



**For Immediate Release**

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**City Passes 2018 Budget**

Yorkton City Council passed the 2018 budget last night, with a taxation revenue increase of 4.55%. This includes 2.77% for future capital projects and a 1.78% increase for operational expenditures. The budget had been tabled at the January 29<sup>th</sup> Council meeting for public consultation and input.

While the City's budget was passed, "Council is keeping a close eye on the Provincial Budget due to be released on April 10<sup>th</sup>," said Mayor Bob Maloney.

The City has basically three funding sources; taxation, provincial revenue sharing programs, and the Payments in Lieu of Revenue Agreements. The province gives municipalities grants in terms of revenue (such as 1% of PST and grants for policing), which provides both predictability and stability in terms of municipal finances. When those PST revenues are down, (for example there has been an 11% drop in revenue over the past two years), there is less money available to both the province and cities. When PST revenues are up there is more for everyone.

Other than revenue sharing, the only other source of long term stable funding for cities has been the Payments in Lieu of Revenue Agreements, which have been in place for over 50 years. "Last year, however, the Province arbitrarily decided to cancel Payments In Lieu of Revenue Agreements with the municipalities, which alone meant a loss of \$1.7 million to Yorkton," said the Mayor. Payments in Lieu of Revenue Agreements are like Franchise Fees, and were made to compensate for loss of future revenue to cities when local power and energy companies were absorbed into SaskPower and SaskEnergy in the 1950's. 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 \$3 million in revenue annually to support their tax base. Prior to cancellation of the Payments in Lieu Agreements, Yorkton received similar amounts through the agreements to fund City operations.

Later last year after considerable discussion, the Province agreed to cap cuts to the Payments in Lieu Program for Yorkton at 30%, but that still amounted to a reduction in provincial funding of \$925,000. “We have no assurances that the cap will remain in place going forward,” said the Mayor. “If the cap is removed that means a further cut in funding this year of some \$700,000, and that translates into cuts in capital projects like streets and roads and/or services. That is equivalent to a 4% tax increase if we were to maintain service levels and infrastructure renewal plans,” he said.

“We want residents to be aware of implications to Yorkton and other Cities across the province of the upcoming Provincial Budget,” said the Mayor. He noted that the provincial cuts to the Payments in Lieu of Revenue Agreements are a permanent loss of predictable funding to the cities, which is critical in planning work and maintaining services at a municipal level.

The City of Yorkton currently brings in approximately \$46 Million in revenue. For 2018 this revenue will be used to fund \$38 Million in operating expenses, \$2.5 Million in debt payments, \$700,000 to reserves for future use and \$5.1 Million towards capital expenditures.

Proposed key Capital projects for 2018 include:

- \$1.5 million, recapping sections of Broadway Street
- \$725,000, completion of a concrete intersection at Highway #9 and Broadway Street
- \$8,890,000 for the North of York Road outfall, including storm channel, sewer trunk and bridge over Highway # 9
- \$4,600,000 for a new engineered landfill pit
- \$1,900,000 for a landfill bridge
- \$730,000, plus funding by the Yorkton Business Improvement District, for pathways, a pedestrian bridge and landscaping to complete the Dracup Ave. corridor
- \$325,000 for a spray park, outdoor rink and lights at the Ukrainian Pioneer Park (corner of First Avenue and Burke Street).

Mayor Maloney cautioned that some of these projects and City services are in jeopardy if there are further cuts to cities in the April 10<sup>th</sup> Provincial Budget.

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