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Regina, Saskatchewan S4P 1C8

June 17, 2020

His Worship Charlie Clark
Mayor, City of Saskatoon
222 Third Avenue North
Saskatoon, SK S7K 0J5

Subject: Continuing to support small businesses impacted by the COVID-19 pandemic as the province's economy reopens

Dear Your Worship and City Council,

As you know, the Canadian Federation of Independent Business (CFIB) is a not-for-profit, non-partisan advocacy organization that represents over 110,000 small- and medium-sized businesses across Canada, with 5,250 members in Saskatchewan. We are writing in regards to the significant challenges facing small business owners during these unprecedented times as a result of the COVID-19 pandemic.

We all know this pandemic has left our small businesses struggling to survive. CFIB's Business Helpline has answered more than 24,000 calls since the beginning of the pandemic from business owners needing help navigating difficult decisions and accessing government programs. Our weekly surveys of our membership provide insight into the impact government actions are having on small- and medium-sized businesses. We have gathered 100,000 responses from over 30,000 business owners across the country.

We also recognize that governments at every level are working hard to protect citizens and put healthcare at the forefront of their priorities. It is also essential we consider the vast economic implications COVID-19 has on our communities, and as the province's economy reopens we need to ensure businesses, jobs, and the people behind those jobs can safely return to normality. That is why CFIB is working with governments from every corner of the country to provide measures to help ensure as many of the small, independent businesses can survive until the pandemic passes.

Pleased many Saskatchewan municipalities stepping up to provide cost relief measures

Just like the federal and provincial governments, municipal governments also have a crucial role to play in helping businesses survive the COVID-19 pandemic. It has been encouraging to see many municipalities stepping up in response by implementing much-needed cost relief measures for both businesses and residents. For example, Moose Jaw's City Council cancelled its planned 2.3 per cent property tax increase in 2020 with a spending reduction of over \$670,000 and introduced a Small Business Support program that gives a \$500, one-time property tax credit to Moose Jaw businesses holding Category A or Category B business licenses. The RM of Edenwold's council also approved a 15

per cent reduction in 2020 mill rates for all residential, industrial/commercial and agricultural properties. We have also appreciated the number of municipalities that have deferred property taxes and utility bill payments for three months including the cities of Regina, Saskatoon, Estevan, Melville, North Battleford, Prince Albert, and Swift Current. We hope other municipalities throughout the province will follow their lead and implement meaningful cost-relief measures to help their communities' small businesses as many try to reopen.

CFIB commends City of Saskatoon for also providing much-needed cost relief measures

We have appreciated the opportunity to participate in the City's Economic Continuity meetings which have provided us with a clearer understanding of the challenges which Saskatoon is facing as a result of the COVID-19 pandemic, and has provided us with an opportunity to discuss how the City can continue supporting business owners during these challenging times. We also wanted to thank the City of Saskatoon for:

