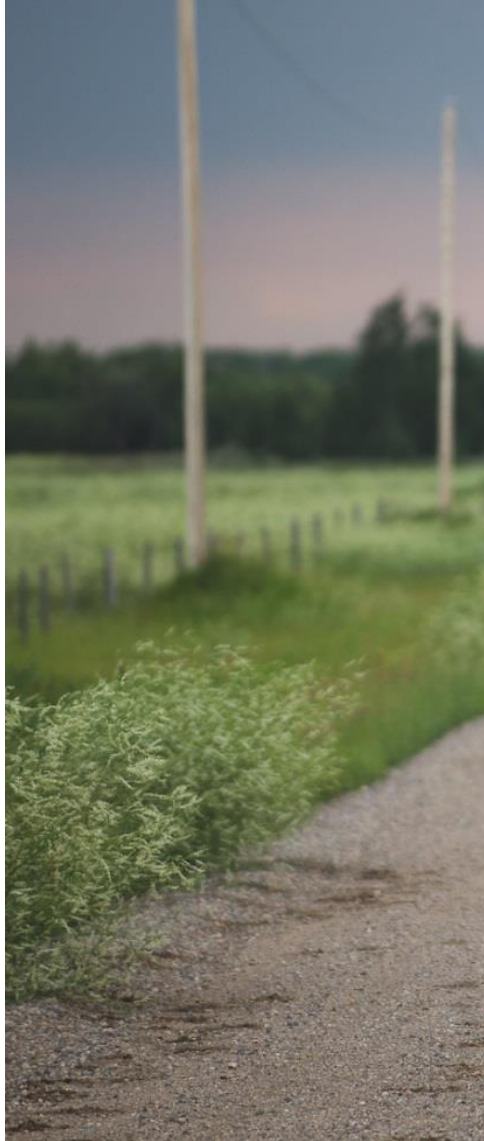




2017 ANNUAL REPORT

SASKATCHEWAN ASSOCIATION OF RURAL
MUNICIPALITIES



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MESSAGE FROM THE EXECUTIVE DIRECTOR

2017 has been an exciting and busy year. This past year we saw the completion of our new office located at 2301 Windsor Park Road in Regina. Through the assistance and support of our members, this project became a reality after three years of hard work and dedication. Not only is it a home that we can grow together in as an organization, but also one that we can call our own.

In 2017, we had two successful conventions held in both Regina and Saskatoon. We continued to travel the province to host six June division meetings as well as hosted our annual July board meeting in Division Four. The July meeting gave us a chance to tour the division and hear from our members around opportunities and challenges they encounter on a daily basis.

As an organization, we see the strength of the people in rural municipalities. The SARM board and staff continue to make the direction from our members a priority. This direction aids in the growth of our association as we continue to strive to meet the needs of our members.

As we look towards 2018, we look forward to continued growth and development within our organization. As always, we encourage member feedback on what you would like to see from us, as your association. The success of SARM is a testament to the strength of our individual members and rural Saskatchewan as a whole, and we thank members for that.

I hope you enjoy this annual report and we look forward to continuing to work on behalf of, and jointly with, rural Saskatchewan in 2018.

POLICY DEPARTMENT

2017 Annual Convention

SARM's 2017 Annual Convention was held from March 13-16 in Saskatoon. With over 2,200 in attendance, 287 RMs were represented by 1,172 RM delegates. Workshops focused on asset management, insurance valuations, procurement, and enforcement and appeals. Premier Brad Wall, Minister Donna Harpauer, Minister Lyle Stewart, and federal Minister of Agriculture and Agri-food Lawrence MacAulay addressed delegates, while Jim Hopson delivered the keynote address. Then Chair of the National Liberal Rural Caucus also attended convention to address SARM.

2017 June Division Meetings

The 2017 Division Meetings took place in North Battleford, Saskatoon, Kelvington, Kipling, Moose Jaw, and Swift Current. SARM policy staff provided updates on: resolutions, our provincial and federal lobby strategies, the SARM WINS document, Rural Crime Watch, and the National Energy Board's Landowners Guide.

2017 Midterm Convention

The two-day convention officially opened on the morning of Tuesday, November 7 in Regina at the Conexus Arts Centre. There were 785 RM delegates present, representing 244 rural municipalities from across the province.

Minister of Government Relations Larry Doke addressed the convention via video. The Minister of Health Jim Reiter and RCMP Assistant Commissioner Curtis Zablocki also spoke before the convention hall. A/C Zablocki and his officials also scheduled meetings with RMs to discuss rural crime and policing issues throughout the convention.

Delegates were able to attend workshops focused on human resources management, CAO performance evaluation, best practices on unpaved roads, and procurement. Speakers from Tire Stewardship of Saskatchewan, the Ministry of Environment, Water Security Agency, Farm and Food Care, and Environment and Climate Change Canada presented to the entire convention. Winners of the 2017 Saskatchewan Municipal Awards were also recognized.

SARM's 2017 Midterm Convention Charity raffle went in support of the Shock Trauma Air Rescue Society (STARS).

Provincial Budget Request 2017

In September 2016, SARM released our 2017 Provincial Budget Request, outlining the funding priorities of rural municipalities. The Province of Saskatchewan released the 2016-17 budget on March 22, 2017.

First, SARM asked for renewed funding for the Provincial Rat Eradication Program (PREP) and the Beaver Control Program (BCP). These two programs have been very successful in assisting RMs in eradicating rats and in removing beavers that damage infrastructure and cause flooding. Continued funding of these programs is important to help ensure the program goals are achieved.

Second, SARM requested that the provincial government allocate \$39.3 million to fund the new Public-Industry Partnership Program (PIPP), including \$200,000 per year to SARM for the duration of the program for administrative support. We also requested that \$39.9 million of the Provincial-Territorial Component (PTIC) be allocated by the provincial government as the federal contribution to develop the PIPP.

SARM's budget submission recommended that funding for the Municipal Roads for the Economy Program (MREP) be restored to 2013-14 levels of \$25.5 million and include a two-year funding commitment. We continue to ask for restoration to 2013-14 levels because this funding ensures that RMs may continue to maintain and construct primary weight haul routes and maintain bridges and culverts that are essential to the economy. The 2017-18 budget provided \$14 million in funding for MREP, which was a \$2 million reduction.

SARM also requested the provincial government take steps to establish an emergency response fund, accessible to local fire departments to recoup costs for providing fire services. 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.

Finally, SARM requested that \$250,000 be granted to the municipal associations in Saskatchewan for four years to renew the Municipal Capacity Development Program (MCDP).

Federal Pre-Budget Request 2017

SARM submitted its 2017 federal budget submission in August 2016 and presented to the House of Commons Standing Committee on Finance on October 5, 2016. SARM made a number of recommendations to emphasize that rural broadband connectivity and reliability is an important piece of infrastructure that provides access to valuable information, education, health care, financial services, entertainment, and employment opportunities. Ensuring that underserved communities gain access to reliable broadband service will help bolster the Canadian economy.

Because natural disasters have translated into heightened infrastructure related expenses for municipalities, SARM advocated for federal funding to municipalities for disaster related mitigation and recovery. This type of funding is vital for the continued survival and livelihood of our communities.

SARM's budget submission also requested mandatory Road Maintenance Agreements for both existing and newly named Treaty Land Entitlement/First Nations lands to ensure adequate funding is provided to the RMs for the service as well as the establishment of a fund to compensate emergency service providers for services rendered to First Nations.

The Rural Municipal Administrators' Association has estimated that as many as 120-150 municipal administrators will be retiring from their profession in the next five years. This alone will create a lack of capacity in communities which will negatively affect residents, businesses and the economy. As such, SARM is recommended that municipalities be eligible for the next Canada-Saskatchewan Job Grant.

Finally, SARM asked the federal government for changes to the New Building Canada Fund, including some flexibility for projects and programs that utilize innovative financing arrangements to build new and upgrade existing municipal road infrastructure that facilitates continuous movement, increased weights, and large configurations of industry related traffic.

SARM also requested that additional funding be provided for the Small Communities Fund (SCF) to ensure that RMs have a better chance of accessing federal infrastructure dollars and that the federal government endorse provinces in lowering the 100,000-population threshold for the SCF to more accurately reflect the size of small communities within their jurisdictions.

