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## **2018 Provincial Budget Request**

**Submitted by:**

**The Saskatchewan Association of Rural Municipalities (SARM)**

**October 2017**

## **Provincial Rat Eradication Program (PREP) and Beaver Control Program (BCP)**

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### **Link to Ministry of Agriculture Plan**

SARM understands the Provincial Government's Goal: Sustaining growth and opportunities for Saskatchewan people. The 2016-2017 budget for the Ministry of Agriculture "aimed to maintain a strong agriculture and agri-food sector that meet the local and global demand for healthy, sustainably -produced food, and contributes to Saskatchewan's strong economy."<sup>1</sup> SARM believes that its partnership with the Ministry of Agriculture to deliver both the Provincial Rat Eradication Program as well as the Beaver Control Program supports the Ministry's key action in providing programs and funding to promote animal welfare, animal disease surveillance, and respond to emergency events.

### **Provincial Rat Eradication Program**

The Provincial Rat Eradication Program began in 2010 with a reported 7.13 per cent infestation rate; whereas, in 2016-17 the reported infestation rate was 3.10 per cent- the lowest rate reported to date. The program provides necessary funding for training and resources for Pest Control Officers. RMIs that show an infestation rate of 15 per cent or higher receive follow up by the PREP provincial coordinator. RMIs that report a 10 per cent or higher change from the previous year are flagged and more information is requested. As more sites are inspected, communication and education remain key components of the Provincial Rat Eradication Program.

Payments for RMIs are calculated based on a formula of \$13.50 per farm site plus \$70.00 per township. No participating RM is paid more than 50 per cent of their reported expenses per year. The remaining \$200,000 was allocated for the administration of PREP. As in previous years, there are opportunities for eligible RMIs to receive top-up payments. Top up payments come from remaining funds in the program that were originally budgeted for administrative costs and/or funds that were designated to go to RMIs that did not participate or comply.

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<sup>1</sup> Ministry of Agriculture, Plan for 2016-17- Saskatchewan.ca

PREP Program Budget History						
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	\$ 600,000.00	\$ 750,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,400,000.00	\$ 1,400,000.00
	\$4-sites / \$55-twp	\$5-sites / \$61-twp	\$8-sites / \$70-twp	\$8-sites / \$70-twp	\$13.50-sites / \$70-twp	\$13.50-sites / \$70-twp
<i>Initial Grant Payments to RMs</i>	\$ 391,796.85	\$ 495,838.25	720,439.70	707,895.74	948,108.02	939,375.84
<i>Top-up Grant Payments to RMs</i>	\$ 130,398.06	\$ 125,998.32	120,001.04	153,600.00	310,940.41	310,292.60
<b>Total Grant Payments to RMs (\$)</b>	<b>\$ 522,194.91</b>	<b>\$ 621,836.57</b>	<b>840,440.74</b>	<b>861,495.74</b>	<b>1,259,048.43</b>	<b>1,249,668.44</b>
<b>Total Grant Payments to RMs (%)</b>	<b>87%</b>	<b>83%</b>	<b>84%</b>	<b>86%</b>	<b>90%</b>	<b>89%</b>
<i>Annual Expense reported for RMs</i>	\$ 2,302,761.00	\$ 2,302,761.00	2,332,597.06	2,430,620.55	2,822,928.31	2,911,219.35
<i>Grant Share of Expenses reported</i>	23%	27%	36%	35%	45%	43%
<i>Administrative Budget (\$)</i>	\$ 160,000.00	\$ 196,000.00	199,333.00	181,769.00	225,000.00	200,000.00
<i>Administrative Budget (%)</i>	27%	26%	20%	18%	16%	14%
<b>Administrative Actual (\$)</b>	<b>\$ 79,881.97</b>	<b>\$ 128,368.37</b>	<b>161,445.89</b>	<b>138,829.03</b>	<b>0.00</b>	<b>150,331.56</b>
<i>Administrative Actual (%)</i>	13%	17%	16%	14%	0%	11%
*SARM Admin portion of total grant	4%	9%	10%	8%	#DIV/0!	7%
<i>Participating RMs (#)</i>	<b>250</b>	<b>277</b>	<b>274</b>	<b>277</b>	<b>284</b>	<b>288</b>
<i>Participating RMs (%)</i>	<b>84%</b>	<b>94%</b>	<b>93%</b>	<b>94%</b>	<b>96%</b>	<b>97%</b>
<i>Total Inspections</i>	51,221	58,635	61,875	60,881	62,996	65,274
<i>Inspections Including follow-up</i>					76,092	80,904
<i>Total Infestations</i>	3,650	5,448	4,253	2,487	2,301	2,068
<i>Infestation Rate by Percentage</i>	<b>7.13%</b>	<b>9.29%</b>	<b>6.87%</b>	<b>4.09%</b>	<b>3.65%</b>	<b>3.17%</b>

