

FOR IMMEDIATE RELEASE

Saskatoon, Saskatchewan, October 13, 2016

PRESS RELEASE

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Moore says Debt and Unsustainable Development Will Handcuff City for Years

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Taxation fairness is an important issue in the October 26 municipal election in Saskatoon. In the past week, Charlie Clark has presented himself as a tax hero for speaking against a tax shift that was proposed by the Chamber of Commerce in 2013 and is supported by the North Saskatoon Business Association. He claims to have “won the fight with Mr. Atchison” and “prevented the shift from occurring”. Mr. Clark claims that his stand will save residential taxpayers \$6.5 M.

In truth, the motion was not defeated. Councillor Hill moved, seconded by Councillor Paulsen, to defer a decision to 2017 when there will be a property re-assessment. As usual, there was no record of votes. The next council will debate the issue and make a decision that is yet unknown, with or without Mr. Clark’s participation. Mr. Clark has kindly given advance notice of how he would cast his vote should he be present.

Diversion from the Real Issue

But there may be another reason for Mr. Clark’s newfound bluster. There is a bigger, and far more dangerous issue in City Hall that has resulted from his voting record these past ten years. He has consistently voted for record tax increases and supported projects that have created a jaw-dropping debt load that is on watch by Saskatoon’s credit rating agency, Standard & Poor’s, and could potentially lead to a drop to a AA rating. Mr. Clark would rather not speak about this despite the fact that these issues have a far more profound impact on our city than a hypothetical tax shift. And rather than the pronounced concern for taxpayers that he wants to portray, the record shows a wanton disregard for the financial long-term health of the City.

Mr. Clark’s and Mr. Atchison’s Record on Tax Increases

Saskatoon has now had ten years of record tax increases under Mr. Clark and Mr. Atchison, amounting to 22% in the past four years and a whopping 56% since 2004, exceeding even the Municipal Price Index. These tax increases are the result of uncontrolled spending and stem from what can only be called reckless administration of public resources. By any standard, these are unacceptable and have cost taxpayers significantly. It turns out that Mr. Clark and Mr. Atchison have had their hands in the public cookie jar for years.

And they’ve been anything but forthcoming on our expected tax increase for 2017, voting unanimously to suppress a fiscal update originally scheduled for September. Saskatoon may face the biggest tax increase yet – we don’t know.



Mr. Clark's and Mr. Atchison's Record on Debt

One of the reasons for high tax rates is the record debt the city has amassed over the past 10 plus years. Mr. Atchison and Mr. Clark have voted for debt to increase six-fold since 2006, to \$260 M in 2015. Debt is projected to increase by \$147 M in 2016 alone, and to about \$500 M in 2022 as a result of these decisions. In 2014, the City had to apply to the Municipal Board for a new debt limit, \$558 M. According to City of Saskatoon documents, annual debt service payments will be \$29.2 M in 2016 and are projected to grow to \$45 M by 2022.

Those expenditures are massive. They will form among the top line items in our operating budget for the foreseeable future. Imagine what an extra \$45 M can do at budget time. Homelessness. Hunger. Affordable housing. Instead, these payments will continue to handcuff City Hall for many years. Should our credit rating decrease due to this debt, or interest rates rise, the payments will rise and have an even more paralyzing impact.

Sustainable Growth

Although touting a desire to build a sustainable city, Mr. Clark's record shows that he has supported the undisciplined expansion of Saskatoon suburbs during his 10-year tenure at City Hall, and done comparatively little to encourage other forms of growth at a time when it really mattered. Beside the debt load and its carrying cost, this could be the biggest blunder in our city's history.

Taken together, the new suburbs Aspen Ridge, Evergreen, Rosewood, Brighton, Kensington, Elk Point, and Parkridge have a capacity for 72,600 residents. Their population in 2015? 6,400 people, which is an occupancy average of 9%. Even with a compounded population growth rate of 2%, these suburbs represent capacity for 12 more years.

Mr. Clark says he wants to build a compact city, but the record shows he supported the construction of the opposite. And in a desperate attempt at spin, he claims Moore would not support further development. In fact, Moore supports sustainable development which includes evidence of demand. In the meantime, Moore will create and support policies for balanced growth that will guide the next generation.

Tax Fairness

Taxes have to be fair. Yes, businesses can deduct property taxes from income tax. That's why they pay more taxes. Despite this, they receive fewer services than residential tax payers, such as garbage removal. Fair taxation has one purpose: to provide a level playing field that encourages growth, leading to a larger overall tax base. Anyone who says different is misrepresenting the concept.

"As a professional", says Moore, "I am committed to using best practices, and I am committed to evidence-based decision making. When the property tax ratio issue returns to City Council in 2017, we will review what we've learned from our past tax policies and then propose the most effective path forward. I remain committed to growing our tax base. I remain committed to protecting residential tax payers from tax increases. I am committed to better financial management at City Hall."



Together we will create change. It's time to expect more from City Hall and vote Kelley Moore for mayor on October 26th.

For more information or to discuss this further with Kelley please contact: Campaign Manager Sara Wheelwright or Campaign Coordinator Haven Rees | 306-291-5303 or 291-4449.

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