SARM's Infrastructure and Development Committee

SARM's internal Infrastructure and Development Committee (IDC) was created in response to the increasing financial and logistical pressures of economic growth on rural municipalities, including the maintenance and enhancement of the rural road network. With this mandate the IDC participates in consultations with both the provincial and federal governments, advocates on behalf of rural municipalities, reviews infrastructure and development related policy, meets with relevant stakeholders, and makes recommendations to the SARM Board of Directors and to the Policy Department. The committee met bi-monthly in 2017, working on dozens of files including asset management, road maintenance agreements, gravel research and costing, overweight permitting, procurement, the review of industry financial contributions, rail safety and grade crossings, and rural broadband.

Road Maintenance Agreements

Road maintenance rates received a 37.1% increase over two years (2013 and 2014). The increase, which has been based on the Saskatchewan Consumer Price Index (CPI) from 1998-2012, is meant as an interim solution to address RMs concerns that the regulated fees are too low and therefore limited the ability of an RM to recover the actual costs of maintaining municipal roads. SARM is now working with the Ministry of Government Relations to strengthen the legislation and regulations relating to Road Maintenance Agreements. Our position is that, similar to cities, the Province should authorize RMs to sub-class within the current property assessment classes. While we believe that RM councils are responsible, we understand that some are wary of this ask. Therefore, we will work with the Province to establish fair parameters for sub classing and an appeal process for industry.

Draft principles are being done in consultation that will guide the direction of road maintenance agreements. It is important that communication between SARM and industry is maintained to ensure on-going dialogue between all stakeholders. Both RMs and industry agree that a lack of communication causes problems and, for the most part, while RMs and industry are working well together there will be a continued role for all of us to keep the lines of communication open. SARM will be working with the Government of Saskatchewan to establish fair and defensible road maintenance rates that are based on data. It is important to have rates that provide municipalities with fair compensation while treating all industry fairly across the province.

Enhancements will aim to:

- Ensure consistent application of road maintenance agreements by municipalities to provide better transparency and predictability.
- Ensure rates and terms of cost recovery for road damage are consistent with the legislative and regulatory framework.
- Ensure the applied rates reflect the incremental costs of increased maintenance due to heavy hauls and are quantifiable based on comparison to the cost of normal road maintenance and constructions.
- Allow for agreements to be applied to specific, quantifiable and/or time-limited periods of increased hauling activity.

In 2017, the Ministry of Government Relations completed its consultations with industry and presented SARM a revised version of the road maintenance agreement redesign. There are two options currently being considered. One option would require actual verifiable damage to be recorded and compensation would follow. The second option would see a combined rate and would not require actual inspections of damage. Each option has its benefits and drawbacks.

SARM is planning a consultation with a focus group of RMs at the 2018 SARM Annual Convention. This will provide SARM with direct feedback from a group of RMs that are involved with road maintenance agreements.

Asset Management

SARM, SUMA, Ministry of Government Relations, UMAAS, RMAA, City Manager's Group and INFC (observer) have formed an GTF asset management sub-committee. This group will work to ensure compliance with the Gas Tax Agreement requirements for 2018. The Gas Tax Fund agreement between Saskatchewan and Canada requires that municipalities demonstrate progress towards asset management planning and implementation by March 31, 2018.

The first survey was sent out to municipalities in June 2016 and was fully completed by the fall of 2016. This established a benchmark to begin measuring progress of municipal asset management planning.

The second survey was sent out to municipalities in November 2017. This will inform the GTF AM committee on progress made by municipalities in the province. Information will be used to submit a report to the federal government by March

31, 2018. The committee also released a guide and factsheet to assist municipalities in the development of their asset management plans. Education and resource sharing is part of the committee's focus.

The gas tax fund asset management sub-committee developed an asset management guide for municipalities in Saskatchewan. Asset Management Saskatchewan was successful in its application for funding from FCM to deliver asset management training and education. This includes webinars and in person workshops.

Rural Broadband

Rural broadband service is poor in many regions of rural Saskatchewan. SaskTel is also challenged in accessing federal funding, as it must compete against Bell, Rogers, and Telus. The 2016-17 federal budget announced a \$500 million investment over five years for a new program to extend and enhance broadband service in rural and remote communities. SARM continues to lobby to ensure Saskatchewan's rural communities benefit from these investments.

SARM has met with SaskTel to discuss the possibility of pilot projects in the province to enhance rural broadband services. This would likely utilize Fusion technology and use SaskTel's community participation model. The community participation model is a cost sharing initiative where SaskTel pays half of the costs and the community raises the other half.

Saskatchewan MLA Warren Kaeding has been studying underserved areas in the province. The study includes both poor cellular and broadband connectivity. RMs are encouraged to identify areas of poor service within their jurisdictions and send that information to Warren Kaeding, cc'ing SARM. To date, SARM has received information from over 30 RMs identifying areas of poor service.

In the October 2017 provincial Speech from the Throne, the Government of Saskatchewan announced it will be investing over \$1 billion over the next four years to address rural cellular and broadband connectivity.

SARM's Agriculture Committee

The Ag Committee focuses exclusively on agricultural issues facing rural municipalities and producers. The committee was created in response to the membership requesting that SARM increase its focus on agriculture policy. With this mandate the Ag Committee participates in consultations with both the provincial and federal governments, advocates on behalf of rural municipalities and producers, reviews agriculture policy, meets with relevant stakeholders, and makes recommendations to the SARM Board of Directors and to the Policy Department.

The Ag Committee met bi-monthly in 2017, focused on many ag-related issues and consultations, including carbon sequestration, game management, species at risk, trade agreements, pesticide reviews, rail level of service, weed control, the next agricultural policy framework (now known as the Canadian Agricultural Partnership), and livestock thefts.

The carbon tax was a major focus for the Ag Committee in 2017, as SARM has serious concerns about the negative consequences a carbon tax would have for the agriculture industry, municipalities, and Saskatchewan's overall economy. SARM has supported the Government of Saskatchewan's opposition to a federal carbon tax and supports a made in Saskatchewan solution to mitigate the impacts of climate change.

Agricultural Implements Act and Regulations

The Saskatchewan Ministry of Agriculture undertook a review of the Act in the spring of 2017 and requested feedback from SARM. Through consultation with its members, SARM provided the Ministry with feedback and comments on how the Act works. Suggestions for improvement were provided.

The same process occurred for the regulations. This began at the end of 2017 and SARM sent the Ministry some more comments in January 2018. The feedback from the SARM membership is always greatly appreciated and ensures that SARM's positions reflect those of its membership.

Grain Bag Recycling

Grain bags are a massive plastic storage device available for producers to store their grain products. They are a more affordable option and are increasing in use. Landfills do not accept grain bags and there is currently no recycling options or incentives in place. The result is that many producers leave the grain bags out in fields and ditches or they burn them. SARM members have passed resolutions requesting a recycling program and SARM has lobbied for this over the years.

The Agricultural Packaging Product Waste Stewardship Regulations came into effect July 28, 2016. The regulations require stewards to create a stewardship plan for grain bag recycling. Currently there is no deposit system. The current pilot project will run out at the end of 2017 and a recycling system should be in place for the 2018.

CleanFARMS will be operating the new industry-led grain bag recycling program. The priority will be to continue and support the 17 existing collection sites and then grow that number to 25 to 30 collection sites, eventually reaching 35 sites across the province.

This program has experienced delays and is not yet operating as of January 2018. CleanFARMS and the Ministry of Environment are reworking how the program will operate.

Canadian Agricultural Partnership

The Canadian Agricultural Partnership (CAP) will follow Growing Forward II, and is being finalized for April 1, 2018. SARM has identified many priorities with the federal and provincial governments regarding CAP.

Beaver Control Program: Funding for the BCP has been consistent at \$500,000 annually. Overall, participating RMs and First Nations bands paid \$1.2 million in total beaver removal costs in 2016-17. SARM has recommended that the funding be increased to \$625,000 annually and that a two-year funding commitment be made.

Provincial Rat Eradication Program: Funding for PREP has been consistent at \$1.4 million annually. PREP has been a successful program in Saskatchewan since it was first implemented in 2014. SARM has recommended that funding be increased to \$1.5 million and that a two-year funding commitment be made.

Funding for Invasive Plant Control and Management: The IPMP currently receives \$150,000 a year and allows an invasive weed specialist to provide weed management support and education to RMs which includes implementing long-term weed management plans. SARM anticipates that the need for the IPMP will continue to grow in the future and has recommended that the current funding levels remain.

