



2018 ANNUAL REPORT

SASKATCHEWAN ASSOCIATION OF RURAL
MUNICIPALITIES

Table of Contents

Executive Director Message	3
Municipal Services Department	4
Administered Programs	6
Policy and Research Department.....	12
Community Planning Services	36
Insurance and Benefits.....	38
Legal Services.....	44
Strategic Initiatives	45
Awards and Scholarships	47
Trading Services	48
Financial Department	49

MESSAGE FROM THE EXECUTIVE DIRECTOR

2018 was a year of change for the Saskatchewan Association of Rural Municipalities. It was our first full year in operation at our new building located 2301 Windsor Park Road and included the introduction of a new department - Strategic Engagement and Communications.

2018 was a year of consultation. We met with many rural municipalities on a variety of issues. We began committee field trips across the province, so our board members and staff can see first hand the challenges and opportunities rural residents experience every day. We've worked hard on our engagement process to ensure we best understand your needs, your concerns, and your priorities.

2018 was a year of partnerships. We've worked diligently to build relationships with our sister associations across the province, with our urban counterparts, and Indigenous associations. We understand the power of working in collaboration and we are proud of the progress we've made.

As an organization, we are proud to champion the value of rural Saskatchewan. The SARM board and staff strive to best serve the members recognizing the importance that our pillars of knowledge, education, service, and trust have in our efforts to build strong, sustainable communities.

As we look to 2019, we look forward to continued growth and development within our association. For one hundred and fourteen years we have been working on behalf of RMs in this province, and that is a testament to the strength in numbers and working together. As the voice of rural Saskatchewan, we welcome and encourage member engagement and we look forward to building on the success of 2018.



Jay Meyer
Executive Director

MUNICIPAL BRIDGE SERVICES DEPARTMENT

The following is a report on the activities of the SARM Municipal Bridge Services Department for 2018.

Municipal Roads for the Economy (MREP)

In 2018, our primary responsibility continued to be providing administration and professional engineering services to the MREP. Providing these services accounted for 28.8% of Daniel's time and 28.2% of Alexander's time. Within the time dedicated to the MREP by Daniel and Alex, 5.2% of that time was related to administration of the Municipal Bridge Inspection Program and 1.9% was related to maintenance of the rural municipal bridge database used by the Ministry of Highways and SGI to complete over-dimensional and overweight permitting.

Our department only had the opportunity to work on one bridge replacement project this year of the three which were initially approved so it is expected that the time provided to the MREP was lower than what is customary. At current MREP funding levels, our department would usually work on at least three MREP bridge construction projects each year.

Fee-for-Service

The Municipal Bridge Services Department converted to a fee-for-service model as of May 1, 2018. This change was made to improve the long-term viability and stability of the department and ensure that we can continue to provide high quality and specialized professional engineering to our members.

Between May 1, 2018 and December 31, 2018, our department provided professional engineering services to 51 RMs on a fee for service basis. Responding to these requests accounted for 4.0% of Daniel's time and 1.5% of Alexander's time. It is expected that these values will become more similar after Alexander achieves his Professional Engineer designation sometime in 2019.

Capacity Building

Considering the increasing infrastructure deficit and the current economic climate, it is believed that significant value can be achieved by improving the understanding and abilities of rural municipalities in managing their bridge infrastructure. As of August 23, 2018, our department, in consultation with the SARM Board of Directors, determined that our department's primary focus outside of the Municipal Roads for the Economy Program would be capacity building.

Currently, our primary capacity building project is the completion of a Rural Municipal Timber Bridge Handbook (TBH) to assist our members with management of their treated timber bridge inventory. The TBH accounted for 0.9% of Daniel's time and 6.2% of Alexander's time. The TBH has been in development for several years, but thanks to the tremendous amount of effort Alexander has put into this project we hope to release the TBH to our members sometime in 2019.

ADMINISTERED PROGRAMS

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.

2018-19 Municipal Roads for the Economy (MREP)

Saskatchewan, Canada and North America rely on the rural municipal primary weight infrastructure in Saskatchewan to connect to the provincial network to move goods and services in a reliable, seamless, safe manner for timely distribution to international markets.

Rural Saskatchewan has the largest municipal road network in Canada at 163,000 kms. To assist in funding municipal infrastructure the Municipal Roads for the Economy Program (MREP) was developed by the Saskatchewan Ministry of Highways and Infrastructure (MHI) and is managed by the Saskatchewan Association of Rural Municipalities (SARM) MREP funding is available to RMs through an application and ranking process to assist with the costs associated with maintaining and upgrading existing Clearing the Path (CTP) Primary Weight Corridors, Heavy Haul High Volume (HHHV) roads and repairing and or replacing bridges and large culverts. MREP also provides annual incremental funding for the CTP Primary Weight Corridors.

MREP and CTP Reviews

In 2018 a review process began of the MREP Program and an audit of the current CTP Corridor System. The MREP Project Management Board (PMB) contracted with McNair Business Development to undertake a consultation process with stakeholders including RMs, MHI and the SARM Board to gather feedback on MREPs current programming and input on changes our members would like to see in the future. Results of the review are expected in the spring of 2019.

The CTP Corridor System was audited in 2018. MREP and MHI staff reviewed all the CTP Corridors that are currently a part of the CTP network to ensure they fit the current criteria and are still a valuable/feasible piece of the system. Consideration was also given to the value and feasibility of new CTP Corridors that have been proposed by RMs. The results of this audit are being presented and considered by the MREP PMB in the spring of 2019.

Application Intake

The application deadline for the 2019-20 MREP projects was November 30, 2018.

Heavy Haul / High Volume Roads

- 42 applications for 2019-20
- 244.1 kilometres
- Estimated construction costs: \$100,505,018.63

Clearing the Path (CTP) Construction Upgrades

- 25 applications for 2019-20
- 124.4 kilometres
- Estimated construction costs: \$26,810,571.50

Bridge & Large Diameter Culvert Program

- 75 new applications for 2019-20
- 198 total applications
- Total estimated construction costs: \$63,068,167.50
- Total estimated grants: \$41,517,750.25 (65.8%)

Approved MREP Summary

Heavy Haul / High Volume Roads

- 8 projects approved
- 7 projects proceeded
- Total kilometres: 32.2
- Total project costs: \$15,097,043.29
- Total project grants: \$3,382,929.45 (22.4%)

Clearing the Path (CTP) Construction Upgrades

- 2 projects approved
- 2 projects proceeded
- Total kilometres: 11.2
- Total project costs: \$2,176,600.00
- Total project grants: \$989,000.00 (45.5%)

