



2019-20 Provincial Budget Request

Submitted by:

The Saskatchewan Association of Rural Municipalities (SARM)

August 2018

Executive Summary

The Saskatchewan Association of Rural Municipalities (SARM) submits the following budget requests to the Government of Saskatchewan for the 2019 provincial budget. There are five funding initiatives that SARM believes would assist rural municipalities (RM) in delivering important services. The benefits realized through these programs and initiatives will positively affect rate payers and their quality of life as well as support the Government's plans for economic development and growth in the province.

The costs for fire services and assistance at motor vehicle accidents are increasing each year and unpaid bills for services rendered negatively affect the sustainability of these services and causes additional strain on municipalities. SARM continues to advocate to both levels of government for assistance in establishing an Emergency Response Fund (ERF) to create sustainability and enhance public safety.

Infrastructure continues to pose a challenge for rural Saskatchewan. The MREP program is valuable mechanism to assist rural municipalities with aging infrastructure in need of repair and SARM continues to advocate for the program to be available to our members.

As cannabis legalization approaches, rural municipalities will be faced with additional costs that are not yet understood. According to research from the Federation of Canadian Municipalities, SARM supports the recommendation that municipalities should be allocated one third of cannabis excise tax revenues.

Rural crime remains a concern in rural Saskatchewan and SARM has been working diligently with the RCMP and other stakeholders to improve sense of safety in our communities. SARM would like see investment from the provincial government to assist in reducing crime in rural Saskatchewan.

Rural municipalities face financial constraints to meet landfill compliance and decommissioning. SARM believes additional funding for landfills is required for the Ministry of Environment to meets its landfill goals.

SARM understands the difficulty in creating the provincial budget each year and appreciates the opportunity to work with provincial ministries on programs to support needs in rural Saskatchewan. As the independent association representing all 296 RMs in the province, it is incumbent on us to ensure the voices of our members are heard; the restructuring of the Beaver Control Program and the Provincial Rat Eradication Program is a concern for our members. SARM will continue to monitor issues in these areas as well results for the new Plant Health Officer Program in order to ensure objectives are being met for both the provincial government and the members.

Municipal Roads for the Economy Program (MREP)

Funding from the Ministry of Highways and Infrastructure has been delivered to SARM for MREP since 2009. MREP provides funding to RMs to assist with the costs of maintaining roads and infrastructure impacted by heavy traffic use by industry. This program provides annual funding assistance to RMs through three components:

1. Clearing the Path (CTP) Corridor Incremental Maintenance
2. Heavy Haul High Volume Road (HHV) and CTP Construction Projects
3. Municipal Bridge Services

Since 2005, SARM has been working with municipalities, the provincial government, and transportation stakeholders to create a primary weight haul network of municipal roads. More than 6,644 kilometers of primary weight roads have been designated under Clearing the Path since 2007. MREP provides annual incremental maintenance funding for CTP designated roads.

Funding is also provided for Heavy Haul High Volume Roads and CTP Road Construction Projects. This includes engineering support and funding assistance for the repair and replacement of aging rural bridge and culvert infrastructure. These infrastructure projects are essential to industry and the economy, as the infrastructure is critical for the transportation of goods to market and for the day to day use of businesses and ratepayers.

The budget for MREP in the 2017/18 year was \$14 million. Due to budgetary reductions, the CTP Maintenance Grant reverted to 2013 funding levels of \$1,000.00 per km. This represents a reduction of \$100 per km. With these budgetary reductions, applications for new CTPs, including provincial projects, are being accepted but are not funded.

SARM recommends that funding for MREP be maintained at \$14 million and include a two-year funding commitment.

Cannabis Excise Tax

Recreational cannabis is set to become legal on October 17, 2018. This past March, the provincial government released Saskatchewan's Cannabis Framework. The framework did not address the distribution of the provincial government's 75 per cent share of the cannabis excise tax. We understand the provincial government's decision not to include budget estimates pertaining to the excise tax in the 2018-19 budget. However, with legalization fast approaching SARM wants to reiterate our requests that

municipalities receive a portion of the excise tax to help cover the costs associated with responsibilities that will fall on municipalities.

Cannabis legalization brings about municipal responsibilities in many areas, which can generally be categorized into two major cost centres: municipal administration and policing. Municipal administration will include additional costs associated with land use, business licensing, administration enforcement, fire prevention, health and education, and communications and public engagement. Some RMs may need to establish business licensing systems or invest in new software and a web presence to prepare for legalization.

Policing costs are by far the largest cost centre. These costs include capital and operational costs to administer the framework included in Bill C-46, as well as provincial framework. Additional staffed will be required, as well as additional or new training for drug recognition and drug testing equipment, the purchase of additional equipment, and other police enforcement activities required under Bill C-45 and The Cannabis Control Act.