AgriStability: SARM appreciates that AgriStability will remain status quo, although SARM would like to see the program funding return to Growing Forward 1 levels. SARM also supports the Government of Saskatchewan's decision to now allow late entry into the program. SARM would like to see improved communications regarding AgriStability, with the purpose of clarifying the purpose of the program, raising awareness and increasing understanding. Not all producers understand its purpose and its complexity may act as a deterrent.

AgriInvest: SARM believes that AgriInvest is an important program for producers. Data has reported that many producers are utilizing the program and the consensus was the AgriInvest should continue. SARM recommends returning the matched producer contribution rate to the Growing Forward 1 level of 1.5% matching.

Farm and Ranch Water Infrastructure Program: Water access is a central component of any farming operation. The Farm and Ranch Water Infrastructure Program provides funding to make water more accessible. Without affordable, reliable and accessible water, farming operations may not exist or face serious challenges. Amending the eligibility criteria for the on-farm component program would greatly improve the program. The current eligibility requirement is to own a half section of land. SARM recommends decreasing this to a quarter section of land. The objective is to make the program more accessible to new and beginning farmers, benefitting the overall agriculture sector.

Innovation and Research and Climate Change: SARM would like to see consideration given to establishing a program, or fund, that would assist technologies with adopting greener technologies. The objective would be to assist with producers becoming more environmentally sustainable. The CAP could provide incentives for producers to upgrade to renewable energy sources such as solar or wind. This would further increase agriculture's contribution to actively reducing greenhouse gases.

Agriculture Awareness Programs: SARM supports the continuation of agricultural awareness initiatives. Social license continues to be of increasing importance as consumers now pay more attention to food sources and animal welfare.

SARM believes that raising awareness of agriculture is critical moving forward and that misinformation must be refuted by reputable sources.

Carbon Tax

SARM worries about the impact that a federally imposed carbon tax will have on families and agriculture producers. The federal government has announced that all provinces that do not implement a carbon pricing scheme by 2018 will have a carbon tax of \$10/tonne imposed on them.

The Government of Saskatchewan is opposed to this approach in dealing with climate change. SARM supports the province in its position and is opposed to a federally imposed carbon tax, which would negatively affect the agriculture sector as producers are unable to pass on increases to customers. The price of all inputs will increase as a result of a carbon tax.

SARM is also lobbying for carbon credits for agriculture producers in Saskatchewan, as they sequester over 8 million tonnes of carbon dioxide each year. Saskatchewan's farmers have long adopted agriculture practices, such as zero till farming, that reduce CO₂. These activities have been ongoing since the 1990s in Saskatchewan and carbon sequestration continues each year. SARM is part of a support group for the Saskatchewan Soil Conservation Association to get carbon credits for agricultural producers that sequester carbon in the soil.

NAFTA

Canada, the United States, and Mexico have been undergoing renegotiations for the North American Free Trade Agreement. SARM has been closely monitoring this process with the assistance of our federal lobbyists, Hill + Knowlton. SARM has also shared its concerns with the Government of Canada. These include the potential return of country of origin labelling (COOL). COOL had an approximate cost of \$1 billion annually to the red meat industry in Canada. SARM urges the federal government to ensure that this provision does not return.

SARM would also like the federal government to take action on cross-border issues regarding the grading of wheat, between the United States and Canada. Wheat entering Canada from the U.S. receives the lowest grade possible, regardless of the quality or variety. Canadian wheat entering the U.S. receives the same treatment as U.S. domestic

wheat. This creates an inequality in the wheat industries and could lead to financial consequences for Canadian producers.

The Canadian Grain Commission Chief Commissioner Patti Miller met with the SARM Board in January 2018 and discussions on the grain grading issues provided valuable information. SARM learned that many of these concerns are not completely accurate and U.S. producers have a number of options to market their grain in Canada.

TPP-11

The U.S. has withdrawn from TPP negotiations and the remaining states have continued to negotiate. Canada has been involved and after holding out for some time it has signed on to the agreement. This trade deal will provide important market access for Saskatchewan producers to emerging Asian markets. It is noteworthy that there will be better access to Japan. This is significant as additional trading partners will become more important to Canada as the U.S. continues to entertain protectionist policies.

India Trade Issues

India represents a \$1 billion market for Saskatchewan pulses producers and has been a significant trading partner for the last number of years. However, in 2017, India did not renew the fumigation exemption for Canadian exports and applied tariffs on chickpeas, lentils and peas. These are trade barriers and continue to be a political issue for Canada. Prime Minister Trudeau will be doing state visit to India in February 2018.

SARM has written both Minister MacAulay and Prime Minister Trudeau regarding these issues in the hopes that the state visit can improve relations. Canada has been working on a trade agreement for many years but progress is slow.

SARM's Environment Committee

The environmental issues facing rural municipalities are increasing in variety, frequency and severity. The Environment Committee was created to focus exclusively on environmental issues of importance to rural municipalities, as these can be costly and related processes are often onerous to navigate. With this mandate the committee participates in consultations with both the provincial and federal governments, advocates on behalf of rural municipalities, reviews

environment related policy, meets with relevant stakeholders, and makes recommendations to the SARM Board of Directors and to the Policy Department.

The Environment Committee kept busy in 2017, meeting bi-monthly to work on a number of issues, including solid waste management and the Multi-Material Recycling Program, chronic wasting disease, aquatic invasive species, the Environmental Code, water management, and the potential carbon tax.

Aquatic Invasive Species

SARM sits on the Aquatic Invasive Species Task Force. The Task Force is a group of stakeholders including government, associations and Crown corporations that work together to ensure proper monitoring and sampling for AIS is accomplished. The goal is to prevent the spread of AIS into Saskatchewan. This is accomplished through educating the public to clean, drain and dry boats and water equipment before and after entering water bodies. This is important to ensure that equipment is clean when moving from one location to the next.

Boat inspections are also a component of the strategy and the Government of Saskatchewan also works with the CBSA to inspect boats crossing the border from the U.S.

Some data from 2017 is as follows:

- 90 waters sampled
- 55 highway signs on Saskatchewan highways by spring 2018
- 4 decontamination units purchased
- 1,247 watercraft inspections completed
- Additional 982 watercraft inspections at US border
- 2 watercrafts with visible AIS were found and they were decontaminated
- No AIS detected in Saskatchewan in 2017

Landfill Advisory Team

The Landfill Advisory Team, also known as the Solid Waste Advisory Team, aims to create a community of practice to address landfill issues and to identify solutions to achieve sustainable waste management. Recommendations will be

provided to communities that require assistance and suggestions will also be made to the Ministry of Environment. The team is looking to highlight success stories in Saskatchewan, examine regulations, planning for the future of landfills, and identifying opportunities for improvement.

The advisory team has recommended the regionalization of landfills and that the minister consider using the 12 transportation regions (implemented by the Ministry of Highways and Infrastructure) and planning districts (implemented by the Ministry of Government Relations). The committee has also recommended that there be a 50% reduction in the number of landfills by 2022, with a further reduction of 50% by 2027. SARM has informed the minister that while we support the ministry providing encouragement or incentives to regionalize, we do not support mandatory regionalization.

Minister of Environment Dustin Duncan met with the Landfill Advisory Team in October 2017 and January 2018.

Species at Risk Act

SARM is active when it comes to commenting on the Species at Risk Act (SARA). When new species are being placed on the registry SARM provides comments to ensure that Environment Canada balances conservation practices with the needs of local economies, development and growth. In 2017, SARM provided comments on a number of species conservation plans and commented on species at risk policies.

SARM also advocates for amendments that would see harsh penalties removed for incidental take and compensation for producers that engage in stewardship activities. SARM believes that it is important that restricted activities do not include day to day operations of farming and other municipal activities. Part of this includes the need for incidental take to not be penalized. Producers that experience an opportunity cost when engaging in conservation actions should be fairly compensated for doing so.

SARM discussed these issues with Members of Parliament during Advocacy Days 2017 in Ottawa to ensure they understand the need for balance between environmental sustainability and economic growth. SARM will be working with Hill + Knowlton to invite the federal Environment Minister to come and tour areas of concern in Saskatchewan related to species at risk. SARM believes that this will help foster a better understanding of our concerns.