Clearing the Path (CTP) Incremental Maintenance

- 6591.10 kilometres of designated corridor in the province
- \$6,591,100.00 in annual incremental maintenance payments at \$1,000 per kilometre
- 7.4 kilometers of CTP removed from the inventory in 2018-19

Municipal Bridge Services

Bridge & Large Diameter Culvert Program Bridge Construction

- 3 projects approved
- 2 projects proceeded
- Total estimated costs: \$2,193,810.26
- Total estimated grants: \$1,483,476.80 (67.6%)

Bridge & Large Diameter Culvert Program Culvert Installations

- 1 project approved
- 1 project proceeded
- Total estimated costs: \$1,500,000.00
- Total estimated grants: \$750,000.00 (50.0%)

Bridge & Large Diameter Culvert Program Bridge/Culvert Repairs

- 4 projects approved
- 3 projects proceeded
- Total estimated costs: \$231,650.00
- Total estimated grants: \$194,403.50 (83.9%)

Rural Municipal Bridge Inspection Program

- 433 bridges inspected
- 44 culverts inspected
- Total cost: \$482,572.00 (\$1,011.68 per location)

Agricultural Programs

Plant Health Network (CAP-PHN)

In 2018-19, SARM administered a new Plant Health Network (CAP-PHN) program aimed to provide a human capacity component to support rural municipalities (RM) and First Nations (FNB), south of the Northern Administrative District, dealing with a variety of agricultural crop pest issues throughout the Province. This program is fully funded through the Canadian Agricultural Partnership to a maximum for \$715,000 in its first year (April 1, 2018 to March 31, 2019).

The purpose of the Plant Health Network is to establish human resources in each of SARM's 6 Divisions to provide direct support, education, training to RMs, and their municipally appointed officers, as well as FNBs on how best to manage the agricultural crop pests and prohibited and noxious weeds that all landowners are required to manage under *The Pest Control Act and The Weed Control Act* in Saskatchewan.

As part of the five-year funding commitment through the Canadian Agricultural Partnership agreement, the CAP-PHN forms part of the Pest Biosecurity Program which includes the Beaver Control Program (CAP-BCP), Invasive Plant Control Program (CAP-IPCP) and the Rat Control Program (CAP-RCP).

Beaver Control Program (CAP-BCP)

SARM once again administered a 50:50 cost-share rebate program to specifically designated rural municipalities (RM) and First Nations Bands (FNB), south of the Northern Administrative District, to control the beaver population in their respective jurisdictions. The CAP-BCP focus is on the humane removal of nuisance beaver by providing rebates to RMs and FNBs that operated a humane beaver management program between April 1, 2018 and February 15, 2019. Funding for the 2018/19 program in the amount of \$450,000 was provided by the Ministry of Agriculture and the Federal Government under the Canadian Agricultural Partnership.

In 2018/19 saw a reduction in the number of claims received and nuisance beaver removed, in part due to the introduction of the requirement to have individuals with valid fur trapping licences remove nuisance beavers. In addition to the

installation of a pond leveller and 4 beaver deceivers, there have been almost 17,000 nuisance beaver removed by both designated and non-designated participants. Rebates of approximately \$175,000 have been paid so far.

Invasive Plant Control Program (CAP-IPCP)

SARM continued to administer the Invasive Plant Control Program (CAP-IPCP) on behalf of the Province of Saskatchewan. Funding for the CAP-IPCP is provided through the Ministry of Agriculture and the Federal Government under the Canadian Agricultural Partnership in the amount of \$500,000 in the first program year (April 1, 2018 to March 31, 2019).

The CAP-IPCP is designed to achieve maximum results and accountability, while keeping administrative requirements for RMs and eligible First Nations Bands to a minimum. The purpose of the program is to provide financial assistance to rural municipalities (RMs), First Nations Bands (FNBs) south of the Northern Administrative District, and through RMs and FNBs, other stakeholders with costs to undertake and coordinate the control of Prohibited Weeds as well as specific Noxious Weeds that are persistent and problematic invasive plants.

Based on a 50:50 cost-share, 70 RMs and 1 FN claimed rebates totalling \$367,000 in 2018 under the CAP-IPCP.

Rat Control Program (CAP-RCP)

With a proven program history of high RM participation and continual decreases in rat infestation rates throughout the province, SARM continues to administer the rat control program (CAP-RCP) under the new federal funding initiative, Canadian Agricultural Partnership agreement, along with the Saskatchewan Ministry of Agriculture, to continue to assist rural municipalities (RMs), First Nations Bands (FNBs) south of the Northern Administrative District with the cost of rat control in the province. In its first year, the CAP-RCP will provide cost-share rebates in the amount of \$900,000 (April 1, 2018 to March 31, 2019).

The CAP-RCP will provide rebates based on a 50:50 cost-share payment to RMs and FNBs that are active in their rat control efforts and who follow the minimum level of service determined by the program guidelines. Program participation remained high in 2018 with 277 RMs reporting expenses of almost \$2.9 M. Estimated rebates to RMs will average \$3,000. Rebates are based on a pro-rated formula from available funding once all program expenses are considered for the program year.

Municipal Leadership Development Program

The Municipal Leadership Development Program held its 2018 winter workshops in Regina on February 3rd and March 12th. 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 2018 sessions. Since the program began in 2003 a total of 484 municipal leaders have completed all the modules. 31 elected officials and municipal staff completed the program in 2018 and were presented with Certificates of Completion. Of those, 25 were SARM members and were recognized for their initiative in completing the program at the SARM Annual Convention in March.

Most of the 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 Saskatoon on November 13th, ahead of the SARM Midterm Convention. Two hundred and twenty-nine (229) delegates attended the half day workshop that featured presentations on Governance Roles and Responsibilities, Workplace Harassment and an overview of the Municipal Act by Government Relations.

The 2018 fall sessions consisted of five (5) workshops scheduled throughout the last two weeks of November. Five were unfortunately cancelled, due to low enrollment. The workshops were hosted in various communities around the province. Total attendance for the fall session was 104.

POLICY AND RESEARCH DEPARTMENT

Provincial Budget 2018

Budget Request

In October 2017, SARM submitted a budget request to the Government of Saskatchewan to consider in the development of the 2018 budget. The request asked for funding for several initiatives that would provide an opportunity for the Government of Saskatchewan to partner with SARM to position Saskatchewan as the best place in Canada to live, work, start a business, get an education, and raise a family.

First, SARM requested that the Provincial Rat Eradication Program be funded at \$1.4 million, with a two-year funding commitment. 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 can also transmit disease, either directly by contaminating food and feeds with their urine, feces and other body secretions, or indirectly, by rat fleas or mites.