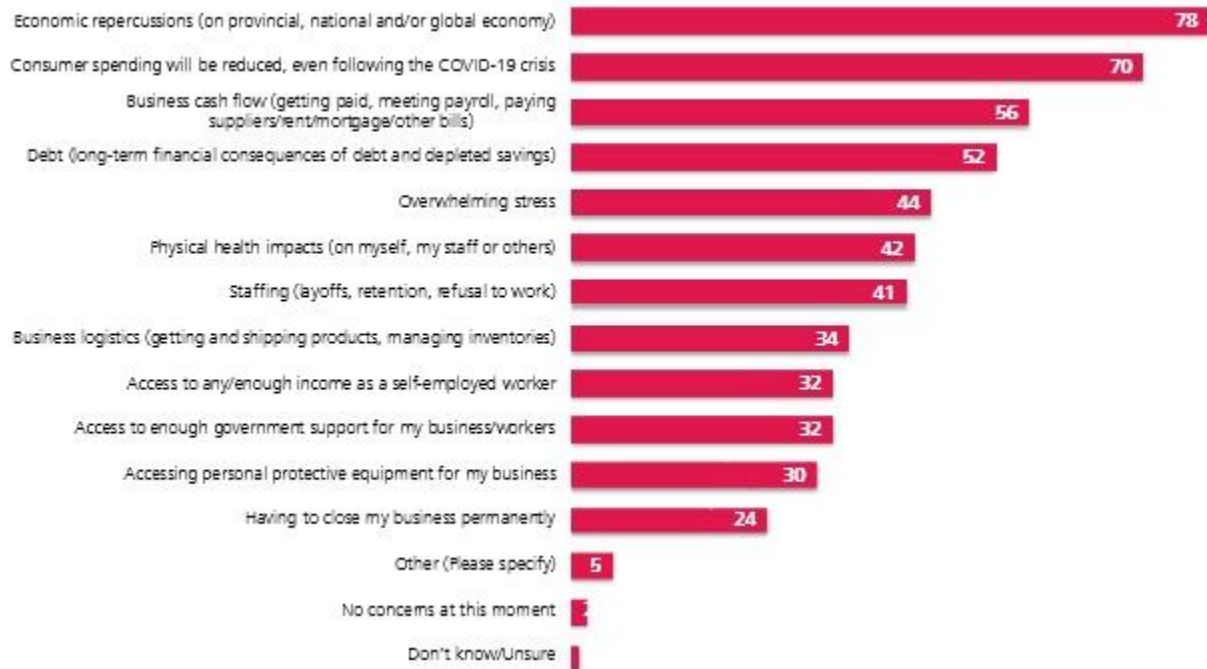
- Providing a three-month deferral on property tax payments, allowing residential and commercial property owners to have additional time to pay their 2020 property taxes without incurring any penalties if payment is made in full before September 30, 2020;
- Delaying late payment charges on utilities bills until September 30; and
- Quickly improving residential construction permit processing times, and bringing service standards back to "pre-pandemic normal" in a matter of days.

These measures have provided some Saskatoon small business owners with some much -needed cost relief, and red tape reduction, during this difficult time.

Saskatchewan small business owners' biggest worries

When we asked our members from May 22 - June 5, 2020, about what they are most worried about with respect to COVID-19, a strong majority (78%) of Saskatchewan small business owners still said their biggest concern is the larger economic repercussions on the provincial, national and/or global economy, followed by 70 per cent concerned about potential consumer spending reductions, even following the COVID-19 crisis, and 56 per cent continue to be concerned about business cash flow. The other biggest business-related worries included debt levels, overwhelming stress, physical health impacts, and staffing issues (layoffs, retention, refusal to work), followed by business logistics and access to any/enough income as a self-employed worker (see Figure 1).

Figure 1:

What worries you most about COVID-19?

Source: CFIB, *Your Business and COVID-19 – Survey Number Eleven, May-June 2020, Saskatchewan results, n = 295*

Federal government listens to CFIB's feedback on how to support small business during the COVID-19 pandemic

We understand there are enormous challenges in designing support programs and getting them out quickly, so we have appreciated the federal government's willingness to change and improve emergency programs such as the Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Business Account (CEBA), based on feedback from small businesses and groups like CFIB.

We welcomed the May 19th announcement stating the federal government will be expanding the eligibility criteria for the CEBA program to include businesses with no payroll. We know CEBA loans have been a lifeline to many small firms, particularly as 25% of the loan is forgivable, helping them cover some of their fixed expenses. CFIB will continue to urge the federal government to increase the total amount made available to business owners and expand the forgiveness portion to help with cash flow and limit the debt burden on businesses. CFIB is also recommending the federal government introduces an alternative approach (such as forgivable loans) for small and medium-sized firms with payrolls above \$1.5 million.

Since the Canada-Emergency Commercial Rent Assistance (CECRA) program was announced, we have been hearing from our members that many improvements are desperately needed to make it work.

Even though the program just officially started on May 26th in Saskatchewan, we already know from our members that many landlords will not apply, meaning that their tenants will not be able to access the program and the commercial tenant eviction protection it includes. CFIB will continue to push for changes such as: ensuring tenants access the 50% relief by allowing them to apply directly for the CECRA if their landlord has indicated they will not apply and expand eligibility of CECRA to allow businesses who have suffered revenue losses of more than 20% and who are not eligible for other federal programs to access it. Other ways to fix CECRA is by simplifying the application process, expanding the number of months it covers, and reducing the 70% revenue loss criteria.

We keep working hard to ensure that all small businesses in need have access to support programs that will help them get through this crisis and allow their business to thrive once the crisis is over, and will continue to propose changes and improvements to all the major support programs based on our members' feedback.

