

The Honourable Donna Harpauer
Minister of Government Relations
The Honourable Minister Kevin Doherty
Minister of Finance

Dear Ministers:

In light of the past week's events, the Saskatchewan Urban Municipalities Association (SUMA) will not be submitting a list of alternative options for finding \$36 million in savings for the provincial government. The public, unilateral announcement of the 30 per cent cap on this year's clawback of SaskPower and SaskEnergy payments in lieu, made by Minister Harpauer on March 31, and the introduction of Bill 64 on April 5 have made it clear to SUMA and our members that the March 29 meeting between four provincial ministers and four SUMA representatives was not a consultation in good faith. As such, we will not be providing a list merely to find our own good faith turned back upon us.

SUMA is dismayed at the divisive politicking employed by the provincial government through this budget, and enraged by the draconian measures in Bill 64 to curtail the democratic right of municipalities to challenge the province's indefensible expropriation of payments in lieu, which have been enshrined in contracts for more than 50 years.

Hometowns across the province are being scapegoated, forced to pass provincial tax increases onto our residents through increased property taxes — while at the same time grappling with the ever-expanding list of provincial responsibilities being downloaded to the level of government with the least options available for revenue generation.

While we remain grateful for the revenue sharing our members are receiving, let us not forget that the original formula for the Municipal Operating Grant — which the province now chooses to call Municipal Revenue Sharing — was designed to compensate municipalities for the provincial interest in the services they delivered at the program's inception.

However, since the program began, the provincial government has used it as an excuse to keep transferring responsibilities to municipalities, and the 2017-18 budget epitomizes this downloading of costs and responsibilities. On top of the payments in lieu taken from 109 hometowns, this budget suspended the Community Rink Affordability Program and the Main Street Saskatchewan Program; eliminated STC; further reduced funding to urban parks; and slashed funding to libraries and the Urban Highway Connector Program (UHCP). The government added insult to injury with the last two. Even the Premier admitted during the bear pit at SUMA Convention in February that the UHCP was a clear case of downloading, and the education minister specifically told libraries they should have gone back to municipalities for more money.

This budget is preceded by both bountiful gains in revenue sharing for urban municipalities, and increased responsibilities to offset them. If we are to name but a few: land supply and servicing for new school sites; pest control such as mosquito suppression and Dutch Elm disease

protection (despite clear provincial health and environmental interest); affordable housing and increased police enforcement to make up for shortfalls in social services and mental health care; and fire department attendance at STARS landings.

While Saskatchewan hometowns have struggled under the weight of these additional burdens, they have also had to invest in repairing and maintaining infrastructure that is, on average, at least 60 years old. They have had to accommodate an additional 163,000 people in Saskatchewan, nearly all of whom settled in our cities, towns, villages, and northern municipalities. That population growth required new municipal infrastructure, and expansions to programs and services already on offer in Saskatchewan's hometowns. While the province has been able to capitalize on that growth through increased consumption and income taxes, SUMA members have had only that one point of the PST to help them provide the quality of life it takes to have a stronger Saskatchewan.

It is blatantly unfair to expect our hometowns to keep up with the responsibilities and pressures foisted upon them by another order of government and then cut them deeper.

It is disrespectful for you to proceed with unilateral, autocratic changes without good-faith consultation with our members — including the cities and towns that still haven't received direct communication from your government about what the cuts mean for each of them.

SUMA will continue to be a united front in the face what can be perceived as an attempt to divide and conquer within the municipal sector, and indeed, within our own membership. On behalf of our members — from the largest cities to the smallest villages, reaching all four borders, and in every constituency — we urge you to halt the implementation of these cuts, and to engage in honest consultations with urban municipalities, so we can find fair and sustainable ways to finance municipalities going forward.

Sincerely,

SUMA Executive