Environmental Code Development Committee

The Ministry of Environment is creating Environmental Codes to manage different areas of environmental policy and regulation. SARM Board and staff have been invited to participate in the discussions and provide feedback before the finalization of the Environmental Code. The next three chapters to be worked on are: hydrostatic testing (early 2018), wildland urban interface (mid/late 2018), and forest inventory (mid/late 2018).

Drainage

The agricultural water management strategy was announced in September 2015. It aims to create more responsible drainage, create efficient and effective regulations and to mitigate downstream damage. SARM supported the development of the agricultural water management strategy. A member resolution gave SARM direction to oppose Bill 44 until amendments can be made to better support agriculture producers.

Ultimately, Bill 44 was still passed by the Government of Saskatchewan. Two advisory boards will be created in place of the Water Appeal Board. One board will provide advice on policy development and the other will be a technical review board. SARM will have representation on the policy board. This will provide SARM an avenue for ensuring that proper policies are developed and implemented that balance the needs of rural municipalities and agriculture producers.

The Fisheries Act

The federal government consulted on potential amendments to the Fisheries Act in 2017. SARM participated in this consultation as there are impacts to municipal infrastructure projects. As SARM members can attest to, there were many added costs and project delays due to requirements from DFO, prior to the 2012 amendments. SARM supported those amendments made in 2012 and is concerned that many changes will be reversed resulting in added costs and delays to municipalities again.

SARM partnered with the AAMDC to provide comments as well as individually. SARM also provided comments to FCM who consulted as well.

Navigation Protection Act

SARM provided comments to the federal government on the review of the Navigation Protection Act. Similar to the Fisheries Act, this legislation created additional costs and delays to municipal infrastructure projects. Amendments made in 2012 improved many of the municipal concerns. SARM is concerned that these positive changes may be lost.

SARM also appeared before the House of Commons standing committee to speak to the concerns as well as working with AAMDC to provide input.

Municipal Governance Committee

The Municipal Governance Committee was created to focus exclusively on intergovernmental affairs of importance to rural municipalities. With this mandate the committee participates in consultations with both the provincial and federal governments, advocates on behalf of rural municipalities (RM), reviews RM related policy, regulations, and legislation, and meets with relevant stakeholders, and makes recommendations to the SARM Board of Directors and to the Policy Department.

Meeting bi-monthly, the committee tackled a wide variety of issues including, the reviews of school boards and health regions, policing and enforcement in rural Saskatchewan, fine revenue, conflict of interest, consultations on The Planning and Development Act, legalization of marijuana, the Provincial Disaster Assistance Program, and Disaster Financial Assistance Arrangements.

Revenue Sharing

In 2017-18, the Government of Saskatchewan will distribute nearly \$257.8 million to municipalities through municipal revenue sharing. This is equivalent to one full point of the Provincial Sales Tax (from 2015-16 provincial Public Accounts). For 2017-18, \$123.451 million is allocated to cities, or 47.945%. Towns, villages and resort villages will receive \$72.749 million. Rural municipalities will receive \$72.749 million, which is 28.254% of the pool. Northern communities will receive \$19.198 million.

SARM has submitted a Municipal Revenue Sharing statement document to Government Relations for consideration for the 2018-2019 operating year.

Community Safety Officer Program

Two Saskatchewan municipalities applied to the Ministry of Justice in 2008 requesting restricted provincial statute enforcement for their bylaw officers. The communities identified that the expanded enforcement could help meet their needs by supplementing existing services, significantly benefiting the public safety of their communities. Their requests were approved as pilot projects. The bylaw officers were given provincial statute authority under the “Appointment of Special Constables” in The Police Act, 1990.

The project developed into the Community Safety Officer Program (CSOP), and has since expanded to other municipalities in the province. CSOs are an additional option to enhance community safety and support local policing agencies by addressing high priority/low risk to harm concerns, such as enforcing the Traffic Safety Act and engaging in crime prevention at the community level.

The Ministry of Justice requires CSOs to undergo Induction Training before a CSO may be granted a Special Constable Appointment, which permits the enforcement of some provincial statutes. This training is offered by the Saskatchewan Polytechnic. Sask Polytech requires a minimum of eight students for the training to go forward. The Ministry is hoping to have enough candidates to run the training again in January 2018. SARM continues to work closely with SUMA and the Ministry of Justice to improve this program and share information with municipalities.

In November 2015, the provincial government confirmed that municipalities would retain 75 per cent of the revenues for tickets written by CSOs. Public Prosecutions has informed SARM that it will offer training to municipalities so that CSOs or other municipal representatives can prosecute tickets written by CSOs.

Civic Addressing

Identifying the location of a house or business in rural Saskatchewan can be difficult for emergency response personnel as they may not know the area. A more accurate system would greatly benefit emergency response personnel and those requiring help. The Civic Address Registry is a province-wide standardized system of identifying and locating properties associated with human activity by establishing a unique access point location (driveway). This system, in addition to traditional methods, is used to assist dispatchers and emergency responders such as police, fire and ambulance in finding your home or business quickly. Civic Addressing becomes essential to support emergency

responders with limited local knowledge of a municipality, especially when indicators of an emergency, like smoke, may not be obvious.

A civic address is a more accurate way to locate property as it pinpoints the access to a home or business off of a range road, township road or highway, which is critical in emergency response situations.

In January 2016, SARM learned the Ministry of Government Relations is focused on pulling all addressing data into the Civic Addressing Registry (CAR) system so that it is available for emergency responses. Internal GPS in emergency vehicles will guide responders to the location of an incident, so physical signage will not be necessary in these instances. The Ministry will still need municipal assistance to complete the CAR database.

With this development, SARM will no longer be bulk purchasing signs for RMs under the Civic Address Signage Program. RMs still interested in erecting civic signs should know that CAR addresses will require full addresses to be listed and township and range road signage to be useful for navigation purposes. SARM still recommends that RMs post civic address use a consistent signage policy, including double-sided, white/blue, signage design.

Over the last two years, the Civic Address Registry has continued to progress through the province. As of September 2017, there are 185 rural municipalities registered, of which five have completed their civic address validation. The Ministry of Highways and Infrastructure has been working with municipalities to update road names in the provincial digital road network, which is a component of the Sask911 system. Municipalities are invited to participate in webinar training which provides details on municipal road name status and key agency contact information to facilitate the update.

Fire Suppression and Vehicle Extrication Rates

The Saskatchewan Urban Municipalities Association (SUMA), in association with the Saskatchewan Association of Rural Municipalities (SARM), Saskatchewan Association of Fire Chiefs (SAFC) and the Saskatchewan Volunteer Fire Fighters Association (SVFFA), contracted Dillon Consulting to research the actual costs incurred by municipal fire departments in Saskatchewan in responding to motor vehicle collisions (MVCs).

This research will provide additional support to the June 2015 Fire Service Motor Vehicle Collision Attendance Rates Business Case and shape advocacy efforts to improve MVC rates and ensure fair use of productive and non-productive call classifications.

In November 2017, Dillon completed the final report in to the actual costs to fire departments for providing motor vehicle collision attendance. SARM has been reviewing the report and will be discussing the findings with the Fire Protection Working Group. SUMA has submitted the report, in December 2017, to SGI and SGI will be reviewing the information contained in the report.

The report recommends that a \$1,200 per hour compensation rate be applied to all productive calls. The report defines a productive call as all MVC calls on provincial roadways where the responding fire department arrives on-scene and conducts any tasks to support the overall emergency response. This includes securing the scene, providing traffic control, providing a blocker apparatus, performing suppression tasks, performing or assisting with emergency medical response, conducting extrication tasks and addressing spills/performing scene clean-up.

Western Canadian Municipal Associations (WCMA)

Every year the SARM Executive and Policy Staff meet with representatives from SUMA and the municipal associations in Manitoba and Alberta to discuss areas of joint concern. In April 2017, SARM met with its sister associations in Winnipeg. Topics for discussion included rural broadband, the carbon tax, disaster assistance, energy infrastructure, grain bag recycling, and cannabis legalization.

Ottawa Advocacy Days

SARM's annual Advocacy Days occurred from October 2-5, 2017 in Ottawa. While there, SARM Board and staff members had over a dozen meetings with Ministers, Senators, MPs, and staffers. SARM also had the opportunity to meet Prime Minister Justin Trudeau.