Government of Saskatchewan listens to small business owners' feedback

Since the beginning of the COVID-19 pandemic, CFIB has also continued to provide the provincial government with weekly survey data from our members, as well as our recommendations on how best to support small business owners with much-needed cost relief.

We are pleased the province listened to small business owners and introduced a number of measures to help these businesses cope including:

- **The introduction and extension of the Saskatchewan Small Business Emergency Payment (SSBEP):** The SSBEP provides a one-time grant for small and medium-sized enterprises directly affected by government public health orders related to COVID-19. On May 8th, the province announced that the SSBEP program was being extended to the month of May for businesses that are required to remain closed or substantially curtail operations after May 19th.
- **The introduction of temporary commercial eviction protection for small business tenants during the COVID-19 emergency:** The moratorium on evictions applies to landlords that are eligible to apply for the Canada Emergency Commercial Rent Assistance (CECRA) program but choose not to. Eviction protection provides a safety net to help small businesses survive throughout the pandemic to rehire staff and reopen as safely as possible. We hope in the days ahead the federal government will fix the CECRA program to allow more small businesses and landlords to participate.
- **A three month PST remittance deferral and audit suspensions:** Saskatchewan businesses who are unable to remit their PST due to cash-flow concerns will have relief from penalty and interest charges.
- **Creating the Business Response Team:** To effectively and efficiently connect Saskatchewan business owners with the information and resources they require to navigate the uncertain conditions caused by COVID-19.
- **Compiling lists of PPE suppliers for businesses:** Businesses resuming operations as part of the province's reopening plan may be required to utilize Personal Protection Equipment (PPE) in

order to protect themselves and their clients/customers and help prevent the spread of COVID-19. In an effort to help Saskatchewan businesses source the PPE they need, the provincial government compiled lists of PPE suppliers. The list of PPE suppliers and the list of Saskatchewan producers approved by Health Canada to manufacture hand sanitizers can be viewed on the [Government of Saskatchewan's website](#).

As the province rolls out its phased approach to restoring services safely, we have maintained an ongoing dialogue with the government which is focused on safety and practical guidelines for business owners to help keep their staff and customers safe. We are committed to continue working closely with the provincial government to successfully and safely reopen Saskatchewan in the days and weeks ahead.

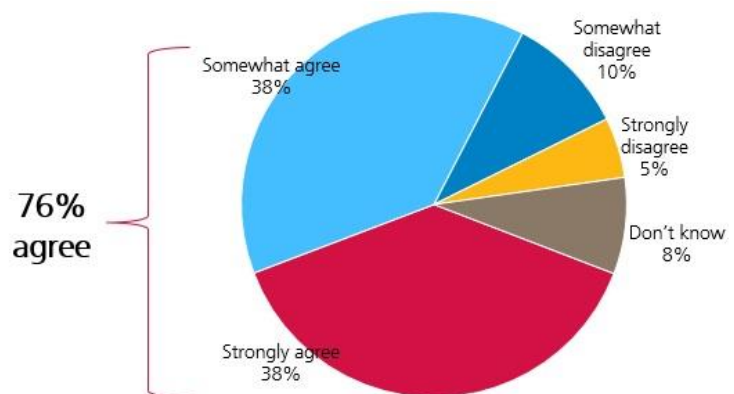
Saskatchewan small business owners' views on municipal government borrowing

We understand that municipalities, including the City of Saskatoon, are also having to make extremely challenging decisions on how to make up for lost revenues in their operating budget as a result of the COVID-19 pandemic and measures adopted to assist residents and business (e.g. free public transit, property tax and utility payment deferrals, etc.). We commend Saskatoon's City Council for approving a number of cost-saving measures to temporarily make up for some of the lost revenue including voluntary lay-offs, monitoring non-essential spending, using money from reserves, adjusting service levels for curbside garbage collection and limiting staffing levels for parks. The City of Regina's administration has also found savings of \$7.5 million in expense reductions and \$7.2 million through the suspension of capital programs and will be taking \$400,000 out of its reserve fund to make up for the loss of revenue. We acknowledge these important initiatives so far, but in the coming months many municipalities will still face revenue challenges.

