

**A Presentation
to Regina City Council
on the municipal budget**

**by the
Saskatchewan
Federation of Labour**

Regina City Hall, April 7, 2003

Thank you very much your worship.

And I want to also thank the members of council and staff for hearing our submission.

My name is Marvin Meickel and I am Treasurer of the Saskatchewan Federation of Labour.

The SFL represents over 85,000 union members across the province, with perhaps a quarter of that total residing in the city of Regina.

Among the members unions of the Federation are the inside and outside civic employees, transit and library workers and the firefighters.

Close to two thousand people work for the city and police service, and they have spouses and children. We like to think we look after the best interests of all those people.

But beyond our affiliated civic locals and for more than half a century we have spoken up for working people generally, whether unionized or not.

The hundred thousand or so wage earners in Regina are among our constituents, and they are citizens of the city and therefore stakeholders in the wellbeing of our community.

In fact it is our thesis that working people have the strongest interest in - the most to lose or gain by - any significant changes that are made to the city's tax policy, spending priorities or budgeting philosophy.

The working population of the city is much more likely to take their recreation in a city park or outdoor rink than on the French Riviera.

Regina wage earners are more inclined to be found on city buses rather than a trans-Atlantic Concorde flight.

Working class kids may not have a computer or internet access at home but they know they can find that service at the public library.

And it is more likely to be lower income workers who need help with the cost of spaying or neutering their family pet.

The decisions you make about expenditures and revenue sources, grants and cuts, will impact the people we represent more than any other group in our society.

Let me begin by complementing the city manager and his staff for the clear, coherent and logical document they have produced in the 2003 Recommended Budget discussion paper. It really is fine work.

The Federation of Labour would also like to complement the council and city staff for the relatively sound fiscal condition our municipality is in currently.

We note for example that the City of Regina has had one deficit in its general operating fund in the past quarter century, and has otherwise achieved surpluses.

The city's debt load is admirably low. Outstanding tax supported debt has been retired as of two years ago. The pay-as-we-go approach to financing projects has served taxpayers well.

Taxation levels in Regina are not excessive, by any reasonable measure. In fact they are quite reasonable and manageable. As the budget recommendations document demonstrates, mill rate increases over the past dozen years have been just over half of what the increases in the cost of living have been in the same period.

So adjustments upward in property taxes have been very considerably less than the inflation rate for Regina. In several years during the last decade there was no increase at all in the mill rate.

Similarly the city of Regina has not been overspending. As Mr. Linner's paper points out general operating expenditures per capita in this city are substantially below Winnipeg, Calgary and Edmonton. The same is true in the Fire Department. In transit we spend less per capita than those other Prairie cities and Saskatoon too.

Civic unions have not been greedy in recent times either. Pattern bargaining in the early 1990s resulted in wage increases of about one half of a per cent

annually until after the mid-point of the decade. The wage guidelines set by the province then loosened somewhat and wage settlements averaged approximately 2 per cent per year. The last couple of years have seen 3 per cent annual increases in workers' pay.

Here again wage costs have not exceeded the inflation rate. In fact pay raises have been below the upward movement in the cost of living.

In the coming year there will be mill rate increases in other urban centers in Canada.

Saskatoon is looking at a mill rate increase of over 3 per cent, we are told.

Edmonton apparently will implement a 4.9 per cent increase in their mill rate for 2003.

Calgary will have an increase that is anticipated to be almost as high.

Lethbridge increased its mill rate by almost 8 per cent, Red Deer by almost 7 per cent.

Toronto has announced a 3 per cent increase, Hamilton 3.8 per cent and Vancouver proposes a 5.5 per cent mill rate adjustment.

In light of that and in view of the fact that the Saskatchewan Bureau of Statistics figures show that the cost of living in Regina is currently increasing at almost 4 per cent a year, we believe that Regina city council

should seriously consider implementing the modest 3.79 per cent mill rate increase recommended in the City Manager's advice to council.