Priority issues discussed included rail level of service, the Canadian Agricultural Partnership, cannabis legalization, chronic wasting disease, climate change and the carbon tax, proposed changes to taxation of private corporations, The Fisheries Act, infrastructure funding, disaster assistance, Treaty Land Entitlement, Species at Risk Act, and rural broadband.

Meetings were had with members of the Conservative, Liberal, and New Democratic Party to ensure that all three parties were aware of the issues facing rural municipalities in Saskatchewan. Meetings with department officials were also scheduled and that provided an opportunity to discuss policies with the officials that implement them.

INSURANCE AND BENEFITS DEPARTMENT

The following is a report on the activities of the self-insurance plans and the group benefit programs of the Saskatchewan Association of Rural Municipalities for the year 2017.

SARM Benefits Plan

The SARM Benefits Plan is self-insured by the rural municipalities that choose to participate in the plan. It provides short-term disability benefits, death benefits, vision care benefits, maternity benefits, and accidental death and dismemberment benefits, to participating municipalities on behalf of their employees and their elected and appointed officials.

Premium rates for 2017 remained unchanged from 2016 levels. Current premium rates for the SARM Benefits Plan are shown below.

	Premium Rate
Inside employees:	1.65% of insured salary
Outside employees:	1.9% of insured salary
Individual Elected Officials:	2% of insured coverage amount
Elected and Appointed Officials Group Coverage (per RM):	\$300 for \$30,000 coverage \$550 for \$40,000 coverage \$800 for \$50,000 coverage

At the end of 2017, 295 rural municipalities (including SARM) were participating in the SARM Benefits Plan, with 2,048 employees enrolled. Group coverage for elected and appointed officials is available at three coverage levels. Coverage at \$30,000 was taken by 166 municipalities; 18 municipalities chose coverage at \$40,000; and 41 municipalities

opted for coverage at \$50,000. The group coverage is limited to a disability arising out of an injury which occurred or to death occurring, while the official is engaged in official municipal business; and is a top-up to Workers' Compensation coverage.

Municipalities can also insure any of their elected officials for disability and death benefits, on an individual, 24-hour basis, for a premium rate of 2% of the annual coverage amount. Only 15 individuals were insured under this individual coverage in 2017.

The breakdown of claims paid for 2017 is as follows:

Disability Benefits	\$1,247,028
Vision Care Benefits	\$136,009
Maternity Benefits	\$9,000
Death Benefits	\$45,000
Accidental Death & Dismemberment	\$30,000
	\$1,467,037

Disability benefits claims decreased by \$424,616 from 2016. There were nine death benefit claims and one accidental death benefit claim was paid. The vision care benefits and maternity benefits claims remained average. The total amount paid for all claims was lower than 2016. There was an overall surplus of \$293,532 for 2017, bringing the net assets of the SARM Benefits Plan up to \$3,492,760.

In 2017, the SARM Board of Directors approved the rates for all SARM Benefits Plan coverages to remain at their current levels for 2018.

Group Benefits Program

The following group benefit programs are currently underwritten by outside insurers. SARM is the Policyholder of each program and administers the enrollment of members. A brief description and participation numbers for each program are included in this report.

Long-Term Disability Benefits

Long-Term Disability (LTD) Benefits for all employees have been available since January 1, 1995. This program is currently underwritten by Equitable Life.

Coverage for the Administrator of the municipality is mandatory, with the exception of those administrators who are currently exempt under the RMAA Bylaws. Coverage for other employees is optional, however, as it is a group plan, a municipality must cover all their eligible employees and these employees must also be covered under the short-term SARM Benefits Plan.

The LTD benefit is the lesser of 65% of gross monthly earnings and 85% of inflation-indexed, pre-disability net earnings. The benefit is payable to age 65, provided the individual remains disabled according to the terms of that policy. Beginning in 2008, the maximum monthly benefit was increased from \$3,000 to \$10,000 per month, to better reflect what many employees are actually earning.

At the end of 2017, 255 rural municipalities (which includes SARM) were covering all their employees bringing the total enrollment to 1,574.

Extended Health and Dental Benefits

The Extended Health and Dental Benefits program has been available to rural municipal employees, elected and appointed officials, and their families since January 1, 1997. The program was designed to give employees and councils maximum flexibility in choosing their coverage levels, while still maintaining the concept of group insurance.

This program is currently underwritten by Saskatchewan Blue Cross. Premiums for the SARM group policy are based primarily on the claims experience of our group and tend to fluctuate year by year. For 2017, there was a premium increase for both the health care benefits and the dental care benefits.

Participation in this program increased in 2017 to 276 rural municipalities (including SARM) covering 2,154 individuals for Health and Dental Benefits.

Optional Life Insurance

Optional Term Life Insurance at group rates has been available to rural municipal employees and their spouses; and to elected or appointed officials and their spouses since January 1, 1997. This program is also currently underwritten by Equitable Life.

Life Insurance coverage is available in units of \$10,000 from a minimum of \$50,000 to a maximum of six times the individual's annual salary or \$500,000, whichever is less.

At the end of 2017, 94 individuals were insured under the SARM Optional Life Insurance program.

Group Life Insurance

In response to a request from the Rural Municipal Administrators Association, SARM added Group Life Insurance to the line of benefit programs available to rural municipalities for their employees. This program began January 1, 2012 and is also underwritten by Equitable Life with SARM self-administering the enrolment.

The amount of Life Insurance coverage is \$25,000.00 per person up to age 65. For employees age 65 to 70, the coverage amount is reduced to \$12,500.00 and terminates at age 70. No medical underwriting is required, as this is a group program. Premium rates for 2017 remained unchanged from 2016 at \$102.63 per person, per year; or \$51.32 if age 65 to 70.

The RMAA amended its bylaws to make participation in the Group Life Insurance Program mandatory for all its active members, as is the case for the LTD benefit. The program is optional, on a RM group basis, for all other permanent RM employees.

At the end of 2017, 131 rural municipalities (including SARM) were participating in the program for their permanent employees. The total number of Administrators and other employees enrolled in the Group Life Insurance program was 1,103.

SARM Fidelity Bond Self-Insurance Plan

The Fidelity Bond Self-Insurance Plan commenced January 1, 1994. For the year 2017 there were 293 rural municipalities participating in this plan. The primary coverage is the Fidelity Bond coverage, which protects the RM against theft or fraudulent acts by its employees. Coverage limits range from \$10,000 to \$200,000. Also included is Money & Securities coverage for \$2,500, which insures the RM for theft by someone other than an employee; and Registered Mail coverage for \$50,000, for those municipalities that send their bank deposits by Registered Mail.

In 2017, there were two claims made against the Plan. One under the Money & Securities Coverage and one under the Fidelity Bond Coverage. The Money & Securities claim has been paid and closed, totaling \$1,868.09. The Fidelity Bond Claim is still in progress and \$50,000 has been reserved on the file. Two claims under the Fidelity Bond Coverage from prior years remain open for potential recovery. Although full recovery is highly unlikely, a small recovery of \$578.36 was made on one of these files in 2017. The Plan had a small surplus of \$5,949 this year, bringing the total net assets to \$426,482.

In 2017, the SARM Board of Directors approved a new Policy Wording for use beginning January 1, 2018. This wording will replace the existing wording, which has been in use since the Plan's inception in 1994.

SARM Liability Self-Insurance Plan

The SARM Liability Self-Insurance Plan officially went into operation on October 1, 1987 with 214 rural municipalities participating. Current participation is 280 rural municipalities plus SARM itself. This plan provides comprehensive liability insurance to the RM, its council and its employees, for generally all activities a rural municipality can legally be involved in, with very few exceptions. The premium formula that is used was also developed specifically for the risks associated with a typical rural municipality.

In 2017 we opened 112 new claim files, which is slightly above average for the last ten years. Claims expense for the Liability Self-Insurance Plan for 2017 was \$171,839.49. This amount includes claims paid out during the year and amounts that have been accrued or set aside for unresolved claims that we estimate might be paid out. These unresolved claims include some which are subject to ongoing legal action. When combined with other expenses incurred by the plan, such as the administration fee, legal and adjusting fees, this resulted in an operating deficit of \$303,173.75. Investment Income earned by the Fund was strong this year, bringing in \$576,225.74. Overall for the year, there was a surplus of \$273,051.99, bringing the total Fund Balance for the Liability Self-Insurance Plan up to \$13,671,202.70.

