

ON THE RECORD

Below please find some quotes, facts, and figures regarding Don Atchison's record regarding:

- Don Atchison talks Tax
- Don Atchison and Spending
- Don Atchison and Revenue Stabilization Revenue (rainy day fund)
- Don Atchison and River Landing Phase 1
- Don Atchison and Housing

On the Record: Don Atchison talks Tax

“This is not a tax-and-spend council.”

– Mayor Don Atchison during 2005 capital budget debates (*StarPhoenix*, November 26, 2004)

“This isn’t our money. It’s taxpayers’ dollars.”

– Mayor Don Atchison during 2004 capital budget debates (*StarPhoenix*, December 11, 2003)

From 2004 to 2008, with Don Atchison as mayor, municipal property taxes rose faster than they did the previous five-years.

During Atchison’s tenure as mayor the city has experienced the three highest mill rate increases in the last ten years.

Municipal Property Tax (Per Capita)

Year	Amount
1999	\$343.44
2000	\$357.47
2001	\$371.00
2002	\$388.63
2003	\$400.52
% Increase 1999-2003	16.62%
2004	\$442.56
2005	\$469.76
2006	\$479.26
2007	\$507.14
2008	\$543.95
% Increase 2004-2008	22.90%

Source: COS Annual Reports

Mill Rate Increase

Year	Amount
1999	1.49
2000	0.98
2001	3.80
2002	1.53
2003	2.70
2004	3.24
2005**	3.94
2006	1.86
2007**	4.76
2008**	5.44

Source: COS Annual Reports

On the Record: Don Atchison and Spending

“Saskatoon taxpayers want a leader who will hold the line on tax spending.”

– Don Atchison 2003 mayoralty campaign flyer

Under Mayor Don Atchison the City of Saskatoon’s spending has increased dramatically. Since 2003, the city’s operating budget has increased 53.47% while the capital budget has skyrocketed a staggering 251.92%.

Operating Budget

Year	Amount	% increase from 2003
2003	\$182,497,700	—
2004	\$192,799,800	+5.64
2005	\$200,990,500	+10.13
2006	\$213,715,100	+17.10
2007	\$229,702,400	+25.86
2008	\$254,765,800	+39.59
2009	\$280,094,600	+53.47

Capital Budget

Year	Amount	% increase from 2003
2003	\$68,680,000	—
2004	\$100,913,000	+46.93
2005	\$165,625,000	+141.15
2006	\$188,051,000	+173.80
2007	\$214,412,000	+212.18
2008	\$218,386,000	+217.97
2009	\$241,700,000	+251.92

Source: COS Operating and Capital Budgets, 2003-2009

ON THE RECORD: Don Atchison and Revenue Stabilization Revenue

“Sixty-seven-million dollars is a lot of money but still not enough to do what we want it to do,” said Mayor Don Atchison. “We could put money into reserves, but then we’d just watch inflation eat away at it.

“I feel quite comfortable with (borrowing).”

– Mayor Don Atchison on borrowing for projects and the city’s share of promised new federal infrastructure funds. (*StarPhoenix*, September 27, 2004)

On October 2, 2009, the *StarPhoenix* reported that Saskatoon is headed for its fourth straight year of deficits and that its rainy day fund, the revenue stabilization reserve, which city council uses to help balance the budget as required by provincial law, is empty.

In an effort to stave off the pending shortfall the city manager in August implemented a hiring freeze and a halt on discretionary spending at city hall.

In 2004, Don Atchison’s first year as mayor, the rainy day fund was \$4.17-million. By the end of 2008 it had shrunk to \$399,000. Now the cupboard’s bare.

In recent years, Don Atchison has adopted a philosophy that it is acceptable to borrow heavily into the city’s future. This philosophy has led to a path of deficit budgets and depleting monetary reserves - jeopardizing the city’s ability to meet neighbourhood needs while developing important projects in the future.

Saskatoon can’t afford three more years of “Deficit Don” Atchison.

Revenue Stabilization Reserve

Year	Amount
2003	\$3,843,000
2004	\$4,179,000
2005	\$4,179,000
2006	\$3,675,000
2007	\$1,832,000
2008	\$399,000
2009	0

Source: COS Financial Reports; *The StarPhoenix*, October 2, 2009

On the Record: Don Atchison and River Landing Phase 1

Shortly after becoming mayor, Don Atchison confirmed that he wasn't interested in spending public money on the former Gathercole site:

“For the life of me, I can’t believe we would take federal, provincial or municipal dollars on a site where the private sector has been knocking at the door.” (StarPhoenix, January 16, 2004)

To date, at least \$70.69-million in public money has been spent or committed to what is now known as River Landing Phase I.

River Landing Phase I	\$13,360,600
Persephone Theatre	\$6,500,000
Project 1262 Electrical Network Vault	\$836,846.55
Destination Centre*	\$50,000,000
TOTAL	\$70,697,446.55

Source: COS River Landing Project Funding Update, Aug. 26, 2009; COS Corporate Services Department; Provincial and Federal Government New Releases

*Note: Destination Centre figure does not include the \$8-million that the Mendel Art Gallery Board of Trustees is required to fundraise.

