NSBA
SASKATOON'S BUSINESS ASSOCIATION

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Dear NSBA Members,

Re: What Saskatoon's 2027 Budget Means for Your Business

We at the NSBA – Saskatoon's Business Association, are analyzing another year of rising municipal costs that reinforce the need for responsible spending, fair taxation and a competitive business environment.

The City of Saskatoon is beginning deliberations on its 2027 adjusted budget this week, with Administration recommending a 5.45% property tax increase. While this is lower than the 5.81% increase previously approved in the City's multi-year budget, it represents another increase in the cost of doing business in Saskatoon. For small and medium-sized businesses (SMEs), property taxes are more than a line item on a municipal budget. They are an operating expense that affects profitability, investment decisions, hiring and the ability to remain competitive.

Whether you own your commercial property or lease your space, municipal tax increases can affect your bottom line. Property owners face higher direct costs, while tenants may see increases passed along through rent and operating expenses, particularly under triple-net leases. These pressures come on top of rising wages, insurance premiums, utilities, supplies and other business expenses.

The proposed budget includes several significant increases in municipal spending:

- **Police services:** $167.8 million, an increase of 6.2%, including funding for 33 additional positions. Businesses need to see tangible improvements in public safety, reduced property crime and more visible policing in commercial and industrial areas.
- **Fire services:** $77.2 million, an increase of 9.1%, supporting additional staffing, emergency response capacity and the new Fire Station No. 11.
- **Transit:** $67.8 million, an increase of 14.2%, including funding to begin phasing in LINK Bus Rapid Transit operations. Transit investment should improve access to employment and commercial areas while protecting business access, parking and deliveries.
- **Road maintenance:** $68.8 million, an increase of 7%, alongside an 8.6% increase in snow and ice management funding. Reliable roads and effective snow removal are essential for employees, customers, freight and deliveries.

The City is making investments in important services and infrastructure. However, businesses need to see measurable improvements that justify the additional costs they are being asked to absorb.

The NSBA recognizes that Saskatoon is a growing city with increasing service demands and infrastructure requirements. However, continued reliance on property taxation to fund municipal operations raises important questions about affordability, financial accountability and the long-term competitiveness of our business community. We believe Council must consider the cumulative impact

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of property taxes, development levies, permit fees and other municipal charges on SMEs. These costs influence whether businesses choose to invest, expand, renovate or locate in Saskatoon.

The NSBA has consistently advocated for a fair non-residential-to-residential property tax ratio. Ensuring businesses pay their fair share does not mean overlooking the disproportionate impact that successive increases can have on smaller businesses operating with limited margins and financial flexibility.

As Council deliberates the 2027 budget, the NSBA is encouraging a focus on:

- **Fair taxation:** Ensure commercial and industrial property owners are treated fairly and that the cumulative impact on SMEs is considered.
- **Financial accountability:** Identify operational efficiencies, manage staffing growth and demonstrate measurable results from increased spending.
- **Business infrastructure:** Prioritize road maintenance, snow removal and transportation improvements that support commercial and industrial areas.
- **Public safety:** Ensure increased police resources translate into safer business districts and reduced property crime.
- **Economic competitiveness:** Avoid unnecessary increases in municipal fees and development costs that discourage business investment and expansion.

Saskatoon's SMEs are essential to the city's economic growth, employment and prosperity. They provide local jobs, support community organizations, invest in neighbourhoods and contribute significantly to the municipal tax base.

The NSBA supports responsible investment in the services and infrastructure that make Saskatoon a great place to live and work. However, municipal spending must be balanced with affordability, accountability and an understanding of the financial pressures facing the businesses that help sustain our city.

As Council makes its decisions on the 2027 budget, the NSBA will continue advocating for a fair tax environment, responsible municipal spending and a city where businesses of all sizes can afford to operate, invest and grow.

Sincerely,

Keith Moen
Executive Director, NSBA