A change was made in 2016 to the financial reporting for LSIP both to simplify statements and improve transparency. The overall surplus or deficit for the LSIP Fund is broken out into three components: Investment Income, Specific Claims Allocations and Remaining Balance. For 2017, the breakdown is as follows: 1) Investment Income totalling \$576,225.74, which was distributed to the RM's Individual Member Accounts; 2) Specific Claims Allocations of \$113,400.90, which represent the total amounts paid or accrued for claims greater than \$10,000 which have been charged back to the Individual Member Accounts of those municipalities which were participating in the Plan on the date of loss; 3) Remaining Deficit Balance of \$189,772.85, which represents the remainder of the operational deficit distributed to the RM's Individual Member Accounts, based on the premiums paid in 2017.

In 2017, a new policy wording took effect, replacing a policy wording which had been in place since 2002. A further premium increase was also approved by the SARM Board of Directors for 2018, to help better match premium levels with the current cost trends being experienced by the Plan.

Excess Liability Insurance, which is intended to provide increased limits of liability on certain coverages, over and above what is offered on the SARM LSIP Plan, was moved to a new outside insurer for 2016. Tokio Marine Kiln, a Lloyd's of London syndicate, is now the underlying carrier for this program. Coverage was improved over the previous carrier and premiums decreased from previous years. In 2017, the program saw strong growth in participation, growing to 168 rural municipalities plus SARM itself purchasing Excess Liability Insurance.

SARM Property Self-Insurance Program

The SARM Property Self-Insurance Program took effect on December 31, 2002 with 134 rural municipalities participating initially. At the end of 2017 there were 215 rural municipalities plus SARM itself participating in the property insurance program.

As with the Liability Self-Insurance Plan, each municipality has its own member account within the Property Self-Insurance Program Fund. At the end of each year a portion of the surplus or deficit from operations for the year is allocated to each municipality's member account based on the premium paid in that year. Investment income earned in that year is also distributed to each participant's account, based on the participant's member account balance.

Claims expense for 2016 was \$1,117,937, a 68% 'claims-to-premium' ratio, which is slightly above average for the program. Other expenses for the program include the administration fee, claims adjusting fees, and excess insurance from an

outside insurer. This policy was first obtained in 2012 and protects the program against large losses exceeding \$500,000 and would cover the loss above that amount to a maximum of \$10,000,000.

After these other expenses, there was an operating deficit of \$70,200 which, along with investment income of \$144,338, was distributed among the member accounts of all participants. The total reserve for the SARM Property Self-Insurance Program at the end of 2017 increased to \$2,650,901.

For further information on the SARM Insurance Plans and Group Benefits Programs, contact:

Craig Williams, BBA, CIP

Director of Insurance and Benefit Programs

LEGAL SERVICES

The following is a report on the SARM Legal Services Department for 2017.

In 2017 our primary responsibility continued to be providing advice and representation to the SARM Liability Self-Insurance Plan, Fidelity Bond Self-Insurance Plan, Employee Benefits Plan and Property Self-Insurance Plan accounting for 85% of Michael Morris' time and 64% of Andrew Svenson's time.

As at year-end a total of 37 claims files remained open, of which 9 were opened in 2017. This is a slight increase from the number of open files at year-end in 2016.

Claims for damages occasioned by flooding continue to be the single biggest source of claims under the SARM Liability Self-Insurance Plan.

The number of requests for advice from individual rural municipal councils remains steady. In 2017, our department provided legal services to 174 RMs on a fee for service basis. Responding to these requests accounted for 8% of Mike's time, 21% of Andrew's time and all of Ray Petrich's time. Ray is a lawyer retired from the Ministry of Justice who advised the Ministry of Government Relations. He is working part-time with SARM, on a contract basis.

We continue to make progress in eliminating the backlog of inquiries from RMs, allowing us to respond to requests for advice in a timelier manner and devote more time to claims under the Liability Self-Insurance Plan.

In addition to the above, Mike and Andrew aid the Association in areas where there is a legal component and they provide support to the Board of Directors regarding its positions and policies on issues which impact rural municipalities. This accounted for 7% of Mike's time and 15% of Andrew's time in 2017.

We trust this is satisfactory and look forward to continuing to work with you in 2018.

Michael Morris, Andrew Svenson and Teresa Edwards

SARM Legal Services Department

COMMUNITY PLANNING SERVICES

In 2017, SARM's Community Planning Department continued to provide land use planning services and advice to municipalities. As of December 2017, the Department had 41 planning projects for new official community plans and zoning bylaws. Approximately 80% of these planning projects were for rural municipalities and 20% for urban municipalities. There was a slight increase in the total number of these planning projects from 2016 and they continue to account for the majority of the Department's staff time. The number of requests for advice regarding development permits, subdivisions and other general planning related inquiries from municipalities remained steady from 2016.

In addition to the above, the Department also provides assistance to the association in areas involving land use planning and through education and engagement activities assist with building land use planning capacity across Saskatchewan.

The Department will continue to look for ways to ensure that it is providing quality service delivery that meets the needs of SARM Members. We look forward to working with you in 2018.

Jennifer Chamberlin, RPP., MCIP, Senior Community Planner

Heather Kindermann, Community Planner/GIS Mapping Technologist

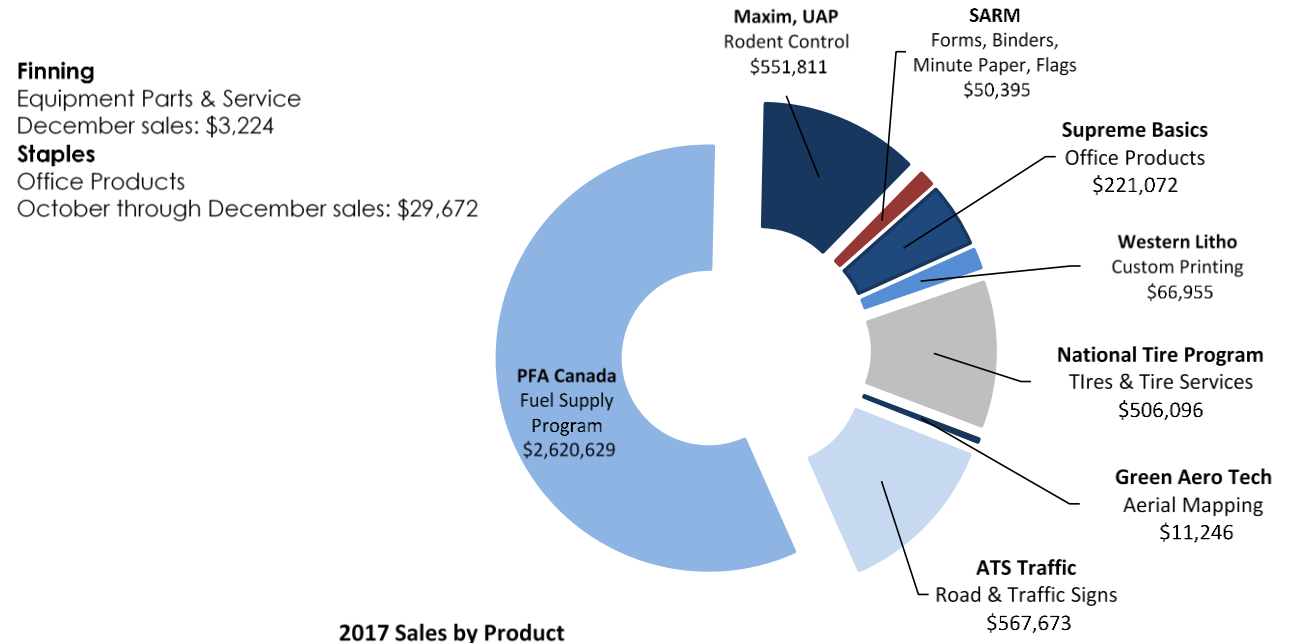
TRADING SERVICES

SARM Trading Services continues to offer discounted products and services to our members. The 2017 sales by product line are illustrated below. During 2017, we focused on increasing dialogue with our members through an evaluation survey, updates to the Trading Services web page, and a monthly Trading Services Update email.

2017 also saw Trading Services expand by adding new products and programs. Green Aero Tech was added to offer discounted UAV aerial imaging mapping services for members.