SARM also requested that the Beaver Control Program (BCP) be funded at a level of \$500,000, with a two-year funding commitment. Beavers and the structures that they create can cause many issues in agricultural areas leading to the flooding of property and roads that can be a public safety concern. Beaver dams can 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 the controlled removal at the local level.

Given the fiscal constraints facing the provincial government, SARM requested that the Municipal Roads for the Economy Program (MREP) be funded at a level of \$14 million. 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

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.

SARM's submission also included a request for funding for the Public-Industry Partnership Program (PIPP). 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 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. As such, SARM requested that the provincial government allocate \$39.3 million to fund PIPP, including \$200,000 per year to SARM for the duration of the program for administrative support. We also asked that \$39.9 million of the Provincial-Territorial Component of the New Building in Canada Fund be allocated by the provincial government as the federal contribution to develop PIPP.

Finally, SARM recommended that the Government of Saskatchewan take the necessary steps to establish an Emergency Response Fund (ERF) that involves the Government of Saskatchewan, Crown corporations, and the federal government.

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.

Budget Highlights

The 2018 Provincial Budget allocated \$241.1 million in municipal revenue sharing during the 2018-19 fiscal year; this was a reduction of \$23 million from the previous year. Of these funds, \$68.1 million was distributed to rural municipalities.

The budget also included \$123.4 million in provincial support for municipal infrastructure. This included:

- \$73.8 million for the provincial portion of the New Building Canada Fund (Government Relations);
- \$12.5 million for the provincial portion of the Clean Water and Wastewater Fund (Government Relations);
- \$14 million for the Municipal Roads for the Economy Program (Highways and Infrastructure);

Approximately \$258.2 million was budgeted to fully fund business risk management programs including AgriStability, AgriInvest, Western Livestock Price Insurance and Crop Insurance, which added fire insurance as a coverage feature for pasture land. The budget also included \$3 million for irrigation infrastructure rehabilitation costs and irrigation asset transfer to irrigation districts.

The budget provided full funding to the Protection and Response Team (PRT), which was launched in the summer of 2017. The PRT was created in response to recommendations by the Government Caucus Committee on Crime and consists of 258 armed officers who will have arrest and detention powers, including municipal police, RCMP, Ministry of Highways Vehicle Enforcement Officers and Ministry of Environment Conservation Officers. To enhance the Rural Crime Strategy, \$4.9 million in new funding from SGI was allocated in the budget. This includes funding for an additional 30 police positions for phase two of the province's Combined Traffic Safety Services Unit. Additionally, the Ministry of Corrections and Policing is provided a continued annual funding of \$1.0 million to address other recommendations.

Lastly, libraries received \$11.1 million in grants from the Ministry of Education.

Federal Pre-Budget Request 2018

Budget Request

In August 2017, SARM submitted a briefing to the federal government outlining our requests for the 2018 federal budget. The recommendations put forward by SARM were intended to improve the productivity of Canadians and businesses by empowering communities and supporting them with fair and accessible federal programming and investments

Broadband has become part of the basket of public goods and services that municipalities need for residents and businesses to optimize experiences, pursue opportunities and offer an improved quality of life for all. Broadband is a critical

utility for accessing education and training opportunities, engaging in financial services, medical services and for the knowledge workforce. Broadband can assist in boosting the economic and social wellbeing of rural communities and plays a key role in giving communities a sustainable future in our ever-more-connected world.

Budget 2016 invested \$500 million to support the expansion of broadband networks in rural Canada – an investment greatly appreciated by SARM. Rural broadband access is critical for helping rural Canadians be more productive. SARM believes further improvements are required to ensure that underserved areas receive funding and that existing service levels are improved. The submission also reiterated the importance of ensuring that CRTC maps are accurate and account for not only availability of service, but also reliability. Many areas on CRTC maps have access to high speed internet, but the access is intermittent and is not consistent with high speed download and uploads levels. During peak times there is not a consistent level of service. It is important to consider service reliability when directing funding for improving rural broadband connectivity.

To continue building on the investments in rural broadband, SARM recommended that the federal government:

1. Collaborate with each province and territory on a plan for service that takes each province’s population and geography into account. Each province has a different definition of “rural” that needs to be recognized. Collaboration will ensure that the benefits of investments in rural broadband are maximized.
2. Use service reliability as a performance measurement in addition to using service availability as a measurement.

Thresholds for federal programs has long been an issue for rural municipalities in Saskatchewan. Often the federal definition of “rural” is not in line with Saskatchewan’s definition of “rural.” The result is that rural municipalities and small communities must compete with larger urban centres for funding which results in the very small communities not receiving adequate funding.

By using provincial demographics for program thresholds, the federal government would be able to greatly improve the productivity of Canadians and businesses. Provincial demographics include small populations with large land bases and play a crucial role in ensuring that the country’s resources and goods get to market. Having these communities compete with all communities up to a population of 100,000 is not appropriate for Saskatchewan as only two cities have a population over 100,000. Lowering this threshold will ensure that more money flows to more projects.

To address this concern, SARM recommended that the federal government endorse provinces and territories lowering the 100,000-population threshold for the Rural Infrastructure Fund and other federal programs to more accurately reflect the size of small communities within their jurisdictions.

Municipalities are the providers of important services to their communities. Services include maintaining infrastructure such as roads, bridges, water and waste water treatment centres, among others. Provision of these services requires a trained and qualified workforce. The Canada-Saskatchewan Job Grant provides employers with funding assistance to train and educate their employees to improve their productivity.

Expanding eligibility to municipalities would be an immediate improvement for enhancing Canadians productivity as municipalities are important employers in communities across the province. Allowing municipalities to participate in this program will increase the number of Canadians who receive training and education. One of the most fundamentally sound ways to improve one's productivity is by receiving training and education opportunities.

SARM also requested that the federal government work with its own departments and the Government of Saskatchewan to establish an Emergency Response Fund. In addition, SARM asked that a mechanism be put in place whereby a rural municipality can be assured of payment under a mutual aid agreement or municipal-type agreement with First Nation communities.

Budget Highlights

The 2018 federal budget committed \$76 million over five years to the Canadian Food Inspection Agency. The funds are earmarked for strengthening the national food-safety system and securing market access for agriculture and agri-food products. This involves funding to support the negotiation of export conditions for agricultural, fishery and forestry products and certification of Canadian exports against import requirements for other countries. The budget also included \$11.5 million over three years to create a regulatory reform agenda to support innovation and business investment to make the regulatory system "more agile, transparent and responsive." Finally, the budget allocated funding to support women entrepreneurs in the agriculture sector, including the launch of a new lending product in 2018-19 designed specifically for women entrepreneurs through Farm Credit Canada.

