



Saskatchewan Association  
of Rural Municipalities

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**2016 Provincial Budget Request**

**Submitted by:  
The Saskatchewan Association of Rural Municipalities (SARM)**

*October, 2015*

The Saskatchewan Association of Rural Municipalities (SARM) encourages the Province of Saskatchewan to consider the following five programs for new, continued, and/or increased provincial funding, as allocations for the 2016 Provincial Budget are determined.

### **1. Provincial Rat Eradication Program (PREP)**

Continued and increased funding for the Provincial Rat Eradication Program (PREP) is a priority for SARM of the 2016-17 Provincial Budget.

SARM is thankful for the \$1.4 million in funding given by the Government of Saskatchewan in the 2015-16 program year. PREP has been an effective and efficient program for the eradication of rats since its inception in 2010.

The program's work is done through prevention, awareness and best management practices. It is PREP's goal to achieve a 100% participation rate and fully eradicate rats in the province. Last year PREP saw a participation rate of 96% or 283 Rural Municipalities (RMs). This was the highest participation rate to date and resulted in the lowest infestation rate ever across the province recorded at 3.95%. Last year, the average grant amount reached \$3,400.00 per RM. As in previous years, there will be top-up payments for eligible RMs. Remaining funds in the program that were originally budgeted for administrative costs or funds that were designated to go to RMs that did not participate or comply, will be used in the top-up payments.

In the 2014-15 PREP Budget, \$225,000 was budget for administrative costs and \$140,951.57 was actually expensed for program administration. PREP put effective use to administration funds and created program efficiencies through consolidating meeting opportunities and workshops. The remainder of the funds was distributed to RMs as grant payments to cost share rat control and eradication expenses. The program budgeted at total of \$1,175,000.00 to be allocated to RMs. However, 12 RMs (4%) did not apply and only \$948,108.02 of budgeted funds was paid. The remaining funds, in addition to unused administration funds, were paid to RMs as a top-up payment. No RM will receive more than 50% of the expenses reported on the Statement of Compliance and that includes the initial grant payments as well as any top up.

The funding for PREP will be used to continue building on the impressive progress that has been achieved. PREP will continue to accomplish its goals by improving RM participation, rate payer education and communications, Pest Control Officer education, training and public awareness campaigns. This will provide a 50/50 provincial/municipal cost share of the costs of rat control in Saskatchewan and help us eradicate rats in Saskatchewan.

**SARM requests that the funding provided by the Ministry of Agriculture and Growing Forward II be increased to \$1.5 million dollars in 2016.**

**SARM also requests that the funding be provided for a 2 year period. This will encourage non-participating RMs to participate as they will have the luxury of knowing they will have a 2 year funding commitment for rat control.**

## **2. Public-Industry Partnership Program (PIPP) – Resource Roads Program**

The municipal (grid) road network in Saskatchewan totals 165,000km. This large network of municipal roads was not designed to support the heavy machinery that is used daily by the various industries located throughout rural Saskatchewan. The abundance of natural resources in Saskatchewan has led to economic growth and development in a variety of sectors including agriculture, oil and potash.

These industries are reliant on the municipal road network to transport their products to market and for transporting heavy machinery and equipment. However, the roads that we have were not built with all industries in mind. The municipal roads were originally designed to transport residents and some agricultural products. Today we are seeing these roads facilitate the continuous movement of industry traffic every day.

A negative externality created by the increased traffic on municipal roads is that it results in rapid deterioration of the road infrastructure. The RMs have the responsibility to maintain the road infrastructure and/or upgrade the roads to a standard that is suitable for supporting industry traffic. This is an integral role that the RMs play and the increased financial and capacity demands are often costly, and in most cases, not easily addressed with the financial and human resources available at the municipal level.

Limited public funds and a growing demand for infrastructure investment to accommodate economic growth have renewed an interest in public-private partnerships. SARM believes that industries such as oil, gas and potash, along with owners of grain elevator facilities would consider such partnerships if there was a program developed that gave more consideration in the eligibility criteria for less densely populated areas; thereby making it easier to access government funding for essential rural infrastructure projects.

