

Dear Gordon,

Please find attached Ryan Meili's responses to the questions you raised on SUMA's behalf. If you would like to discuss any of the important issues raised further, please don't hesitate to get in touch.

Best,

Dave Mitchell, Meili leadership campaign
306-999-4328

1. Do you support one point of all PST revenues being dedicated to municipal revenue sharing? Why or why not? How will you ensure this program remains a permanent funding program for municipalities?

A lot has changed for Saskatchewan municipalities since the Municipal Operating Grant was negotiated at 1% of Provincial Sales Tax a decade ago. While initially the investment greatly enhanced the ability of Saskatchewan municipalities to decrease their infrastructure deficit, the past 10 years have seen a steady erosion of that important investment through downloading of costs and responsibilities from the Province. From land for P3 schools, to the Urban Highway Connector Program, to the most recent drastic cut of payments of grants-in-lieu from crown utilities, municipalities have been asked to do more and more with

the money promised in this decade-old agreement.

Generally speaking, municipalities can stretch a dollar farther and are better positioned to deliver some services and activities than the provincial government. It's time to renegotiate the Municipal Operating Grant and make a plan for the next decade that properly resources municipalities and also clearly lays out responsibilities between municipalities and the province. This should include a formal commitment to continue to dedicate one point of all PST revenues (including the expanded application of the PST from the last budget, though many of these applications – such as PST on insurance and on children's clothing – should be removed) to municipalities, and to renegotiate, and commit to, the payment of grants-in-lieu for the services Crown Corporations receive from municipalities.

2. Do you support a made-in-Sask infrastructure program for our hometowns, beyond the federal cost sharing programs currently in place? Why or why not?

We currently have a Federal Government that is looking to invest money in infrastructure. Given our vast infrastructure deficit, the province's refusal to leverage these available monies represents a dereliction of duty. Instead, the money that our two most local levels of government are looking to invest in infrastructure should be used to take full advantage of federal funding for infrastructure projects in Saskatchewan.

The proposed federal funding will cover 40 percent of municipal project costs. The remaining 60 percent need to come from municipalities and provinces. To ensure that municipalities can take full advantage of this available federal funding, the province should be prepared to match federal infrastructure funds.

Phase Two of the Federal Government's infrastructure program could see an investment of over \$800 million in federal infrastructure funding in Saskatchewan over the next 10 years. While certain circumstances can and will arise where our local priorities won't align with those of the Federal Government's infrastructure planning, the province and municipalities need to work together to make sure that those federal dollars are accessed and put to their best use. In most cases, our local resources will have the biggest impact on our community's infrastructure needs when they are used to help leverage the funds already available from the Federal Government.

3. Do you support a formalized consultation protocol between the Government of Saskatchewan and SUMA? Why or why not?

The surprises in this year's budget resulted in serious disruptions as a result of the lack of consultation. This was true not only for municipalities, but also for health regions, libraries, schools and school boards, post-secondary institutions, community-based organizations and many other sectors. It is clear that this kind of governance by stealth is not in the best interest of the organizations and institutions that provide key services. It's also not in the best interest of the provincial government. Public dissent and the impracticality of applying ill-considered cuts have resulted in walk-backs and further budget uncertainty.

This experience makes it apparent that a process of pre-budget consultations would improve relationships with key partners and result in better decisions. Obviously this doesn't mean that there will always be agreement between the provinces and municipalities, but the relationship will be made stronger through open dialogue and the

opportunity to identify shared priorities.

4. Do you support hometowns having access to additional revenue sources such as additional taxing authority beyond property tax? Why or why not?

With the inability to run deficits or to collect funds through any other source than property taxes, municipalities are very limited in their ability to raise needed funds. Property taxes themselves are a blunt instrument for revenue generation, and other methods could be more applicable to specific service use or projects.

Within negotiated limits, the opportunity to add levies for particular investments or taxes on specific businesses related to the increased use of municipal services may be appropriate. We also need to respect the need of cities to accumulate reserve funds. The suggestion from the Sask Party that this was somehow an abuse of provincial funding was entirely inappropriate. Cities are expected to be prepared to respond immediately to unforeseen expenses, and to save for planned investments. For the province to force cities to drain their reserves is irresponsible.

5. How will you support municipal leadership on dealing with climate change?

Under the current government there has been an inexcusable vacuum of leadership in addressing and adapting to climate change. Saskatchewan municipalities have made important strides (for example the leadership shown by the City of Saskatoon's [climate change plan](#)), but can do much more, and be better off for it, with the province as a reliable partner.

Municipal leadership is crucial to meeting our commitments on climate change. As Premier I would ensure that the province is a reliable partner — ensuring both the regulatory environment and the funding to help Saskatchewan municipalities transition to the energy infrastructure of the future.

We can:

- Build capacity for municipalities to meet their energy needs with local renewable power generation;
- Establish an energy efficiency body, distinct from SaskPower, that focuses on cutting our overall energy needs by investing in conservation, subsidizing retrofits for existing buildings, and creating conservation-focused building codes and incentives for high-efficiency new construction;
- Create a made-in-Saskatchewan approach to carbon pricing that brings in new jobs, benefits rural and northern communities, and effectively incentivizes reductions in carbon emissions.
- Partner with FCM and municipalities in helping cities to craft renewable energy declarations and operational strategies.
- Harness federal transportation funding to build a new Saskatchewan Transportation Company that complements and feeds into municipal transportation systems.

We can make tremendous strides in reducing greenhouse gas emissions at the municipal level. There's so much potential, and it's far past time we get to work.

6. In most cases, SaskPower and SaskEnergy do not provide any compensation to municipalities for municipal services provided, such as emergency services and road infrastructure—all of which private sector companies pay for. How would you deal with this disparity, both in terms of buildings within municipalities and for underground infrastructure?

The current situation, where levies are being charged to ratepayers in some cities and not others, and these funds are going directly into the General Revenue Fund, is manifestly unfair.

The province should restore payment of grants-in-lieu for crown use of municipal services, but also take this opportunity to rework the grants-in-lieu program to more clearly recognize the services provided by municipalities and the opportunity cost related to cities foregoing ownership of their own utility companies. This should be negotiated as part of the establishment of a sustainable revenue-sharing agreement designed to ensure the province's urban municipalities are able to meet the needs of residents and visitors.

7. At what level of funding, and in which funding pools, do you support the province participating in Phase II of the federal infrastructure program? Why?

With approximately \$800 million in infrastructure funding destined to support projects in Saskatchewan through Phase II of the federal infrastructure program, it would be a huge missed opportunity for the province to sit this one out. All of the available funding pools should be considered in negotiation with municipalities about which areas of investment offer the best economic and social return. I was disappointed to hear of the current government's unwillingness to consider supporting public transit funding, for instance. This choice, along with the shutdown of STC, shows a real lack of understanding of the health, environmental, social and economic benefits of public transportation.

I would be open to the province matching the federal portion (eg 40-40-20) on priority projects as decided in consultation with Saskatchewan's urban municipalities. This negotiation would form part of the discussion around the establishment of the appropriate funding level for the municipal operating grant, grants-in-lieu and infrastructure funding.