Major funding for agriculture came prior to the budget through the announcement of the Canadian Agriculture Partnership (CAP), the next five-year deal after Growing Forward II. CAP came into force on April 1, 2018 and is a five-year, cost-shared \$3 billion investment to strengthen the agriculture and agri-food sector.

Trade was a big focus in Budget 2018. The federal government committed up to \$75 million over five years, with an annual allocation of \$11.8 million to Global Affairs Canada, with the goal of creating stronger Canadian diplomatic and trade support presence in China and Asia as a whole. In addition, \$191 million over five years was allocated to support softwood lumber jobs, including through litigation under the dispute-settlement mechanisms of the World Trade Organization and NAFTA.

The budget committed \$1.3 billion over five years to support Canada's biodiversity and protect species at risk. Within these funds, \$500 million will be invested to create a new \$1 billion Nature Fund, with matching contributions expected from provinces and other stakeholders. The remaining \$800 million will go towards species at risk and managing protected areas, such as national parks, wildlife areas, and migratory bird sanctuaries.

The Canada Revenue Agency and Environment and Climate Change Canada received \$109 million over five years to support the development and implementation of the federal carbon-pollution pricing system. The funds will help implement, administer and enforce the regime.

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 2018, working on dozens of files including road maintenance agreements, rural broadband, overweight permitting, rail safety, gravel, and oil and gas.

Road Maintenance Agreements

Over the last several years, the Ministry of Government Relations has been undertaking consultations on the redesign of road maintenance agreements (RMA). The redesign began with the Review of Industry Financial Contributions to Rural Municipalities in 2015. SARM's comments have remained consistent since 2015. Current RMA rates do not cover the actual costs of road maintenance and loss of road life. The 2009 study commissioned by the provincial government indicated a need for a 75 per cent increase in currently regulated rates. Provincially regulated RMA rates must be maintained, but they must more accurately reflect the actual costs incurred by RMs for managing road assets. A single combined rate may not

cover all expenses and there should be an option for recovering costs resulting from additional damages. There are also concerns around enforcement issues with haulers and the timing and frequency of traffic counts.

The Government of Saskatchewan is seeking “defensible” RMA rates to avoid another unfavourable Saskatchewan Municipal Board ruling against an RM.

In November 2017, the ministry approached SARM with two proposals for rate options which they shared with SARM for feedback:

1. Additional maintenance and restoration to be paid by industry based on actual verified costs incurred by the RM. This would replace the provincial rate as compensation would be for verified damage costs. This would require mandatory inspections before and after the haul. Terms of the inspections to be negotiated in the RMA.
2. A single combined rate that would address both road maintenance and restoration and loss of road life. An additional 20 per cent surcharge would be applied to this option for a province wide contingency fund for road damages that are over and above the combined rate. This contingency fund would be administered by a third party and managed by representatives from government, municipal sector and industry.

SARM provided feedback on the proposed options indicating that clarification was needed on enhanced requirements for collection, agreeing with the need for a more individualized approach to RMA rates, disagreeing with concept of a contingency fund as defined by the Province, and offering to host a focus group with select RMs to provide local feedback on the options presented.

The ministry responded to SARM’s feedback in January 2018 indicating that if no suitable regional option can be found the default is a province-wide rate structure and that the contingency fund they have designed is not a merit-based program and there are mechanisms built into its design to ensure equal money available for all eligible applicants. The ministry agreed that the focus group consultation arranged by SARM would be a good opportunity to solicit local feedback on the options. Finally, they stated being in support of finding ways to improve RM traffic counts.

In March 2018 SARM hosted a consultation on the proposed options for road maintenance agreements facilitated by Tracey Bakkeli. There was no clear guidance provided by our membership on either of the two RMA redesign options proposed by the Province.

Based on recent feedback from a sampling of our members, SARM cannot agree to either of the two RMA redesign concepts provided by the ministry. Instead, we would like to offer a third option for consideration by the Province which includes the following components:

- The Province initiate a study to be undertaken by a third-party consultant to develop regional maximum defensible RMA rates for road maintenance and restoration as well as loss of road life maximums to be set in regulation. Rates would include winter and summer maximum road maintenance rates for primary and secondary roadways as well as maximum rates for loss of road life for primary and secondary roadways.
- That SARM be a member of the contract committee to assist in the development of the RFP, provide feedback through the process, and aid in accessing necessary cost information from RMs.
- SARM would agree to the use of Area Transportation Planning Committee regions as the basis of the maximum rates if RMs can charge above the maximum with approval from the Province based on the provision of defensible proof of why this maximum has been exceeded. Defensible proof would include data showing costs incurred above current rates for road maintenance and shortening of life as well as other changes that might require a rate increase such as increased weights allowed. There should also be a mechanism in place so that bordering RMs can opt to utilize the rates of a neighbouring ATPC if that better reflects the industry and activity in their RM.
- RMA rates in regulation would be increased every three years based on the consumer pricing index for key roadway inputs as per a formula agreed to by the entities, including SARM, that form the contract committee.
- That RMs retain the same authorities that they currently must seek additional remuneration for costs of damages to roads above that collected through RMAs in cases where road damages are the result of undue care and attention or simple negligence.
- That RMs retain the authority to charge road improvement fees to a developer requesting that a road be upgraded or agreeing that a road should be upgraded or that they may enter into a Road Construction Agreement with a developer for the construction of a new road so the developer can access its interests.
- That the responsibility of an RM under an RMA be to ensure that the roadway remains in the same condition that it was in at the time the RMA was signed by both parties. This would require inspections by both parties prior to signing an agreement.
- That fees for dust control, which can be an add-on to an RMA, be set in regulation as well.
- That RMAs be provided to the Province for public access which would give RMs another tool to identify haulers

utilizing their roadways that may be required to enter into an agreement with them.

Rural Broadband

Reliable access to broadband is important for the health, safety, and well-being of those living and travelling in rural and remote areas. There are also numerous environmental benefits of reliable fixed and mobile internet connections that should not be overlooked. Unfortunately, Saskatchewan's unique geography and population density makes providing broadband and cellular services across the province challenging which limits the feasibility of many technological innovations.

Rural connectivity is an issue that is of growing importance to all Canadians. We believe this is evidenced by the Government of Canada's recent investments in the Connect to Innovate program and Broadband Fund to bring high speed internet to rural and remote communities. Investments like these are necessary to help the CRTC meet its basic service objectives and to help ensure the affordability of broadband and cellular service across the country.

SARM has been very active on this file over 2018, having communicated with Ministers Bain, Morneau, and Jordan, and each of the Saskatchewan Senators on the status of broadband and cellular service across the province. Our President also presented to the AGRI Standing Committee in Ottawa on the connection between broadband and innovation in agriculture. Our association has also made submissions to the Broadcasting and Telecommunications Panel, and Innovation, Science and Economic Development Canada on band usage and the CRTC's basic service objectives.