We believe that an additional pool of funding ought to be made available for the construction and upgrade of roads specifically used by industry to develop and transport vital resources. A separate program would allow funding available through MREP to be utilized for different, also important, projects and/or to increase the scope of other municipal infrastructure projects deemed important by the MREP Committee.

The PIPP Oversight Committee comprised of representatives from SARM, the Ministry of Government Relations, and Ministry of Highways and Infrastructure, awarded KPMG the contract to develop PIPP. The consultants have to-date conducted their jurisdictional scans, literature reviews and relevant research. KPMG is now in the process of creating models for how PIPP may function, how it will differentiate from MREP and how it will map to Building Canada Fund-Provincial Territorial Infrastructure Component. This work is ongoing and is scheduled to be completed by early 2016.

**SARM asks that the Province assist us in establishing a multi-year funding program for rural based natural resource road infrastructure projects.**

**SARM asks that the Province allocate \$40 million in funding to the new Public-Industry Partnership Program.**

**SARM would also ask that 10% of the remaining 90% of the Provincial-Territorial Infrastructure Component (PTIC) be allocated by the Province as the Federal contribution to develop the Public-Industry Partnership Program.**

### **3. Municipal Roads for the Economy Program (MREP)**

SARM has been receiving funding from the Ministry of Highways and Infrastructure to deliver MREP since 2009. The purpose of MREP is to provide 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 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.

Financial assistance is also provided for Heavy Haul High Volume Roads and CTP Road Construction Projects as well as 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 road and bridge infrastructure is critical as it is used to transport goods to market and is also used in the day to day operations of industry and ratepayers.

In 2009 the program received \$47 million dollars and was able to strategically invest funds to repair and build 285.8 KMs pf municipal road and invest \$11.8 million to improve municipal bridges/culverts. Unfortunately, due to budget restraints, MREP funding was unable to receive the same level of funding from 2010 to 2012. In 2013-14, MREP received \$25.5 million. MREP received \$16 million for the 2015-16 budget year; this is a reduction of \$9 million.

The funding for MREP has seen continuous decreases and it continues to be funded on an annual basis. If MREP were to receive a 2 year funding commitment then RMs that qualify for funding would have adequate time to acquire any necessary permits and undertake engineering work well in advance of the start of the short road construction season. A 2 year funding commitment would also allow RMs to tender early and accommodate the movements of SaskPower, SaskTel and other lines without requiring extensions for approval by the Project Management Board.

**SARM would ask that MREP funding be restored to 2013-2014 levels and include a two year funding commitment. This will ensure that RMs may continue to maintain and construct primary weight haul routes, and maintain bridges and culverts that are essential to the economy.**

#### **4. Emergency Response Fund (ERF)**

SARM sits on a Fire Protection Working Group (FPWG) that consists of representatives from the Saskatchewan Ministry of Government Relations, Ministry of Environment, and Aboriginal Affairs and Northern Development Canada (AANDC). One of the projects being undertaken by the FPWG is the establishment of an emergency response fund. This fund could be accessed by local fire departments to cover the costs of services rendered when they respond to events involving Crown corporation infrastructure, Crown land, and First Nations land, land adjacent to railways or for providing assistance to STARS air ambulances.

The establishment of an emergency response fund will give fire departments the resources they need to continue providing the essential services that they deliver without risk of non-payment. Unpaid bills cannot continue. The emergency response fund would help eliminate many of these issues. Furthermore, any surplus funds at the end of each year could be used to build local, including First Nations, capacity to respond to emergencies.

Support from the provincial and federal governments would help the fund financially and the continued involvement of AANDC will help ensure that First Nations are a part of the equation. This could also help eliminate the need for hundreds of contracts between First Nations and AANDC and/or municipalities and their fire departments, as the fire departments would be compensated through the emergency response fund.

With an emergency response fund, tragedies such as the one that occurred earlier this year on the Makwa Sahgaiechan First Nation would be avoided. In this case, the Makwa Sahgaiechan First Nation did not pay their overdue bills to the Village of Loon Lake's fire department for services previously rendered. As a result the fire department provided written notice notifying the First Nation that fire services would be halted until payment was received; no payment was received prior to the tragedy.

