



**For Immediate Release**

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**Provincial Budget Has Huge Implications for Yorkton**

Yorkton will see approximately \$2.3 million in funding reductions following release of the provincial budget, said Mayor Bob Maloney at a news conference Monday in Yorkton.

“The SaskPower and SaskEnergy ‘**payments-in-lieu**’ to municipalities will now go to provincial general revenue instead of municipalities,” said the Mayor. “This alone means a loss of revenue to the City of some \$1.6 M, and this will have major implications for City operations in 2017 and beyond.” The ‘payments-in-lieu’ are based on agreements signed with Saskatchewan communities over 60 years ago, when local power and energy companies were absorbed into SaskPower and SaskEnergy. These agreements were to return 5 % of utility revenue generated in each community, to the affected community, in perpetuity. Mayor Maloney said that every city and town throughout the province will see a significant loss in revenue. Yorkton will see the highest per capita loss of revenue of any provincial city due to a larger industrial sector relative to population numbers.

Despite the provincial revenue sharing formula with municipalities remaining the same, Yorkton will also experience a reduction in this area of some \$342,000 due to reduced PST revenues and a reallocation based on new Stats Canada population figures.

Funding cuts to regional libraries will mean a reduction in funding to Yorkton of \$110,000 and will have an impact on the services provided, said the Mayor. The elimination of the ‘grants-in-lieu’ program, whereby crown corporations provide **grants in lieu of taxes to municipalities** where they are located, “will mean an additional loss of some \$20,000 to the City,” said the Mayor.

In addition, the one per cent increase in PST will cost the city approximately \$200,000.

The city had expected financial implications for municipalities in the provincial budget so had deferred passing the City’s 2017 budget until after provincial direction was known. “We felt this was a prudent decision, and Council and administration will now have to reexamine plans for 2017 and beyond in light of these funding reductions,” said the Mayor.

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