Provincially, SARM has raised the importance of a reliable internet and cellular network with Ministers Kaeding and Beaudry-Mellor. Board and staff have also met with internet service providers (ISP) to discuss the gaps in service and request further investments in rural Saskatchewan. SARM also expressed support of the Federation of Canadian Municipalities' (FCM) ask of a federal investment of at least \$400 million per year over 10 years to make the goal of reliable internet for everyone more attainable.

Overweight Permitting

Pursuant to *The Highways and Transportation Act*, the Minister of Highways and Infrastructure (Minister) has the overarching authority to issue overweight and over dimension permits for movement on all public highways, including all roads within a rural municipality.

In 2003, the Minister delegated authority to each RM to issue overweight permits for movement on roads within its respective jurisdictions; this was done by Ministers Order and set the maximum fee to be charged for both single trip (\$25.00) and annual permits (\$100.00). These maximum fees were initially intended to cover actual costs to administer the overweight permit.

Since then, the Ministry of Highways and Infrastructure has undertaken a study which determined that the fees charged for overweight vehicles should be increased to include both the current administration fee as well as incremental maintenance and operation fees. Effective July 16, 2018, the maximum fees that an RM can charge for a permit for an overweight vehicle are as follows:

- \$50 per single trip except for spring road ban season;
- \$100 per single trip during spring road ban season; and
- \$300 for an annual permit.

Despite the Minister's Order noted above, the Minister still retains the authority to issue overweight and over dimension permits for movement on all roads within an RM; all said permits are issued by SGI on behalf of the Minister. SGI issues overweight permits for movement on provincial highways, municipal roads, and a combination of the two road systems for any vehicle traveling in Saskatchewan that exceeds secondary weights; the secondary legal weight varies based on the vehicle configuration and number of axles.

If the gross vehicle weight exceeds 54,500kg or an axle group weight of 27,000kg then it is a condition of the overweight permits issued by SGI that the permit holder receives authorization from each affected RM for travelling within its boundaries; SGI does not define what is acceptable as authorization but advises the customer to communicate directly with RMs. If an RM has passed a bylaw and issues overweight permits then, in these instances, a permit holder would be required to obtain two permits for the overweight move.

The aforementioned condition is provided in writing on term permits (annual), verbally when a permit is issued over the phone or viewed on-line if a permit is self-issued. SGI does not contact the affected RMs directly to notify them of the issuance of an overweight permit. The weights that trigger the condition noted above are in policy only and can be changed. If changes are to occur then the volume of permits issued by RMs would also increase, as SGI issues overweight permits for any vehicle over secondary weights.

Despite contacting the RM office being a condition of the permit, many permit holders do not contact the RM before travelling on its roads with an overweight load. Serious damage to municipal roads can occur when permit holders do not contact RM offices. It is not possible for SGI's online routing system to be updated in real-time to reflect the conditions of all RM roads in the province. This is what makes contact between the RM and the permit holder so important. Unfortunately, right now RMs have no way of knowing a permit has been issued for travel on their roads.

Over the last two years, SARM has spoken with SGI officials about the potential to build a feature into the online permitting system that will automatically send RMs an email copy of overweight permits issued for carriers routed to travel through their RM. We believe this feature could solve several challenges RMs face with overweight permits. A notification email would let RMs know they should expect a call from a carrier. This will help RMs prepare for enforcement action, as well as track how many permit holders are not meeting the conditions of the permit. Currently, there is no way to track how many permit holders fail to contact RMs.

In October 2018, SARM formally requested that SGI and the Ministry of Highways and Infrastructure work together to build a feature into its online permitting system that will notify RMs when an overweight permit is issued for travel on their roads. As SGI is issuing permits and collecting fees for overweight traffic on RM roadways, SARM requested that the provincial government cover the cost of upgrading the online system to include this feature.

Rail Safety

In 2014, Transport Canada released the new [Grade Crossing Regulations](#) to improve rail safety in Canada. The new regulations emphasize the importance of drivers being able to see a train when approaching a crossing.

To comply with the new *Grade Crossing Regulations*, road authorities were required to share safety-related information about their federally-regulated grade crossings with railway companies. The railway companies were also required to share safety-related information with the road authorities. The deadline to share this information was November 27, 2016. In preparation for that deadline, SARM created a Grade Crossing Information Sharing Requirements resource hub for members, which can still be viewed [here](#).

The requirements prescribed in the Grade Crossing Regulations were immediately applicable when constructing new grade crossings or making changes to an existing crossing. By November 28, 2021, the prescribed requirements will apply to surfaces, signs, sightlines, and warning systems for existing grade crossings. Transport Canada can take immediate action where a serious safety deficiency is identified.

Railway companies and road authorities are required to collaborate in finding the best option for making their crossings safe. Safety standards for crossing surface, road geometry, sightlines, signs and warning systems are detailed in the [Grade Crossings Standards](#) and include a variety of safety options available for road authorities and railway companies.

As road authorities, municipalities should pay particular attention to the following sections of the *Grade Crossing Regulations*, and corresponding Grade Crossing Standards:

- Sightlines
- Warning systems
- Crossing surface and road approach

The safety-related information your municipality gathered in 2016 to meet the information sharing requirements of the regulations should assist you in determining if your crossings are in compliance. SARM's bridge engineers have developed some resources to assist you with this. The [field measurement calculation spreadsheet](#) will utilize the information you collected in the information-sharing stage to make the calculations you need to determine if your crossings are compliant with minimum sightline requirements. A [map](#) has also been created to help you locate your crossings to determine the railway design speed. Railway design speed can also be referred to as the maximum train speed. Railway design speed is a necessary variable for sightlines calculations.

SARM has recently written to CP and CN requesting they share maintenance plans with road authorities so RMs can budget appropriately for expenses related to upgrading grade crossings.

SARM's Agriculture Committee

The Ag Committee focuses exclusively on agricultural issues of importance to 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 2018, focused on many ag-related issues and consultations including strychnine, the Pest Management Regulatory Agency (PMRA) re-evaluations and process, trade agreements, crop insurance, and intensive livestock operations among many other issues.

Strychnine

In 2018, Health Canada's Pest Management Regulatory Agency opened a consultation on its proposal to cancel the use of strychnine for ground squirrel control due to effects on non-target animals. The review identified environmental concerns in the potential poisoning of non-target animals, including species at risk such as the swift fox and burrowing owl. The PMRA is concerned that mitigation measures would not be practical. As such, Health Canada proposed to cancel the registration of Maxim 2% Liquid Strychnine Concentrate, and to require removal of ground squirrel use from the label of S.A.R.M Gopher Poison R.T.U.