The emergency response fund would allow fire departments to continue operations with confidence knowing they will be fully compensated for services provided.

Progress on the emergency response fund has slowed down as the new *Fire Safety Act* has been proclaimed. There remains the possibility that the new *Fire Safety Act* will mitigate some of the issues that the emergency response fund would have alleviated. However, it is too early to be sure what affect the new *Fire Safety Act* will have on the issues surrounding unpaid bills from fire services provided. Therefore SARM wishes to see a renewed interest in the emergency response fund to ensure that our local fire departments can continue to deliver essential fire services to communities in rural Saskatchewan.

**SARM asks that steps be taken to establish an emergency response fund. This fund is to be accessible by local fire departments to recoup costs from providing fire services, allowing them to operate efficiently and effectively.**

## **5. Municipal Capacity Development Program (MCDP)**

The Municipal Capacity Development Program (MCDP) was developed in 2006 by SARM, Saskatchewan Urban Municipal Association (SUMA), New North, and the Ministry of Government Relations to promote growth, cooperation and community development through inter-municipal partnerships.

The MCDP operates under the directives of a Management Committee which is comprised of one representative from each of the three current partners – SARM, SUMA, and the Ministry of Government Relations. The Management Committee is assisted in their efforts by a Steering Committee made up of four representatives of the partnering organizations.

The program staff includes a Program Manager and a Project Facilitator. The MCDP plays a great role in facilitating and promoting inter-municipal service delivery, contributing significantly to building an understanding of the value of planning and assisting in the establishment of inter-municipal partnerships across the province. This was recognized by the funding support provided through the federal – provincial Municipal Rural Infrastructure Fund and the federal Gas Tax Fund since 2006.

The MCDP is a unique partnership to support regional municipal cooperation and ultimately prosper Saskatchewan as a whole by building capacity at the local municipal level. The Premier of Saskatchewan recognizes the importance of regional planning as seen by the appointment of the Legislative Secretary to the Minister of Government Relations for Regional Municipal Cooperation. Also, the Saskatchewan Plan for Growth 2013 supports municipal and regional planning efforts to address economic growth opportunities and challenges.

There are four key areas for service delivery where MCDP meets its strategic objectives:

1. Facilitate inter-municipal relationships and promote regional co-operation
2. Support the development of inter-municipal sustainability plans
3. Support municipalities to carry out sustainability plans
4. Provide municipalities the tools and abilities to maintain inter-municipal co-operation.

Since its inception, the MCDP has helped to establish more than 40 inter-municipal groups ranging in size from 2 to 44 municipalities. Four of the MCDP inter-municipal working groups have or are in the process of establishing a District Planning Commissions. Over 100 inter-municipal projects have been initiated by working groups established under the MCDP. These range from creating a formal group structure and strategic plan to larger scale

projects with great funding commitments such as regional landfills and water pipelines.

The MCDP Management Committee has identified four specific areas of interest to guide its future mandate:

1. Asset management – to promote and plan the implementation of asset management to maintain and manage infrastructure in a cost effective manner.
2. Regional waste management - to promote regional waste management initiatives by sharing best practices and facilitating strategic planning and agreement creation to provide sustainable waste management.
3. Planning District and working group assistance - to maintain momentum and assist groups to realize the full potential of the regional services they can provide.
4. Regional recreation – to build regional recreation into municipal strategic planning by creating agreements that deliver effective and efficient services, resources, and facilities.

**SARM requests that MCDP receive a four year funding commitment. The table below illustrates the project funding requirements needed to meet its goals.**

Description of Project Funding	Dollar Amount
<b>Gas Tax funding requested</b>	<b>\$825,000.00</b>
Fiscal Year (year in which SARM request funding will be cash flowed)	
2016 - 2017	\$150,000.00
2017 - 2018	\$225,000.00
2018 - 2019	\$225,000.00
2019 - 2020	\$225,000.00
Carry – Over from 2015	\$75,000.00
<b>Total estimated project cost</b>	<b>\$900,000.00</b>