

Gordon Barnhardt, CM., S.O.M., Ph.D
Suma President
#200-2222 13th Ave
Regina Sk S4P 3M7

Dear Dr. Barnhardt:

Thank you for your letter of October 23, 2017. Your comments preceding each question outline the challenges we face in sustaining services while setting the stage for continued growth.

As you stated, the legislative framework for our municipalities requires balanced operating budgets. In terms of long-term sustainability, so too does the province of Saskatchewan. Our hometowns and the government of Saskatchewan share an obligation to provide services for all citizens with strong fiscal management as the guiding principle.

In this context, my responses are below:

1. I continue to support providing a part of all PST revenues for revenue-sharing because this will provide municipal governments with improved predictability and flexibility. It is my understanding that this dedicated sales allocation is unique in Canada. This strategy was started so that municipalities could obtain revenue from sources other than the property tax base. This funding is predicated upon the economic activity levels of our province and the base upon which the sales taxes apply. If selected as leader of the Saskatchewan Party, and upon becoming Premier, the Government of Saskatchewan will conduct a review of the sales tax base with attention to the application of sales tax to insurance products. The findings of this review may affect PST revenues, but will not hurt the municipal revenue sharing level.
2. A Saskatchewan Party-led government under my leadership supports a 'made in Saskatchewan' infrastructure program. Such a program will compliment available federal funding, and address the needs of Saskatchewan municipalities to the extent that provincial revenues allow. The most recent provincial budget provided over \$132 million to support infrastructure projects in the province.
3. We will undertake collaborative consultation with SUMA and SARM regarding mutual planning requirements.

4. Regarding additional revenue or taxing sources for municipalities, please articulate which options SUMA would seek to discuss.
5. The Government of Saskatchewan opposes the Federal Government's imposition of a Carbon Tax as an approach to combat climate change. Carbon Taxes hurt the economy and will be ineffective in reducing non-discretionary carbon emissions. A 'made in Saskatchewan' response will be based on the recognition and understanding by all levels of government (provincial, national, international) that carbon capture is occurring in our agricultural lands, wetlands, and forests. Our farmers are leaders in sustainable, innovative farming practices and significant carbon sinks are derived from our forest management practices. As a result, Saskatchewan already captures a sizable part of carbon emissions derived from human activity. Innovation in agriculture and forestry will reduce atmospheric CO2 even further by recapturing more greenhouse gas emissions. At the same time, we are improving our economic prospects and increasing global food security. Our government will need the help of SUMA member municipalities to better inform Saskatchewan residents and fellow Canadians about this more effective capture of carbon emissions.
6. If selected as leader of the Saskatchewan Party and as next leader, we will ensure that municipalities will receive grants-in-lieu for building and property owned or occupied by SaskPower and SaskEnergy.
7. The most recent provincial budget provided over \$60 million in funding to support SUMA member participation in the Phase II of federal infrastructure program. As our economy grows and revenues become available, as Saskatchewan Party leader, I would welcome consultation with SUMA. It will be important to decide how existing and future funding can be distributed among the various pools to take part in Phase II of the federal infrastructure program, thereby serving the needs of SUMA members.

Thank you for reaching out to me and sharing your thoughts on how we can build and grow a better Saskatchewan together.

Sincerely

Ken Cheveldayoff
MLA for Saskatoon Willowgrove