Bryant, Shellie

Attachments <u>2021 11 29 20222023 business plan and budget letter.pdf</u> Will you be submitting a video to be vetted prior to council meeting? No

The results of this submission may be viewed at:



November 29, 2021

Saskatoon City Hall 222 3rd Avenue North Saskatoon, SK S7K 0J5

2022/2023 Business Plan and Budget

Dear Mayor Clark and Saskatoon City Council,

Thank you for your leadership in the preparation of the City's 2022-2023 Business Plan and Budget. A multi-year budget and business plan is complex and challenging as you weigh future opportunities against the current needs of Saskatoon's residents and businesses. Efforts thus far to decrease the proposed property tax rates from those proposed this summer are commendable and appreciated. Council now has an opportunity to refine the budget further by reducing spending, controlling costs, and minimizing tax and utility rate increases that could stall Saskatoon's economic recovery.

110-345 4th Ave S Saskatoon, SK S7K 1N3 \$\$306-244-2151

chamber@saskatoonchamber.com

We recognize that the City is not immune to the economic challenges of the COVID-19 pandemic. In the same way, the City cannot escape from having to make the same hard choices that businesses and households have had to make over the last 20 months. Scaling back plans, pausing new initiatives, reducing costs, innovating to deliver with less – these are the difficult steps our businesses have already taken to adjust to the realities of COVID and keep Saskatoon's economy moving.

While the state of our economy is improving, and businesses are starting to find their feet, recovery remains a challenge. Inflationary pressures, labour shortages, supply chain issues and post-pandemic uncertainty are slowing the pace of recovery for many, particularly for small and medium size businesses.

A Statistics Canada report released last week on Canadian Business Conditions indicates that rising input costs remain the number one concern for Canadian businesses, with 43% identifying them as the biggest near-term obstacle. At the same time, most businesses (87%) don't expect their profitability to improve in the next 6 months, with one third expecting their profitability to fall into the New Year. These results suggest a significant portion of private sector businesses will be standing still or even sliding backwards in the months ahead.

Council and Administration have an opportunity to help close the recovery gap by freeing up capital for these businesses to grow and rehire. A significant increase in commercial property taxes – and utility rates – will undermined Saskatoon's capacity to recover the jobs, incomes and economic growth lost to the COVID-19 pandemic.

Other major Prairie cities are projecting lower rate increases in an effort to spark economic recovery and growth. Saskatoon's proposed increase remains above the benchmarks set by cities like Edmonton and Winnipeg.

Leading up to its budget preparation, Calgary's administration proposed a rate increase between 0.64% and 0.99%. During Council's deliberations, nearly \$150 million in other spending initiatives were added to Calgary's budget, increasing property tax rates to nearly 4% for 2022. It serves as an example of how quickly progress on cost control can backslide when initiatives and new hires are proposed in Council discussions.

the **Chaiiiber**

110-345 4th Ave S Saskatoon, SK S7K 1N3 Solo-244-2151 chamber@saskatoonchamber.com

Among major cities in our region, competition for new and expanding businesses will be fierce. Every city has been gripped by the pandemic and harmed by its economic impact. By keeping rate increases in line with major cities to the West and East of us, we can ensure that Saskatoon attracts good jobs, more residents, and career opportunities for our kids.

The Chamber urges Council to keep cost control and competitiveness at the forefront of your deliberations over the next three days by finding additional savings and opportunities to reduce or defer spending until Saskatoon's economic forecast has improved.

Sincerely,

Jacmp

Jason Aebig CEO