SARM was actively involved in this consultation, meeting with PMRA officials in Ottawa, raising concerns with federal elected officials, and hosting a consultation with PMRA officials and delegates at the 2018 Midterm Convention.

Richardson's Ground Squirrels (pocket gophers) cause significant challenges for agricultural producers as their feeding habits damage crops and underground irrigation infrastructure and their tunneling and mound-building activities degrade crop quality, damage machinery, and cause livestock injuries. The result of an uncontrolled pocket gopher populations can cause large productivity losses and consequently have a major economic impact on Canada's agricultural sector.

Past studies on the efficacy of various gopher control methods have shown Strychnine, when applied according to the instructions, to be the most effective option. Adequate control measures reduce the negative impacts of large gopher populations on agriculture operations. Removing the ability for producers to use this product without offering a comparable substitute will harm the economic viability of agriculture production across the province.

In its submission and in meetings with federal officials, SARM requested that the PMRA continue to allow Strychnine usage until such a time that an affordable and proven alternative is readily available to municipalities and agriculture producers. We believe that Strychnine must remain accessible while any alternative means of gopher control are piloted by an adequate sample of producers.

Previous research has also shown that the dangers of Strychnine to non-targeted organisms commonly result from its inappropriate application and storage. SARM requested that the PMRA and Ministry of Health evaluate the current measures to mitigate the already low numbers of primary and secondary poisonings by Strychnine and better educate those applying the products on the importance of complying with label instructions.

SARM also expressed concern with the timing of the consultation on the re-evaluation decision on Strychnine and its association end-use products is not conducive to the necessary participation from the agriculture sector.

Pest Management Regulatory Agency

In 2018, Health Canada launched a consultation on its proposed special review decision of the neonicotinoid pesticide clothianidin following a risk assessment to aquatic invertebrates when clothianidin products are applied as seed, foliar or soil treatment. Based on the evaluation of currently available scientific information, Health Canada proposed to cancel all outdoor uses of clothianidin on food and feed crops, including seed treatments, and on turf over three to five years. Clothianidin is currently found in 14 end-use products to which aquatic invertebrates may be exposed.

SARM participated in the consultation, expressing concerns with the proposal. Growers ensure approved crop protection products are used in ways that are safe for human health and the environment. When changes to approved uses are being considered, the human health and environmental impacts of alternatives need to be part of that analysis.

SARM has concerns with the PMRA assessing non-detect (no residue) samples at 50 per cent and question why this percentage has been established in the Health Canada's Science Policy Note SPN2004-01, Estimating the Water Component of a Dietary Exposure Assessment to interpret non-detects in monitoring data sets. The PMRA noted that it, "...often lacks data to verify that reported "non-detects" were in actual areas of pesticide use and therefore has difficulty concluding that the pesticide, when used, is not in fact reaching water frequently enough to be of concern."

The modelling efforts of the EEC excluded Alberta and those datasets from Saskatchewan and Manitoba lacked information on crops grown and neonicotinoid use within the watersheds which the PMRA indicated, "...limited our ability to relate (concentration) levels observed with a particular use (and) a site-by-site comparison of precipitation levels with

the 30 year historical averages was conducted and demonstrated that precipitation levels were uncharacteristically low.” SARM is not comfortable with the flawed methodology and inferior data that has been used by the PMRA to propose their decisions on Clothianidin and Thiamethoxam.

The PMRA has noted that under the Pest Control Products Act the registrant has the burden of persuading PMRA that the risks are acceptable during a post-market evaluation. While this is true, we believe that the PMRA must ensure that prior to making decisions on herbicide or pesticide deregistrations that the datasets they are utilizing are sound and encompassing. Additional and more thorough research of the actual impacts of the neonicotinoid use on aquatic invertebrates needs to be undertaken before the deregistrations of either Clothianidin and Thiamethoxam are considered.

Additionally, the 90-day timeframe for comments on the neonicotinoids does not allow sufficient time for stakeholder groups to generate data on alternative risk management proposals or technologies not covered in the risk mitigation options the PMRA considered in its assessments of the risks to aquatic invertebrates.

Grain Transportation

Poor level of service in the grain transportation system means that producers are unable to move their products to market in a timely manner and creates financial hardships. SARM has been an active participant in the rail level of service review since 2009 and has been calling for legislation to ensure rail service improvements occur.

In 2018, SARM provided comments to the federal government on Bill C-49. SARM supported Bill C-49 as it provides legislation for increased data reporting. More data means producers and others in the supply chain can make better decisions that are more based on information. SARM was pleased to see reciprocal penalties included in Bill C-49, along with the provision for informal dispute resolutions services. Providing cost efficient, effective and timely dispute resolution services is important for producers. Disputes should be resolved as quickly as possible, so producers don't face additional penalties or delays. The long-haul inter-switching appears to also be a positive enhancement for producers although it remains to be seen how this new provision will function and what further enhancements may be required.

While we are happy to see the new long-haul interswitching provisions in Bill C-49, we worry it may be more difficult and costlier to access. It is most important that the *Transportation Modernization Act* and related regulations ensure the CTA and Transport Canada have adequate mechanisms to keep railways accountable. For instance, SARM believes the federal government needs the ability to take action if they deem a railway's Grain Plan to be insufficient or not viable. Without adequate enforcement mechanisms, Bill C-49 will not bring about meaningful change.

We have asked the Federal Government to implement additional changes to the legislation and regulations that govern grain transportation including the following:

1. That it be made mandatory for railways to move a minimum of 13,000 grain cars per week without affecting other resource areas; this requirement is necessary to ensure that backlogs do not occur.
2. That regulation is put in place to ensure that railways deliver the same level of service they have historically delivered for the last 3 years without affecting other resource areas and that the onus of maintaining the aforementioned level of service rests solely on the railways.
3. That rail service to short line railways be increased, as the provision of producer cars is necessary to ensure that all producers are being provided services in all regions of the province and across Canada.
4. Increased support and funding availability for short line railways.
5. That the mandatory levels of rail service agreements be legislated with higher penalties imposed when levels of service are not met.
6. Where a railway or shipping company are creating a delay in delivery times, penalties should be applied to whoever fails to fulfill their obligation without those costs being passed down to producers.
7. When delays in transportation have led to lower grain prices for producers such losses should be reflected in the penalties.
8. The Maximum Revenue Entitlement (MRE) remains in place and should not be phased out in 7 years.