## **The Need**

Rats can cause extensive gnawing damage to buildings and structures as they construct elaborate food-access routes, nest sites and escape routes. They can be particularly destructive to granaries and other food and feed storage facilities. Rats also can transmit disease, either directly by contaminating food and feeds with their urine, feces and other body secretions, or indirectly, by rat fleas or mites. Rats consume and contaminate approximately one-fifth of all the world's field crops planted each year, including at least four per cent of all stored grains.

PREP remains an effective and efficient program that has proven its value in the quest to make Saskatchewan rat free. Since its inception in 2010, participating RM's has grown to 97 percent in the 2016-17 program year. Although program funding amounts have risen since 2010-11, yearly grant funding remains lower than the 50 percent cost share SARM is striving for. Financial assistance provided by the PREP grant enables RM's to better focus on the task of rat eradication each year. With RM participation increasing to almost 100 percent, overall site inspection numbers rising, and infestation rates steadily decreasing, it is easy to see the success of this program and its proven benefits to all RM's in Saskatchewan.

## **Beaver Control Program**

The Beaver Control Program (BCP) began in 2011 to provide financial assistance to RM's and First Nations Bands, south of the Northern Administrative District, to control the beaver population in their respective jurisdictions. Beavers and the structures they build can create significant issues in rural Saskatchewan. Beaver dams may obstruct waterways, block culverts and flood farmlands, and damage property and other infrastructure affecting public safety and negatively impacting the economy. The BCP aims to remove problem beavers that create these structures. SARM appreciates the commitment made by the Government of Saskatchewan in assisting municipalities and First Nations Bands with nuisance beavers.

BCP application numbers increased again in 2017 with 154 RM's and 15 First Nations Bands meeting the application deadline for the 2017-18 BCP year. A total of 57 RM's have been targeted for this program year, equivalent to a maximum claim of \$5,500 per RM. The remaining unallocated funds have been divided by the number of remaining applicants and a maximum claim amount determined to be \$1,218 per RM or FNB. Claims may be submitted up until February 15, 2018. Any program funds remaining will be divided among claimants having removed additional beavers above the maximum allowable amount.

### Beaver Control Program (BCP) STATS to Date

<i>at May 31, 2017</i>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
RMs/FNBs participating	139 / 7	127 / 1	138 / 8	143 / 4	152 / 10
Problem Beavers Removed	35,724	27,220	27,653	37,645	38,184
Total Paid by RMs/FNBs to remove beavers	\$ 1,072,073.50	\$ 831,975.00	\$ 880,810.00	\$ 1,205,795.00	\$ 1,238,675.00
BCP Grant paid	\$ 452,883.23	\$ 395,960.00	\$ 413,492.50	\$ 450,000.00	\$ 450,000.00
Percentage of cost to RMs/FNBs paid by BCP	42%	48%	47%	37%	36%
Program Criteria	Compensation provided to the designated individual must be a minimum of \$30 for the removal of each problem beaver, in order to receive the \$15 in matching funds from the BCP.	Compensation provided to the designated individual must be a minimum of \$30 for the removal of each problem beaver, in order to receive the \$15 in matching funds from the BCP.	Compensation provided to the designated individual must be a minimum of \$30 for the removal of each problem beaver, in order to receive the \$15 in matching funds from the BCP.	Compensation provided to the designated individual must be a minimum of \$30 for the removal of each problem beaver, in order to receive the \$15 in matching funds from the BCP.	Compensation provided to the designated individual must be a minimum of \$30 for the removal of each problem beaver, in order to receive the \$15 in matching funds from the BCP.
			<i>Applicants who have met or exceeded claim maximums in previous years will be allocated an initial \$5,000.00 per RM or FNB.</i>	<i>Applicants who have met or exceeded claim maximums in the previous year, and who reported expenses exceeding \$4,400.00, will be allocated an initial \$5,000.00 per RM, or First Nations Band.</i>	<i>Applicants who have met or exceeded claim maximums in the previous year, and who reported expenses exceeding \$4,400.00, will be allocated an initial \$5,000.00 per RM, or First Nations Band.</i>
	146 applied	128 applied	146 applied	147 applied	162 applied
	208.3 beaver tails = \$3125	234.4 beaver tails = \$3516	66 Targeted - 333 beaver tails = \$5000	68 Targeted - 333 beaver tails = \$5000	56 Targeted - 366 beaver tails = \$5500
			Non-targeted - 114 beaver tails = \$1710	Non-targeted - 92 beaver tails = \$1392	Non-targeted - 89 beaver tails = \$1339

