



**For Immediate Release**

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## **Budget Implications For Yorkton**

The provincial budget yesterday made it clear that Payments in Lieu of Revenue Agreements with Cities across Saskatchewan are a thing of the past, and this means Yorkton will be losing some \$1 Million in annual, predictable revenue.

“There are winners and losers in this budget and Yorkton again is the loser, as we were last year,” said Mayor Bob Maloney. “The Province has broken two legal, long standing agreements with Yorkton and most other cities across Saskatchewan. These are agreements that have been in place for over 50 years, which were to compensate for loss of revenue to cities when local power and energy companies were absorbed into SaskPower and SaskEnergy in the 1940’s and 50’s,” he said.

The agreements stipulated that the affected cities were to receive 5% of utility revenue generated in each community in perpetuity. Swift Current, a city similar in size to Yorkton, opted to maintain their own power generation ability, generating more than \$4 Million in revenue annually, to support their tax base. Prior to cancellation of the Payments in Lieu Agreements, Yorkton received \$1.7 Million through the agreements to fund City operations.

Last year after considerable discussion, the Province agreed to cap cuts to the Payments in Lieu Program for Yorkton at 30%, which resulted in a loss of \$1,000,000 rather than \$1,700,000.

“The replacement of the 5% SaskEnergy revenues on an ongoing basis this year is appreciated (some \$500,000), as is the Province’s commitment to ensure that no urban municipality is worse off than in 2016. This means the Province will backfill Yorkton an additional \$200,000. I also would like to thank Premier Moe for consulting with cities prior to the budget release.

However, this still leaves Yorkton with a budget shortfall of \$1 Million from what was received annually under the former SaskPower and SaskEnergy Agreements,” said the Mayor. “It will take 60 years of growth to be where we were last year in terms of funding, and we will never make up for the ongoing annual loss of revenue to the City,” he said. To put this in perspective, “the loss of this revenue over just 15 years equates to the cost of a new Gallagher Centre,” he said.

“We want to be sure residents know exactly what tearing up those agreements means to Yorkton,” he said. Yorkton was harder hit than most Cities due to the large industrial sector versus residential population, and the substantial revenue those agreements generated.

“The Payments in Lieu of Revenue Agreements provided 17% of our 2015 annual budget for operations, infrastructure replacement and capital projects, and this was money we could count on to fund urban renewal on an ongoing basis. Tearing up those agreements means some necessary and planned for infrastructure renewal will need to be put on the backburner for years to come,” said the Mayor.

“It also means rather than having predictable “own source” funding, which is what the SaskEnergy and SaskPower payments were, we now have to rely more heavily on the tax base for revenue,” said the Mayor.

Mayor Maloney said that on the positive side, Council and administration have been able to continue day to day operations with no cuts to critical services.

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