We also added Fox Safety to offer discounts on safety equipment. In October, Staples Business Advantage joined our Office Product Program, and along with Supreme, provides our members with discounted office supplies. SARM Trading Services also partnered with the Alberta Association of Districts and Counties to offer a National Tire Program and a Finning Program, which combine the purchasing power of Saskatchewan, Alberta and Manitoba, to provide increased discounts on tires, equipment parts, and their respective services.

In the upcoming year, SARM Trading Services will continue to focus on working alongside our members and vendors to offer competitive, discounted pricing on products and services that are of benefit to RMs.



ADMINISTERED PROGRAMS AND STRATEGIC INITIATIVES

SARM continuously develops and administers programs and initiatives to meet the changing needs of rural Saskatchewan and our members. It is also important that we recognize the achievements of our members and their service to the development and maintenance of the municipal sector.

Municipal Leadership Development Program

The Municipal Leadership Development Program held its 2017 winter workshops in Saskatoon on February 4th and March 13th. These dates were selected to give delegates attending the SUMA and SARM Conventions an opportunity to attend one of the five modules prior to the start of convention.

Close to 300 municipal leaders from all areas of the province participated in the 2017 winter sessions prior to the SUMA and SARM Conventions. Since the program began in 2003 a total of 453 municipal leaders have completed all of the modules. 24 elected officials and municipal staff completed the program in 2017 and were presented with Certificates of Completion. Of those, 17 were SARM members and were recognized for their initiative in completing the program at the SARM Annual Convention in March.

The majority of participant feedback still shows that the workshops are of extremely good value for the price. Overall participant feedback remains to be positive on the session, most complaints if any are regarding the food or room temperature.

The Municipal Leaders' Roles and Responsibilities workshop for SARM members was held in Regina on November 6th, ahead of the SARM Midterm Convention. One hundred fifty-five (155) delegates attended the half day workshop that featured presentations on Governance Roles and Responsibilities, Dispute Resolution and an overview of the Municipal Act by Government Relations.

The 2017 fall sessions consisted of eleven (11) workshops scheduled throughout the last two weeks of November. One was unfortunately cancelled, due to low enrollment. The workshops were hosted in various communities around the province. Total attendance for the fall session was 228.

Awards & Scholarships

Saskatchewan Municipal Awards (SMA)

The SMA program is a partnership between New North, the Saskatchewan Association of Rural Municipalities (SARM), the Saskatchewan Urban Municipalities Association (SUMA), the Rural Municipal Administrators' Association of Saskatchewan (RMAA), the Urban Municipal Administrator Association of Saskatchewan (UMAAS) and the Ministry of Government Relations (GR).

The winners of the 2017 Saskatchewan Municipal Awards were announced in November:

First Place: Downtown Market Square (City of Swift Current)

Winning Practice: Developed a Market Square to revitalize downtown Swift Current and engage local business, artisans, farmers, and city administration on economic development.

Second Place: Saskatchewan's Outback: Community Branding Campaign (Town of Carrot River and RM of Moose Range)

Winning Practice: Developed a community brand to retain and encourage tourism business in and around Carrot River.

Third Place: Youth Committee (Town of Kindersley)

Winning Practice: Established a Youth Committee program to revitalize youth engagement, increase the contributions of young people, and support an intergenerational connection.

Regional Cooperation: Legacy Regional Protective Services (RM of Wilton, Town of Lashburn, and Town of Marshall)

Winning Practice: Created a joint protective services organization to reduce costs, manage risk, and enhance service levels for the region.

Lieutenant Governor's Award

The Lieutenant Governor's Award is awarded to a Reeve, Councillor, or Administrator for his or her lifetime contribution to rural Saskatchewan (both retired and/or actively working individuals). The award is presented to the successful candidate at the Opening Ceremonies of the SARM Annual Convention. This forum provides an excellent opportunity to publicly recognize the recipient of this prestigious award.

The Lieutenant Governor's Award for Outstanding Service to Rural Saskatchewan was awarded by Her Honour, Vaughn Solomon Schofield, to Mr. Orest Zyrmiak from the RM of Ituna Bon Accord. No. 246 during the opening ceremonies at the March 2017 SARM Annual Convention held in Saskatoon, Saskatchewan.

Orest truly is a dedicated community person who is always willing to help – whether they be his neighbours or strangers – day or night, and on any day of the week. He is equally a caring and generous family man. He is everyone's friend, young or old – always has a joke or story to tell, and sometimes a few words of caution or advice. Even though he is not a Council member anymore, he still has a love and a passion for what is going on in the RM. He is a wonderful source of information as to what went on in the RM while he was on Council. Orest has a great sense of humor, an ability to get along with everyone, and a respected sense of fairness.

All through his life, Orest has been a wonderful example of what a good neighbour should be and truly has provided outstanding service to rural Saskatchewan. It is clear that more often than not, Orest has gone over and above the call of duty to contribute to his community and has tried to make it a better place to live for everyone. He is a true community leader.

Strategic Initiatives

Rural Municipal Scholarship

Every year SARM sponsors and awards three scholarships of \$1000 to worthy recipients enrolled in the Local Government Authority (LGA) Program at the University of Regina to help promote graduates into the field of Rural Administration.

SARM awarded these three scholarships in 2017 to Kaitlyn Jones, Amie Field and Karen Larsen.

Rural Municipal Administrators Internship Program and Promoting the Profession

The Rural Municipal Administrators Internship Program (Rural MAIP) continues to be an important program to assist RM members with their succession planning efforts to address the forecasted municipal administrator shortfall expected in the next decade. In the 2017 calendar year the Rural MAIP saw the completion of 10 internships and a further 7 were approved to start and will finish in 2018. SARM offered a train- the trainer course in May 2017 for host RM administrators to attend.

SARM provided financial assistance in 2017 to the Rural Municipal Administrators Association (RMAA) for participation at career fairs where they have promoted the profession of being a rural administrator. This included participation in fairs at SIAST, UofR, UofS, Yorkton and Muenster as well as email information sent to Saskatchewan high schools and post-secondary institutions.

Outdoor Worker Education and Safety Manual

In 2017 SARM worked with the Southeast College to offer Operator Training courses at our Annual Convention; Ground Disturbance and Fire Extinguisher Training.

SARM also contracted with the Saskatchewan Safety Council to draft a template Safety Manual for RMs to consider implementing or using to add to existing Safety Manuals they may have in their RM. The final draft of the manual was completed in October 2016 and was provided to a group of 6 RMs to pilot test the manual in early 2017. The finalized manual template was shared with all RMs via email on the SARM Website in November 2017.

Management Essentials Training

SARM signed a Memorandum of Understanding with the Southeast College in November 2016 to offer training courses to our RM's employees to allow the skills of our municipal employees to evolve as the world of municipal government continues to evolve. To be truly responsible and adaptable to the needs of ratepayers, our municipalities are looking to not only retain their employees longer, but are recognizing the need to create strong training and development programs.

To help rural and urban municipalities in this goal, Saskatchewan Association of Rural Municipalities (SARM) and Saskatchewan Urban Municipality Association (SUMA) have partnered with Southeast College to develop the Municipal Management Essentials training program. This program focuses on building employee skill and capacity in a number of business training workshop style courses.

The program is divided into three streams: Administrative, Foreman and Safety. Courses were offered for the first time in 2017 and had over 100 people successfully completed a course, with 10 of those individuals completing their level 1 of the Municipal Management Essentials Program.

Municipal Roads for the Economy Program (HHHV/CTP)

The application deadline for the 2017-18 MREP projects was November 30, 2016.