The Federation of Canadian Municipalities has undertaken research with members across Canada, including SARM, to forecast the real cost impacts of cannabis legalization. FCM's research has indicated that municipalities should be allocated one third of cannabis excise tax revenues. Local governments will be on the front lines of cannabis legalization and will see significant costs that are yet to be fully understood.

SARM recommends that the provincial government allocate 33 per cent of cannabis excise tax revenues to local governments.

Rural Crime Reduction

SARM has been pleased to work closely with the provincial government and the RCMP over the last year on rural crime reduction initiatives, including the Protection Response Team and Rural Crime Watch. The 2017-18 provincial budget allocated \$1 million towards the recommendation coming out of the caucus committee on crime reduction. SARM recommends that the 2018-19 budget allocate a funding envelope to be utilized for further rural crime reduction initiatives.

SARM is currently working with stakeholders, including the Ministry of Corrections & Policing and the RCMP, to establish a provincial Rural Crime Watch association. The Rural Crime Watch program has seen significant growth over the last two years, and there are currently nearly 100 municipalities involved in the initiative. A provincial association will promote consistency in the program across the province and act as a mechanism for Rural Crime Watch groups and RCMP detachments across the province

to share information. The association could also promote the program and crime reduction initiatives. SARM requests that the provincial government earmark funds for the establishment of a provincial association.

SARM has long requested more RCMP boots on the ground in rural Saskatchewan. Police visibility acts as a deterrence to crime. While the RCMP has 40 troops going through depot this year, this is still only enough to cover maintenance of current officer levels. In June 2018, a report revealed that number of police officers per capita in Canada is at a 13-year low. The rate of police officers per 100,000 population in Canada is currently less than in all the G7 and Five eyes countries. This further demonstrates to us that more RCMP officers are needed in rural Saskatchewan. SARM asks that the provincial government allocate funds for additional RCMP in the provinces.

Finally, SARM requests that the provincial government allocate funding for additional Crown prosecutors in the province. SARM members have long expressed frustration a lack of capacity in the justice system. Additional investments in policing initiatives requires a corresponding investment in the court system so that charges can be dealt with in an appropriate and timely manner. The Province of Alberta recently announced \$2 million in funding to hire up to 10 additional Crown prosecutors. SARM asks that the Government of Saskatchewan also allocate funds for additional Crown prosecutors to relieve some of the capacity stress of the legal system.

SARM recommends that the provincial government allocate funding for initiatives to reduce and address crime in rural Saskatchewan.

Landfill Infrastructure

A new Solid Waste Management Advisory Committee has been established to lead consultations on the draft Solid Waste Management Strategy with municipalities and stakeholders and provide recommendations regarding the content of the strategy and potential regulatory and legislative changes related to solid waste management. SARM has representation on this committee. As the committee looks towards consulting on the Solid Waste Management Strategy and *The Municipal Refuse Management Regulations*, SARM requests that the provincial government allocate funding to assist municipalities with landfill compliance and decommissioning. Financial constraints are a major barrier to landfill compliance. Without additional funding for landfills, it will be difficult for the Ministry of Environment to achieve its objectives around landfills.

In addition, landfills are a major source of greenhouse gas emissions for municipalities. Up to 50 per cent of waste in landfills can be organic material, which creates landfill gas. It is particularly challenging for small landfill operators to deal with landfill gas. As

such, we believe the province should offer funding to municipalities to improve landfill infrastructure. We would also support the province in an initiative to introduce a provincial composting program, similar to the Multi-Material Recycling Program.

SARM recommends that the provincial government allocate funding to support municipalities in landfill compliance and decommissioning.

Emergency Response Fund

SARM has been advocating for an Emergency Response Fund (ERF) for the past several years. The push for its establishment has been renewed through the Fire Protection Working Group (FPWG), which meets biannually. The FPWG agreed that this initiative must be renewed as municipal fire departments continue facing challenges when responding to fire incidents on Crown land and First Nations land or involving STARS air ambulance landings.

The ERF would give municipal fire departments reliable and adequate compensation for services rendered. This fund would be accessible by local fire departments to cover the costs of services rendered when they meet the criteria. Such as responding to incidents involving Crown corporation infrastructure, Crown land, First Nations land, land adjacent to railways and/or for aiding STARS air ambulance. Rather than requiring services agreements directly with First Nations Bands or other entities, fire departments would be able to bypass that process by applying for compensation from the ERF. This removes the administratively taxing process of collecting payments thereby increasing the sustainability of fire departments as it completely removes the risk of non-payment in these scenarios.

SARM recommends that the Government of Saskatchewan take steps to establish an Emergency Response Fund that involves the Government of Saskatchewan, the Crown corporations and INAC.