Livestock Tax Deferral

SARM worked with the Saskatchewan Cattleman's Association, Agricultural Producers Association of Saskatchewan, Saskatchewan Crop Insurance Corporation, and Ministry of Agriculture to establish our position on the Livestock Tax Deferral provision which we presented to the Minister of Agriculture and Agri-Food Canada (AAFC).

Under the current provision, ranchers who are forced to sell part of their breeding herd due to drought or flooding can defer a portion of sale proceeds to the following year when they can rebuild their herd and offset that deferred tax. While we agree with the intent of the provision, the criteria used to determine the designated prescribed areas and how the provision is applied reduce the effectiveness of the provision for agriculture producers.

We noted that the supplemental information provided to AAFC by the Province should be consistently used to expand the areas deemed eligible for the livestock tax deferral provision. We also asked that AAFC expand the prescribed regions for 2018 based on the recommendations of the provincial Ministry of Agriculture.

SARM also expressed concern with how the provision is applied. Specifically, we believe that livestock producers who cull a herd, to any extent, because of drought or flooding should be eligible to defer 100 percent of their income from the livestock sales to the next tax year. Our reasoning for this requested amendment is because producers lose money when selling livestock during periods of drought and flooding due to market saturation and then reacquire breeding animals when conditions are favorable and market prices are high.

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 2018, meeting bi-monthly to work a wide range of issues, including trespassing, the *Fisheries Act*, climate change, the *Navigable Waters Act*, species at risk, solid waste management, and many more.

Climate Change

While SARM supports efforts to address climate change and protect the environment, it does not believe that a national carbon tax is the best tool to do so. A national carbon tax will have a net cost rather than a net benefit to the Saskatchewan economy, regardless of the measures the Government of Saskatchewan puts in place to alleviate its impacts. A carbon tax will increase costs for producers, firms and businesses, resulting in carbon leakage, lost competitiveness and income. We believe Saskatchewan will be unfairly exposed to the negative impacts of a carbon tax.

Addressing climate change, protecting the environment and supporting economic development is a process that requires collaboration between all stakeholders. In order to achieve these goals, we need to foster the development of partnerships between government and industry rather than unilaterally imposed decisions that affect us all.

Producers are price-takers, who are particularly vulnerable to the impact of a carbon tax. According to the Saskatchewan Soil Conservation Association, Saskatchewan agriculture producers who are using minimum or zero till farming practices are sequestering 9.64 million new tonnes of CO₂ every year on nearly 28 million acres of farmland. SARM believes producers should be recognized for their efforts to reduce emissions in their operations, not penalized with a carbon tax.

SARM continues to support the Government of Saskatchewan in its efforts to challenge the federal government's authority to impose a carbon tax in Saskatchewan. We also support *Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy*. We continue to raise our concerns with federal officials at every opportunity.

Fisheries Act

SARM believes that the 2012 amendments to the *Fisheries Act* effectively balance the need for habitat protection with the need for municipal infrastructure development by focusing on federal oversight on the protection of Canada's commercial, recreational and Aboriginal fisheries. These amendments should be maintained or enhanced, not reversed.

The current iteration of the Act provides municipalities with increased autonomy to use local tools to balance environmental stewardship and infrastructure development on other waterways. As Canada's prairie provinces have extensive municipal road networks and many non-fish bearing waterways, the narrower focus has been beneficial for SARM members. The amendments recognized that waterways such as drainage ditches and agricultural irrigation canals should not be treated the same as natural fish habitats.

SARM is concerned about the federal government's proposed amendments to the Act, including the expansion of the definition of "fish habitat" to include any waters frequented by fish. The broad definition will cause challenges to project proponents, as the term "frequented" is subjective and could be broadly interpreted. To ensure regulatory clarity, more specific criteria for identification of fish habitats is needed.

We have urged the federal government to take into consideration municipalities' needs and to ensure that additional administrative burdens are not created and that project delays are prevented. We also encourage the federal government to consider providing funding to municipalities and landowners for the costs they accumulate while taking measures to maintain publicly beneficial fish and fish habitat for environmental stewardship. We also believe that it is crucial to avoid duplication with provincial environmental regulations that already protect fish and fish habitat; working closely with provincial governments will help to eliminate and reduce red tape. Focus should also remain on Canada's commercial, recreational and Aboriginal fisheries.

In March 2018, SARM met with Minister LeBlanc, who was Minister of Fisheries and Oceans at that time, and Minister Goodale to discuss the proposed amendments. We were pleased to learn from the ministers that the intent is not to return to how things used to be and that there is a strong intention to work with municipalities, agriculture producers, and the provincial governments. At that meeting, the ministers mentioned there would be a provincial advisory committee regarding Act and

that SARM would be invited to participate. Though we have not received further details, we are hopeful that the advisory committee will go ahead.

Navigable Waters Act

Bill C-69 is An Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act, to amend the Navigation Protection Act and to make consequential amendments to other Acts. The bill has passed through the House of Commons and is currently at the committee stage in the Senate.

SARM has been concerned about the negative impacts Bill C-69 poses on the future of major natural resource project development in Canada, particularly within the oil and gas sector. As you may know, Saskatchewan's economy depends on the development of oil and gas projects for economic growth, investments and jobs, which are largely based in RMs. Our RMs are home to many natural resource sector workers and businesses that rely on the continued development of these projects.

In addition, the amendments included in Bill C-69 create more questions than answers. SARM has been asking the federal government for more information on Indigenous traditional knowledge included in the amendments, and how municipal concerns will be addressed under the new bill. The duty to consult and notification requirements of project proponents will increase administrative costs for municipalities. There is also concern that more municipal infrastructure projects will likely fall under federal review; therefore, likely delaying projects and increasing costs. The new category of projects that are in-between "minor" and "major" works is also an area of concern.

SARM has lobbied for changes to Bill C-69 to reduce administrative impacts on municipal infrastructure projects on its own and with the support of the Western Canadian Municipal Association. In late 2018, SARM determined our voices were not being heard and called on the federal government to pull the bill entirely. We have also requested that the Senate Standing Committee on Energy, the Environment and Natural Resources travel to Saskatchewan to hold hearings on Bill C-69.

Trespassing

At the 2018 SARM Annual Convention, the Minister of Justice announced the provincial government was considering changes to trespass legislation. In the months following, the Government of Saskatchewan held a public consultation on the matter.

SARM has at least nine active resolutions on file related to trespassing. The underlying theme to all of these resolutions is that SARM members support changes to legislation that requires individuals to receive express permission from a landowner

before they may access private land. In other words, all private property should be deemed as “no trespassing” until an individual has obtained express permission from the landowner. SARM believes the onus should not be on landowners to post their land to prevent people from hunting on it.

