From:	Trevor Jacek
То:	Web E-mail - City Clerks
Subject:	Email - Communication - Trevor Jacek - Property Tax Increase for 2024- CK 1700-1
Date:	Tuesday, November 21, 2023 5:05:18 PM
Attachments:	CoS let (Mayor Clark and City Council) re projected 2024-25 municipal budget.pdf

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Please distribute this letter to the Major and council in advance of their budget deliberation meetings.

Thank you,



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MID-WEST DEVELOPMENT (2000) CORP.

PART OF THE MID-WEST GROUP OF COMPANIES

November 16, 2023

His Worship, Mayor Charlie Clark and Members of City Council Saskatoon City Hall 222 3rd Avenue North Saskatoon SK S7K 0J5

Via email city.clerks@saskatoon.ca

Dear Mayor Clark and Council Members:

Re: 2024-25 City of Saskatoon Budget

I am writing to you with respect to the upcoming budget deliberations that City Council has scheduled for next week.

In June, the City of Saskatoon publicized that the projected 2024 City budget deficit would need an 18% property tax increase in 2024 to be funded. Over the past months, Council and Administration have worked to put forward a budget that has a smaller funding deficit than was originally publicized. Thank you for your work to reduce the original budget shortfall. A tax increase of that magnitude would have grinded Saskatoon to a halt, however <u>the proposed 7.14%</u> property tax increase for 2024 is still much too large. Please reduce spending in the budget to achieve a lower tax increase.

Our company owns and manages approximately fifty commercial properties in Saskatoon as well as many others across Western Canada and the US. We have hundreds of businesses and organizations as our tenants. As such, <u>we constantly</u> <u>receive insight as to what the business climate is like in Saskatoon and what the positives and negatives of</u> <u>operating in Saskatoon are</u>. The number one item that is brought up by these organizations is the high operating costs that they are faced with. Many of these <u>businesses feel like they are getting pushed to their limits and cannot handle</u> <u>further cost increases</u>.

We also frequently meet with businesses considering expansion into or a relocation to Saskatoon. These businesses are always shocked at the cost of operating in Saskatoon compared to where they currently operate, and compared to the other locations that they are considering as alternatives to Saskatoon. <u>The consensus in the business world is that</u> <u>Saskatoon is an expensive city to operate in</u>, in spite of claims by the City that costs are comparable to other western Canadian cities.

The largest operating cost of any building is the property tax. As you are aware, property tax has historically increased at a rate far greater than inflation. I strongly urge you, on behalf of all the businesses that we are connected to, to **reduce the City of Saskatoon budget in the most aggressive way possible** in order to prevent having to increase property taxes to anywhere close to the 7.14% that administration is recommending.

I realize that you are tasked with many difficult decisions but there is an opportunity, through your leadership, to achieve a final budget that has the need for a much smaller property tax increase. Please, <u>focus on reducing spending rather</u> than increasing taxes to offset higher levels of spending.

Thank you for your service to our community and for the measures that you have already taken to reduce the potential 2024 property tax increases. The business community looks forward to a final budget that focuses on the City "staying in its lane" by providing only services that are essential to running an effective City and the low property tax increase that is needed for continued business viability and positive economic growth in Saskatoon.

Yours truly

Trevor Jacek Chief Financial Officer trevor.jacek@mwdc.ca

