

## 2018 Budget Indicative Rate: *Frequently Asked Questions*

### **What is an indicative rate?**

The indicative rate is an important step in the development of a single year or a multi-year business plan and budget. It is an indication from City Council of what it expects the City of Saskatoon's budget to be in relation to the service levels that the City will deliver to residents in the coming year.

This process is being introduced in 2018 as a way to increase transparency surrounding the budget process as well as align City Council's direction and expectations with the 2018 Business Plan. This process will require Committee providing direction on expectations surrounding the 2018 property tax as well as associated service levels.

### **How does the indicative rate assist with the budget planning process?**

The indicative rate that City Council approves will assist Administration in preparing the 2018 Business Plan and Budget by providing direction and corresponding spending limits. A decision on the indicative rate is critical in order to provide the administration with direction to prepare an accurate business plan within set spending limits and service levels.

The indicative rate option that City Council approves is indicative only; the property tax and targets will be set during City Council's budget deliberations in November 2017.

### **In order to deliver *the same service levels in 2018 as in 2017*, not including the Saskatoon Police Service, what is the indicative property tax increase estimated at, and calculated to be?**

In order to deliver *the same service levels* to residents in 2018 as in 2017 (excluding Saskatoon Police Service), a total indicative property tax increase of 5.00% is estimated.

Of this 5.00%, 2.21% is required in order to deliver current services, while 2.77% is related to a \$6.1 million reduction in Provincial Funding.

### **So, a 5.00% property tax increase would keep the service levels the same. If there were increased service levels to the city-wide snow removal program, what would the property tax increase to?**

As previously directed by City Council, an additional 0.55% property tax increase or \$1.2 million in expenditures is required to continue the phased in service level increases towards a city-wide snow removal program. This would increase the indicative rate property tax increase to 5.55%.

**Policing is important to our growing city. Is there an estimated budget increase for the Saskatoon Police Service at this time? (May 2017)**

The Saskatoon Police Service (SPS) is currently in the preliminary stages of its 2018 budget preparation. At this time, they are estimating a 3.27% increase to expenditures due to inflation. This increase is equivalent to \$3.1 million or a 1.42% property tax increase.

This would bring the total indicative property tax to 6.97% including SPS estimates at this point. SPS has yet to estimate or finalize any growth requirements for 2018.

**Will the City provide opportunities for the public to participate in having their say about spending priorities and the City's future investment plans, so that City Council can consider feedback from residents on desired service levels in key areas?**

Yes. Watch for the launch of **Citizen Budget**, the City's online engagement survey tool that will ask questions on investing more, less or the same for a number of key service areas. Public feedback gathered will be considered by City Council *prior to* the 2018 Budget deliberations in later fall of this year.

The annual **Civic Services Survey** will launch in May 2017 and will target approximately 1300 combined telephone and online respondents, asking them questions on service level preferences, key priorities for City spending, perceptions on the quality of life in Saskatoon, and the best way to pay for civic services to balance the City's budget.