On the Record: Don Atchison and Housing

“I think discussions have been ongoing already at the administrative level. We just need to do more. I guess it’s at the political level as well that we’re just going to have to push ahead and see what else we can do at this time.”

– Mayor Don Atchison, ten months into the housing price crisis, grudgingly admits that political action is needed. (*StarPhoenix*, June 8, 2007)

“[T]he No. 1 issue for all of us is housing affordability. That is our No. 1 issue, and if good intentions were enough, there would be no homelessness and it would have been solved already.”

– Mayor Don Atchison, seventeen months into the housing price crisis, finally acknowledges it’s the city’s top priority. (*StarPhoenix*, January 25, 2008)

The early warning signs were there, but Mayor Don Atchison failed to see them.

In February 2006, Statistics Canada reported that house prices were up 3.6 per cent compared to the same month the year before. In March, the number jumped to 6.3, then to 6.7 in April and May. By June it was 8.5, then 9.5 per cent in July and August.

In September 2006, house prices rose 12.7 per cent, representing the first of what would become an incredible string of 23 consecutive months of double-digit price increases.

It was not until June 2007, nine months into the crisis, that Atchison admitted there was a problem and that political action was necessary.

It took Atchison seventeen months — when house price increases were above 50 per cent — to finally acknowledge, in January 2008, that the issue had become the city’s top priority.

On July 16, 2007, city council adopted the administration’s recommendation “that an annual target of 500 dwelling units be set for affordable housing in Saskatoon.”

The city’s *2009 Housing Business Plan*, which council received January 12, 2009, reported that an estimated 379 new affordable housing units were created in 2008 – a shortfall of 121.

According to the report city administration has, unfortunately, decided that the city will now take a long-term approach when counting units and will consider the 500 unit goal to be a long-term average rather than an exact figure to assign to each year.

In the report administration details the devastating impact that rising house prices had on residents at the time:

- Average house prices in Saskatoon are now around \$290,000, about double what they were three years ago. Wages remained relatively stable during this same period.
- In August 2006, a gross annual income of \$48,000 was needed to purchase an average \$160,000 house (25-year mortgage and minimum down payment). Today, an annual income of about \$75,000 is required to purchase the same home. Families earning just above the provincial Maximum Income Limit (for housing assistance programs) can only afford to spend about \$175,000 to purchase a home. Choices are very limited in this price range.

- The RBC Affordability Report, released in March 2008, shows that many Saskatchewan residents are being forced to spend up to 40 percent of their household income on housing.
- The median multiple is the ratio of the average price of a home to the average household income. Traditionally, housing has been considered affordable if this ratio was 3.0 or less. The median multiple for Saskatoon is now over 4.0.
- Similar to the rapid rise in house prices, there has been a rapid fall in the vacancy rate for rental apartments. In 2004, Saskatoon had one of the highest vacancy rates in Canada. However, since 2004 the average rate has continued to fall and has been below one percent since 2007. The latest statistics show a vacancy rate of 1.9 percent in October 2008. CMHC is predicting that the vacancy rate will remain around two percent throughout 2009.
- The cost of renting an average two bedroom apartment has increased significantly since 2006, following a similar trend to the rising cost of homeownership. The same apartment that could be rented for \$557 in October 2006 is now \$860 per month. While CMHC is predicting a leveling off of this trend in 2009, household income has not risen in a similar manner.

On June 27, 2009, the *StarPhoenix* reported that city records show a total of 1,726 units were granted permission to be converted from apartments to condominiums in 2007 and 2008. Records also indicate that 301 conversions were approved in 2006, bringing the three-year total to 2,027.

The *StarPhoenix* said that “most agree” the conversions “cut the supply of rental apartments, helped drive rents higher and ushered in a wrenching period of uncertainty for many existing tenants.” Atchison is on record as supporting condo conversions.

We can do better. Saskatoon needs a new mayor, one that can recognize developing trends and potential problems early on and, if necessary, respond quickly and effectively by engaging key stakeholders to develop responsible solutions. The best candidate for that job is Lenore Swystun.

New Housing Price Index - Saskatoon (% change year-over-year)

Jun/05 to Jun/06	Jul/05 to Jul/06	Aug/05 to Aug/06	Sep/05 to Sep/06	Oct/05 to Oct/06	Nov/05 to Nov/06	Dec/05 to Dec/06	Jan/06 to Jan/07	Feb/06 to Feb/07
+8.5	+9.5	+9.5	+12.7	+12.7	+12.7	+16.1	+16.1	+16.1

Mar/06 to Mar/07	Apr/06 to Apr/07	May/06 to May/07	Jun/06 to Jun/07	Jul/06 to Jul/07	Aug/06 to Aug/07	Sep/06 to Sep/07	Oct/06 to Oct/07	Nov/06 to Nov/07
+22.7	+24.9	+38.6	+48.4	+51.4	+53.6	+47.0	+47.9	+47.9

Dec/06 to Dec/07	Jan/07 to Jan/08	Feb/07 to Feb/08	Mar/07 to Mar/08	Apr/07 to Apr/08	May/07 to May/08	Jun/07 to Jun/08	Jul/07 to Jul/08	Aug/07 to Aug/08
+45.1	+51.7	+58.3	+46.2	+43.7	+30.2	+16.3	+13.1	+8.0

Source: Statistics Canada New Housing Price Index