We are also aware that the Federation of Canadian Municipalities (FCM) has called on the federal government to provide emergency federal funding to maintain essential services levels to fill the hole left by foregone property taxes, utility charges and user fees. In response, the federal government recently announced that the \$2.2 billion in annual infrastructure funding for communities, paid out of the gas tax fund, will be delivered in one payment in June. This funding advance will give municipalities access to previously allotted money earlier.

Figure 2:

Please indicate whether or not you agree with the following statement: *Municipalities should be allowed to borrow extra money (directly or through other governments) to offer relief for small businesses financially impacted by COVID-19 (such as property tax deferrals, tax holidays, lower utility bills)*
(% response)



Source: CFIB, *Your Business and COVID-19 – Survey Number Nine, May 2020, Saskatchewan results. n = 240*

The federal government has also indicated that additional funding may be made available. Given that Saskatchewan municipalities are not permitted to run deficits, there have also been calls from some municipal leaders across the country to relax the restriction on borrowing to fund operating deficits.

When we recently surveyed our members on the issue of municipal borrowing, we found a strong majority of Saskatchewan small business owners (76 per cent) believe that municipalities should be allowed to borrow extra money (directly or through another level of government), as long as these funds are used to offer further financial relief for small businesses impacted by COVID-19 (such as property tax deferrals, tax holidays etc.) (see Figure 2). While not all municipalities may choose to borrow additional funds, it may provide a temporary solution to some of the current revenue challenges.

Saskatoon entrepreneurs' priorities for business relief measures from their municipal government:

Figure 3:

Please indicate which business relief measures you think your local government should focus on right now.



Source: CFIB, *Your Business and COVID-19 – Survey Number Nine, May 2020, Saskatoon results, n = 59.*

As mentioned, we commend the City of Saskatoon for introducing a number of cost relief measures to help small businesses (e.g. property tax and utility payment deferrals). We are therefore asking the City to also adopt, where applicable, the following measures to further support Saskatoon's small business owners during this period of unprecedented economic uncertainty as the economy begins to reopen based on their priorities for business relief (see Figure 3):

1. **Freeze commercial property taxes at their current level:** In fact, the [City of Moose Jaw](#) actually cancelled its planned 2.3 per cent property tax increase in 2020 through spending reductions and introduced a Small Business Support program which gives a \$500, one-time property tax credit to Moose Jaw businesses holding Category A or Category B business licenses.
 - **Consider extending the deferral deadline for property taxes** (which is currently set for September 30th, 2020) for an additional three months.
2. **Reduce or eliminate fees for business-related permits (e.g. business licenses, renovation permits, etc.):**
 - **Waive fees for patio permits, specifically for restaurants and bars seeking to open a sidewalk patio over the summer to create additional seating capacity while COVID-19 precautions are in place** (e.g. recently, Regina’s City Council decided to waive fees on permits for mobile food vendors and outdoor restaurant seating. The City of Vancouver, City of Prince Rupert, and the City of Winnipeg have also waived patio permit fees.).
3. **Streamline and accelerate business-related permit approvals (e.g. patio permits, construction projects and commercial renovations);**
4. **Where applicable, pay money owing to businesses quickly (e.g. contracts with municipalities, etc.); and**
5. **As businesses reopen and employees return to work, increase access to safe and reliable public transit for workers (where applicable).**

We understand the City of Saskatoon may have already taken some of the above measures to help support small businesses, and we thank you for that. However, if there are any other initiatives that are being introduced to support small business, we encourage the City to share them with CFIB at mssask@cfib.ca so we can inform our members about additional supports and relief measures.

In the near future we will also be launching our “*Small Business Every Day*” campaign, encouraging consumers to support local businesses in every way they can. We would also welcome your support of local entrepreneurs by encouraging everyone to support “*Small Business Every Day*” in your own way. In the near future, we will provide you with additional details about the campaign, including social media information and any relevant promotional materials.

Thank you for your attention to these important matters. CFIB remains committed to continue working with the City of Saskatoon as businesses reopen and our economy recovers to ensure Saskatoon’s small businesses can survive through this challenging time and thrive for long afterwards. I am available to discuss any data and recommendations, and can be reached directly by phone at 306-570-8072 or by email at Jennifer.henshaw@cfib.ca

Sincerely,

(Original signed by Jennifer Henshaw)

Jennifer Henshaw
Senior Policy Analyst, Prairie