### The Need

Beavers and the structures that they create can cause many issues in agricultural areas as it can lead to the flooding of property and roads that can be a public safety concern. Beaver dams can also cause the flooding of croplands which can have a negative financial impact on property owners. Beavers can also block culverts causing the obstruction of waterways. The beavers causing this sort of damage are defined as problem beavers.

BCP has effectively reduced the problem beaver population on rural and reserve lands by funding controlled removal at the local level.

**SARM respectfully requests funding of 1.4 million dollars for the Provincial Rat Eradication and 500,000 dollars in funding for the Beaver Control Program. SARM encourages the Province to provide a 2-year funding commitment for these programs.**

## **Municipal Roads for the Economy Program (MREP) and Public Industry Partnership Program (PIPP)**

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### **Link to Ministry of Highways and Infrastructure Plan**

SARM understands the Provincial Government's Goal: Sustaining growth and opportunities for Saskatchewan people. The 2016-2017 budget for the Ministry of Highways and Infrastructure "invests in people and infrastructure to Keep Saskatchewan Strong, and initiates a government wide exercise of transformational change to ensure the sustainability of high quality public services delivered in the most effective and efficient way possible.<sup>2</sup>" SARM believes that its partnership with the Ministry of Highways and Infrastructure to deliver the MREP program are part of the "projects that provide the foundation for future growth, which will enhance the quality of life for all of the people of Saskatchewan<sup>3</sup>".

### **Municipal Roads for the Economy Program**

MREP provides funding to RMs to assist with the costs of maintaining roads and infrastructure impacted by heavy traffic use by industry. The 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, including 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.

Due to budgetary reductions, the CTP Maintenance Grant reverted to 2013 funding levels of \$1,000.00 per km, representing a reduction of \$100 per km. Although applications for new CTPs, including provincial projects, are being accepted they are not being funded.

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<sup>2</sup> Ministry of Highways and Infrastructure, Plan for 2016-17- Saskatchewan.ca

<sup>3</sup> Ministry of Highways and Infrastructure, Plan for 2016-17- Saskatchewan.ca

The benefits of the MREP Program to industry are difficult to quantify in numbers but are demonstrated in the feedback received directly from industry. Over the years the MREP Program has allowed increased vehicle and truck traffic to move along MREP improved HHHV and CTP RM roads; taking pressure off the provincial system.

In 2015/16 the Ministry of Highways undertook a program review of the MREP Program and data they collected regarding vehicle and truck traffic numbers since 2009 indicate the physical benefits of the MREP Program. Vehicle traffic moving along HHHV Roads increased by 24% and CTP Roads by 10% in 2013/14. Truck traffic levels that year also recognized a substantial increase of 17% on HHHV and 22% on CTP.

Historical MREP Financial Summary								
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Provincial Allocation	\$ 23,500,000	\$ 23,500,000	\$18,000,000	\$ 25,500,000	\$ 25,500,000	\$ 14,150,000	\$ 16,000,000	\$ 14,000,000
Over-Allocation				\$ -	\$ 3,300,000	\$ 1,500,000	\$ 622,970	\$ 728,073
Rolled Over Funds From previous year				\$ 200,000	\$ 4,700,000	\$ 1,000,000	\$ 859,707	\$ 1,249,677
Total Budget	\$ 23,500,000	\$ 23,500,000	\$ 18,000,000	\$ 25,700,000	\$ 33,500,000	\$ 16,650,000	\$ 17,482,677	\$ 5,977,750
CTP Signs	\$ 4,142	\$ 3,206	\$ 6,435	\$ 6,226	\$ -	\$ 2,495	\$ 2,158	\$ 10,000
SARM Admin.	\$ 412,252	\$ 402,772	\$ 394,275	\$ 441,044	\$ 470,523	\$ 458,167	\$ 404,062	\$ 500,000
Bridge Inspection	\$ 556,001	\$ 852,009	\$ 981,122	\$ 962,445	\$ 589,066	\$ 961,983	\$ 837,879	\$ 515,000
Traffic Count	\$ 144,508	\$ 184,401	\$ 199,639	\$ 215,600	\$ 274,560	\$ 285,313	\$ 258,473	\$ 317,000
CTP Maintenance								
Total Funding Provided	\$ 5,960,600	\$ 6,342,700	\$ 6,343,050	\$ 7,080,908	\$ 7,163,402	\$ 7,283,357	\$ 7,293,110	\$ 6,616,000
\$/km of Incremental Funding	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,000
Total km in CTP network	5888.3 km	6161.1 km	6252.4 km	6518.3 km	6524.3 km	6651 km	6611.9 km	6612.7 km

