis of all recommendations within the Plan.

- That a Major Transportation Infrastructure Funding Plan be brought forward for discussion in 2015.
- That the Administration bring forward a funding strategy to address:
  - the replacement and/or major repair of park amenities;
  - redevelopment or major rehabilitation of existing parks; and
  - new civic recreation facilities.

The recommendations are included throughout the Plan. A summary can be found on pages 37, 38, and 69 within the Plan.

### **Communication Plan**

The City's Long-Term Financial Sustainability Plan will be linked to, and supported under the overarching and unified communications strategy, Saskatoon's Money Management Plan: Shaping our Financial Future.

The encompassing communication strategy will endorse all aspects of the City's total financial picture, current and projected.

The communications activities, tools and tactics related specifically to the Plan will include but may not be limited to:

- A news release will be issued to highlight the key financial principles within the Plan, those that will guide the City's monetary decisions, policies, practices, and strategies, both current and projected, over the next ten years.
- The Long-Term Financial Sustainability Plan, the Financing Growth Study, and Frequently Asked Questions (Attachment 2) will be made available on the City's website (under City Hall>Budget & Finances).
- A strong online presence will continue, using plain language and imagery, with additional planned financial videos added to the City's website (under City Hall>Budget & Finances). Information will address questions such as: how does the City make prudent financial decisions, how does the City save money to pay for the replacement and expansion of major assets, why is it important to have a long-term financial plan for the City, and does growth pay for growth?

### **Policy Implications**

A number of policies are referenced within the Plan. In some cases, revisions to both bylaws and policies may be required, depending upon approval of recommendations.

### **Financial Implications**

All financial implications are included within the attached Plan.

### **Other Considerations/Implications**

There are no options, environmental, privacy or CPTED implications or considerations.

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

The Long-Term Financial Sustainability Plan will be updated and tabled annually prior to the budget reviews.

**Public Notice**

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

**Attachment**

1. City of Saskatoon Long-Term Financial Sustainability Plan: 2015 – 2025
2. Frequently Asked Questions

**Report Approval**

Written by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management  
Department

Approved by: Randy Grauer, Acting City Manager

Long-Term Financial Sustainability Plan\_1<sup>st</sup> Ed. June 2015.docx