The SFL has arrived at that opinion after considering the following:

A 3.79 per cent increase in the mill rate is expected to generate just over 3.8 million dollars. That in combination with the economy measures that had been implemented earlier by council and the city administration is a balanced and reasonable solution to the budgetary concerns of the city.

We understand the position of those who would devote all of the operating surplus to the current revenue requirements.

But we are concerned that the present shortfall in revenue is not a temporary phenomenon. Non-renewable sources of funding can only be a temporary remedy for what is clearly an ongoing requirement to cover a set of fixed expenditures.

To use all of the operating surplus to cover the budget deficit is at best postponing, but also expanding the problem which will have to be addressed at a later time.

At that inevitable and unavoidable point in the future the one time money will be gone and the gap between income and expenditures will be even greater than it is today.

It is better to employ a balanced approach now and avoid serious shortfalls later.

There are some spending options that could be phased out without any harm to the city at all, such as the city's membership fees in the Better Business Bureau and the Trans-Canada No.1 West Association or some of the costs associated with the Jinan Twinning Project.

The labour movement would have no strong objection to exploring the new revenue sources for the city such as those listed mid-way down page 29 of the 2003 Budget Recommendations.

We are troubled by some of the recommendations such as the elimination of the Paint Recycling Program, which we believe would be irresponsible from an environmental point of view.

We would also oppose the closure of the city recreation centers on statutory holidays. Those are days when working class families can go to a rec center together, so the facilities should be kept open on stat holidays.

For similar reasons we do not like the proposal to reduce the outdoor rink program.

Reducing transit service by means such as lengthening the time between busses, is not a good proposition, nor is cutting Paratransit Service hours on Sundays. Bus users don't need to have the service made more difficult to use or less accessible.

Eliminating the Low Cost Spay Neuter Program is wrongheaded as well. Enacting that is likely to increase feral animal control costs and create a reservoir of homeless animals that are susceptible to rabies and distemper.

We would be against the closure of any city owned swimming pools or the transfer of the Cathedral Community Centre to the local community association. These should remain city facilities, and be open and operating their regular hours.

The Budget Recommendations booklet describes a home of \$84,600 in fair value assessment as average in Regina. The suggested mill rate adjustment of 3.79 per cent would therefore cost the average family slightly over 36 dollars annually or 3 dollars a month.

That in our view is a change that can be accommodated by working families and retired wage earners.

More than 60 per cent of the city's budget expenditures are devoted to wages, salaries and employee benefits. Any sizable or even modest cuts to expenditures in most city departments or programs will very likely impact staff, who, as we demonstrated earlier in this brief, are not the cause of any deficit nor should they be victimized because of it.

In our view one of the sources of the present imbalance in the city budget is the loss of the business tax. If one consults municipal budgets in the latter

half of the 1990s you will see that in a typical year between 8 and 9 million dollars was raised by way of the business tax.

If that revenue had not been given up we would not be in the present shortfall position. We would have a substantial surplus.

We thought at the time that the city should have ignored the whining of the business lobbyists and continued to levy and collect the business tax.

Our research indicates that several Prairie cities have retained their business tax; among them are Winnipeg, Edmonton and Calgary.

If free enterprise Calgary can retain the business tax, we should have as well.

We understand as well that the business crowd whined to the provincial government for a legislative amendment to the statute governing municipal taxation, and got their way.

Now the Act would have to be changed to permit a local government to reinstitute the business tax.

We believe that is exactly what the city should be asking the province to do.

No group has had the tax breaks and loopholes and exemptions and other largess that business owners have received in provincial and federal budgets in the last twenty years.

So much so that in a March 20, 2003 supplement in the Leader Post the newspaper was able to claim the following:

“A KPMG study says Regina has the lowest
business costs in midwestern North America”

As city council looks at revenue opportunities to balance the budget, keep in mind the tens of millions of dollars of tax money that has been shirked by business in recent years.

So if you are looking for money, go where the money is – in the pockets and the bank accounts of the business owners.

Let me conclude by saying that Regina is a wonderful place to live. We are proud to be part of this community. We have fine services and facilities, and great people delivering them. Let's keep our city well serviced and well maintained and a great place to live.

Thank you very much.