

City of Regina Budget 2019

Good evening Your Worship, members of Regina City Council. My name is John Hopkins and I am the Chief Executive Officer of the Regina & District Chamber of Commerce. I am here tonight to present our perspective on the City of Regina's Proposed 2019 Budget.

I want to begin by talking about our community. Is it perfect, no. Do we have challenges, yes but at the same time we continue to be a beacon for many not only within our province and country but around the world. A beacon of opportunity. A place where people seek investment opportunities, employment, a home, education and so much more. We must do more to celebrate all we have in this great community of ours.

Turning to the business at hand, we sent a survey out to our membership shortly after the release of the proposed budget. Here are some of the results of the survey:

When asked, ***Do you support the proposed mill rate increase of 4.7%?***

- 11% said Yes
- 53% said no, but they would support a lower rate of increase, and
- 31% said no they do not support any increase to the mill rate

When asked, ***What would you suggest the City of Regina do to address the projected increase in expenditures?***

- 11% said increase the mill rate by 4.7%
- 47% said increase the rate but find other measures to reduce the rate of increase
- 31% said cut programs and or services to get to zero

When asked, ***What areas would you recommend the City of Regina look at for cost savings?***

The Top 5 Answers were:

- Reduce the size of the civic workforce
- Reduce the size of middle management
- Reduce the amount of grants to community groups
- Reduce the amount for planning
- Reduce the amount for police and fire

Your Worship, looking at property tax specifically we have gone from generating an actual of \$206 million in 2016 to a projection of \$250 million in 2019 with the 4.7% increase. Put another way, property tax between 2016 and 2019 is projected to increase by \$44 million or 21%, not an insignificant amount. Now to be fair Government Grants have dropped from \$45 million in 2016 to a projection of close to \$42 million for 2019, a decrease of \$3 million or 7%. In addition, Electrical and Gas Distribution Revenues dropped by \$10.2 million between 2016 and 2019.

How competitive is Regina when compared to our peers? Are we out in left field are we close, are we the highest taxed place on the planet or what....

Well according to the *City of Calgary 2017 Residential Property Taxes and Utility Charges Survey* we had the second lowest **municipal property tax** at \$1,585 for a representative bungalow in 2017. When looking at the average for all single detached homes we were 5th out of 12 with a rate of \$3,141 which includes the school levy and the library levy. When looking at the median for all single detached homes we were 3rd best at \$2,912.

On the other side of the coin within the same report Regina had the highest monthly utility rate charges at \$250 a month as compared to the average of \$197.25. However, the report includes an electrical charge which you do not control, so we pulled that from the calculation. Regina then drops to second highest at \$131.

Some measures we would encourage you to consider to reduce the rate of increase include:

1. Use part of any projected surplus from 2018 to offset part of the increase. We note that the forecast as of September had the surplus in the range of \$2.5 million.
2. Look at the capital projects for 2019 to determine if there are projects that are likely to get deferred and defer them. We note that the contribution to capital has risen significantly from an actual of \$39.8 million in 2016 to a proposed \$48.9 million in 2019. This is an increase of \$9.1 million or 23%.
3. Consider reducing the transfer from general revenues to reserves or look at one reserve, the Fleet Replacement Reserve. According to the Budget document the reserve should have a minimum of \$1.7 million and a maximum of \$14.3 million. The reserve is projected to have \$21.8 million in it by year end 2018 and \$22.6 million by year end 2019, \$8.3 million above the maximum.

I want to conclude where I started tonight, Regina has a great deal to offer to so many. Could we do more, yes but at the same time, we need to appreciate all we have.

Thank you for the opportunity to be here.

John Hopkins
Chief Executive Officer
Regina & District Chamber of Commerce