## **The Need**

The provincial allocation provided to MREP has declined steadily from \$25.5 million in 2013/14 to \$14 million in 2017/18. The amount of funding we have been able to provide to fund the applications we receive for the CTP Construction Program has decreased from 14% in 2014/15 to 0% in 2017/18. The amount of funding we have been able to provide to fund the applications we receive for the HHHV Construction Program has decreased from 10% in 2014/15 to 9% in 2017/18. The amount of funding we have been able to provide to fund the applications we receive for the Bridge Construction Program has decreased from 10% in 2014/15 to 4% in 2017/18.

The demand for MREP funding demonstrated by the RM applications received for each of these 3 components has not decreased significantly since 2014/15:

- The total funding requested via applications received for the CTP Construction Program has ranged from \$29 million to \$25 million since 2014/15.
- The total funding requested via applications received for the HHHV Construction Program has ranged from \$84 million to \$61 million since 2014/15.
- The total funding requested via applications received for the Bridge Construction Program has ranged from \$55 million to \$71 million since 2014/15.

Even with MREP Saskatchewan continues to struggle maintaining infrastructure to a level of service suitable for industry's needs. The 2015-16 MREP budget of \$16 m was fully allocated and left a deficit of \$183 M of shovel ready municipal road, bridge and culvert projects. The last number of years have seen an increase of industry related activities in rural Saskatchewan o resource based industries including oil, gas, uranium and potash, agriculture commodities, forestry and other resources. This significant increase in economic growth in rural Saskatchewan has placed additional pressures on RMs to maintain and construct infrastructure to a standard that supports industry and its growth in the province.

MREP is a program that is making a difference for RMs by funding municipal infrastructure projects around the Province. SARM is proud to manage MREP for the RMs on behalf of the Government of Saskatchewan while contributing to the goals and objectives of the Saskatchewan Plan for Growth: Investing in Infrastructure and Planning for Growth through MREP.

**SARM appreciates the current fiscal constraints within the provincial government budgets and respectfully requests that the Municipal Roads for the Economy Program be funded in the amount of 14 million dollars.**

## **Public-Industry Partnership Program**

The benefits of economic growth in our country can best be realized if industry has access to adequate roadways to access the supplies and people it needs to prosper and move its product to market safely and efficiently.

Rural municipalities are unique compared to other municipalities in that they have small populations, large land bases, and a growing responsibility for the Province's exports. Limited public funds and a growing demand for infrastructure investment to accommodate economic growth have renewed an interest in cost-sharing opportunities.

The partnership model taken by the Public Industry Partnership Program (PIPP) has already proven a successful means to better utilize government funding by securing investment from the private sector for infrastructure that it needs to increase its profits and, ultimately, its contributions to the Canadian economy.

The Program seeks to address current funding-related gaps in delivering resource roadway infrastructure in RMs across the Province by securing a portion of the NBCF funding committed to the Province to be dedicated to rural resource road projects.

The Province of Saskatchewan fully supports this program and, with Federal approval, is prepared to allocate \$39.3 million of PTIC funding to match its own \$39.3 million contribution to PIPP.

**SARM respectfully requests that the provincial government allocate \$39.3 million to fund PIPP, including \$200,000.00 per year to SARM for the duration of the program for administrative support; and that \$39.9 million of the Provincial-Territorial Component (PTIC) be allocated by the provincial government as the federal contribution to develop PIPP.**

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### **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 after the most recent Fire Protection Working Group (FPWG) meeting on March 7, 2017. The FPWG agreed that this initiative must be renewed as municipal fire departments continue facing challenges when responding to fire incidents on Crown land or First Nations land.

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.**