2017-18 Heavy Haul / High Volume Roads and Clearing the Path (CTP) Summary

Heavy Haul / High Volume Roads

- 8 projects approved
- 6 projects proceeded
- Total kilometres: 45
- Total project costs: \$13,859,672.95
- Total project grants: \$4,195,000.00 (30.26%)

Clearing the Path (CTP) Construction Upgrades

- 0 projects approved

Clearing the Path (CTP) Corridor Incremental Maintenance Funding

- 6598.50 kilometres of designated corridor in the province
- \$6,598,500.00 in annual incremental maintenance payments at \$1,000 per kilometre
- 17.5 kilometers of CTP removed from the inventory in 2017-18

Municipal Bridge Services

2017-18 Municipal Bridge Program Summary

Bridge Construction

- 4 projects approved
- 4 projects proceeded
- Total estimated costs: \$3,677,120.15
- Total estimated grants: \$2,564,378.10 (69.7%)

Culvert Installations

- 0 projects approved
- 1 project proceeded (due to cancellation of road project)
- Total estimated costs: \$900,000.00
- Total estimated grants: \$675,000.00 (75.0%)

Bridge/Culvert Repairs

- 2 projects approved
- 1 project proceeded
- Total costs: \$197,320.95
- Total grants: \$108,526.52 (55.0%)

Bridge Inspections

- 456 bridges inspected
- 40 culverts inspected
- Total cost: \$484,792.00 (\$977.40 per location)

2018-19 MUNICIPAL ROADS FOR THE ECONOMY (MREP) APPLICATION INTAKE

The application deadline for the 2018-19 MREP projects was November 30, 2017.

Heavy Haul / High Volume Roads

- 32 applications for 2018-19
- 172.2 kilometres
- Estimated construction costs: \$57,312,123.49

Clearing the Path (CTP) Construction Upgrades

- 18 applications for 2018-19
- 74 kilometres
- Estimated construction costs: \$12,027,604.30

Bridge & Large Diameter Culvert Program

- 75 new applications for 2018-19
- 199 total applications
- Total estimated construction costs: \$62,511,667.50
- Total estimated grants: \$41,366,300.25 (66.2%)

Invasive Plant control program (IPCP)

In 2017, the Invasive Plant Control Program once again assisted rural municipalities (RMs) and other stakeholders with chemical costs to control persistent and problematic invasive plants. These plants include all weeds designated as prohibited weeds under The Weed Control Act as well a select number of specifically identified noxious weeds.

The program in 2017 provided financial assistance for the cost of applied chemical of up to 100 per cent on public lands to RMs and FNBs and 50 per cent on private lands.

Funding for the program is provided by the Saskatchewan Ministry of Agriculture and the Federal Government under Growing Forward 2, in the amount of \$800,000 with SARM administering the Invasive Plant Control Program on their behalf.

This program year saw a substantial increase in participation with 75 applicants submitting claims for approved herbicide rebates totalling over \$567,000.

Moving forward, SARM is asking for continued funding for the Invasive Plant Control Program in an effort to encourage RMs and other stakeholders to adopt an Early Detection and Rapid Response (EDRR) that recognizes that finding invasive weeds known to be troublesome while they are in low numbers and treating these aggressively provides the greatest benefit to all municipalities in our province.

Beaver Control Program (BCP)

The purpose of the Beaver Control Program is to provide financial assistance to rural municipalities (RMs) and First Nations Bands (FNBs), south of the Northern Administrative District, to control the beaver population in their respective jurisdictions. The BCP began in 2011 with SARM administering Provincial funds. Funding for the 2017/18 program in the amount of \$500,000 was provided by the Ministry of Agriculture and the Federal Government under *Growing Forward*.

In 2017, the program provided cost shared payments to RMs and First Nations bands that applied, paying \$15 per adult beaver removed between March 1, 2017 and February 15, 2018. The program required municipalities/bands to match this grant amount, at minimum, making the compensation provided to the designated individual a minimum of \$30 for the removal of each problem beaver.

In 2017/18, SARM received 169 applications from 154 RMs and 15 First Nation Bands. Efforts have been made to target areas with high beaver populations by increasing the maximum claim eligibility in certain areas. This program year, claims of \$450,000 have been paid out to 149 of the 169 applicants with a total 38,234 problem beavers being removed.

The BCP multiple-year funding has come to an end with Growing Forward 2. Continued multiple-year funding has been requested to allow RMs and FNBs an opportunity to effectively build on efforts to target those problem beaver areas and ensure that problem beaver populations are brought under control.

Provincial Rat Eradication Program (PREP)

SARM has been administering the Provincial Rat Eradication Program (PREP) on behalf of the Province of Saskatchewan since 2010. The purpose of the program is to promote uniformity and consistency in rat control methods across the province through communication and educational initiatives.

In 2017 the program received \$1.4 million that was jointly funded through the provincial Agriculture Fieldworker Policy and the federal/provincial Growing Forward 2 initiative. A total of 286 RMs applied for funding as of December 31, 2017 and, to date, paid an average grant of approximately \$3,495.00.

Growing Forward 2 initiative comes to an end March 31, 2018 and SARM asked that funding for this valuable program be continued into the next funding framework and that the Province consider providing funding on a multi-year basis. The assurance of continued/future funding would encourage RMs to implement or continue control programs as they would know that their control efforts would continue to be cost-shared.

FINANCIAL HIGHLIGHTS

The following selected financial information is derived from the annual audited consolidated financial statements. The Consolidated Financial Statements for the year ended December 31, 2017 are posted separately under Audited Financial Statements.

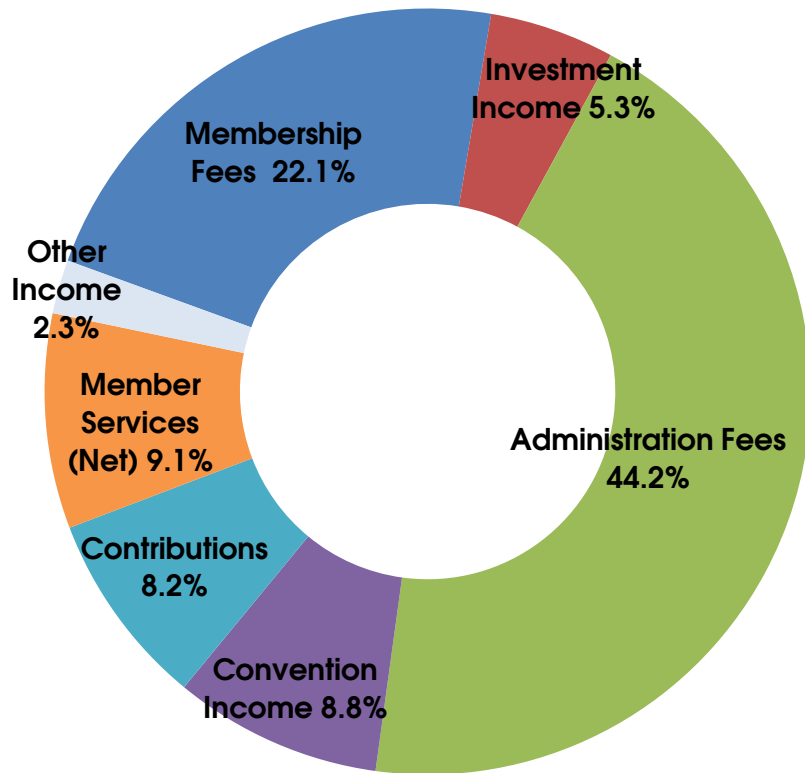
Financial Position Highlights As at December 31, 2017

Assets:	
Current Assets	\$ 13,634,598
Long-Term Investments	15,344,578
Capital Assets	7,382,916
	<u>\$ 36,362,092</u>
Liabilities:	
Current Liabilities	\$ 6,986,900
Due to Investment Pool	3,523,000
Fund Balance:	
General	6,397,279
Insurance & Benefits Fund	20,224,037
Other Restricted Funds	(769,124)
	<u>\$ 36,362,092</u>

Operations Highlights For the year ended December 31, 2017

Membership Fees	\$ 820,933
Administration Fees	1,643,101
Other Revenues	913,352
	<u>3,377,386</u>
Salaries, Benefits and Staff Expenses	1,561,834
Conventions & Division Meetings	336,412
Advocacy, Communications & Meetings	146,325
Board & Other Meetings	419,752
Property & Amortization	674,651
Other Expenses	259,745
	<u>3,398,719</u>
Member Services Revenue	11,955,305
Member Services Expense	11,618,381
General Fund Surplus	<u>315,591</u>
Premiums & Other Revenues	5,369,622
Claims Expense, SARM Fee & Other Expenses	4,739,957
	<u>629,665</u>
Insurance & Benefit Fund Surplus	<u>629,665</u>
Contributions, Fees & Interest	14,509,542
Program Expenses	19,063,177
Other Restricted Funds Net Change	<u>(4,553,635)</u>
Consolidated Surplus / Change in Fund Balance	<u><u>\$ (3,608,379)</u></u>

2017 Percentage of General Revenue



2017 Percentage of General Expenses