Trespassing prevents a threat not only to feelings of personal safety, but also to the livelihood of farmers. Livestock can be lost to hunting accidents or gates left open, and noxious weeds, invasive species, and soil-borne diseases like clubroot present a serious biosecurity threat to Saskatchewan’s agricultural economy. To further prevent the spread of noxious weeds and diseases, SARM recommended that legislation be updated to require all-terrain vehicles (ATV) entering Saskatchewan or moving across the province to be cleaned. ATVs represent a serious biosecurity threat, as they can easily spread soil-borne diseases like clubroot.

SARM also expressed concern that allowing people to access land without permission may result in accidents. For instance, if an individual does not speak to the landowner they may not know about potential hazards on the land, such as sloughs. This could result in serious accidents that could have easily been avoided by a conversation with the landowner. In addition, landowners are concerned about potential liability if an individual is accessing the land without permission and has some sort of accident.

The current fines for trespassing are not adequate. SARM members have identified this issue and requested via resolution that the fines be increased. As such, we support fines like those in Ontario, which are \$10,000. Fines need to be significantly steep as to act as a deterrent.

SARM was pleased when the Government of Saskatchewan introduced legislation to amend *The Trespass to Property Act*, *The Snowmobile Act*, and *The Wildlife Act, 1998* in November. The onus of responsibility will now rest with individuals seeking to access property.

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 until recently there were no recycling options or incentives in place. This resulted in many producers leaving the grain bags out in fields and ditches or resorting to burning. 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. In March 2018, the provincial government approved a new recycling program for grain bags, to be operated by CleanFarms. By the end of 2018, CleanFarms had 26 collection sites for grain bags across Saskatchewan. The goal is to establish a network of collection sites that does not require producers to travel more than 50 kilometers to drop off a bag.

As of November 1, 2018, an environmental handling fee is now collected at the point of purchase for grain bags. The fee is based on the weight of the bag and is levied at \$.25 per kilogram. Currently there is no deposit system.

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 tax tools, municipal financing, Statements of Provincial Interest, *The Municipalities Act* and regulations, municipal revenue sharing, and cannabis legalization.

Revenue Sharing

In 2018-19, the Government of Saskatchewan distributed nearly \$241.1 million to municipalities through municipal revenue sharing. This is equivalent to one full point of the Provincial Sales Tax (PST) from 2016-17 provincial Public Accounts. For 2018-19, \$115.351 million or 47.945 per cent was allocated to the cities, \$39.324 million or 16.345 per cent to towns, villages and resort villages, \$67.976 million or 28.254 per cent to rural municipalities, and \$17.938 million or 7.456 per cent to northern communities.

SARM was actively involved in consultations with the Ministry of Government Relations regarding municipal revenue sharing over the course of 2018. We requested a marginal increase of 8 per cent to the RM pool of revenue sharing dollars for 2018-2023. In 2017, the PST increased from 5 per cent to 6 per cent. SARM requested that the formula for revenue sharing remain 20 per cent of total PST revenue, which would equate to 1.2 points of the PST.

At the 2019 SUMA Convention, Premier Scott Moe announced that the revenue sharing formula will now be based on three quarters of one point of the expanded PST, based on revenue collected from the fiscal year two years prior to the current year.

Tax Tools

As part of its Review of Industry Financial Contributions to Rural Municipalities, the Ministry of Government Relations consulted on tax tools over the course of 2018. The ministry undertook a tax tools review in 2013, at which time SARM provided comments. At that time, the ministry introduced a mill rate limit ratio of 1:15; in 2014, the mill rate limit ratio was reduced to 1:9.

Currently, there are no limits on minimum or base tax, but the ratio of the highest to lowest mill rate factors must be no greater than nine. Based on 2017 data, only one RM has a mill rate factor ratio over the current 1:9 limit; that RM had a 1:10 limit.

The ministry outlined four options that would set upper and lower limits for the ratio of the effective mill rate ratio for each property class to the effective mill rate for the rural municipality in total.

1. Ratios must be between 0.75 and 2.0. (2017 data indicates 139 would not comply with this option.)
2. Ratios must be between 0.50 and 2.5. (2017 data indicates 82 RMs would not comply with this option.)
3. Ratios must be between 0.50 and 3.0. (2017 data indicates 71 RMs would not comply with this option.)
4. Ratios must be between 0.40 and 4.5. (2017 data indicates 41 RMs would not comply with this option).

SARM's position remains the same as it was during the 2013 and 2015 local property tax tool reviews. We are against any changes to local property tax tools, including mill rate factors, minimum and base taxes, that will reduce the authority of a municipality to collect taxes to cover its costs. Such current tax tools help to ensure that those ratepayers putting a greater strain on public infrastructure than others can be taxed at a rate commensurate to such impact and, as such, should remain unchanged.

Currently, there are no limits on minimum or base tax, but the ratio of the highest to lowest mill rate factors must be no greater than nine. Based on 2017 data only one RM has a mill rate factor ratio over the current 1:9 limit; it had a 1:10 limit. We do not feel that a change is warranted given the small number of outliers to the current limit. Instead, SARM requested that the ministry work with that RM to understand their challenges and assist them in coming into compliance with the existing ratio while addressing their concerns. In the future, there should be a mechanism in place for RMs to apply mill rate

factor ratios outside of the provincial limits if the application is defensible. Every RM has unique infrastructure challenges which stem from differences in usage, materials utilized to build and maintain road infrastructure, and the costs of materials like gravel.

SARM members have passed several resolutions resolving that RMs be given the power and authority to implement sub-classes to more fairly assess commercial, industrial, and residential properties. The inability for RMs to sub-class within the current property classes severely limits the effectiveness of the tax tools afforded to RMs under legislation to effectively govern local municipalities. Like cities, RMs require the ability to use tax tools in a way that allows them to more accurately reflect the actual impacts of certain commercial sub-classes on municipal infrastructure i.e. roads, water and waste water systems, et cetera. We believe that allowing sub-classing of existing property classes will reduce the impact of higher mill rate factors on most of commercial properties like railways which, unlike the oil and gas sector, were not noted as causing excessive damage to RM infrastructure by our members in our summer 2018 tax tools survey.

Rural Crime Watch

Over the last two years, SARM has been working closely with the RCMP to reinvigorate the Rural Crime Watch program in Saskatchewan. These efforts have yielded great success, as over 145 RMs are now participating in a local Rural Crime Watch group.

Rural Crime Watch is a community driven, community led, police supported crime prevention and crime reduction program. Volunteers serve as the “eyes and ears” of their communities, reporting suspicious persons and vehicles to each other and the RCMP. In turn, the RCMP shares notifications with the local Rural Crime Watch group.

In 2018, SARM established a working group to develop recommendations for the establishment of a provincial umbrella association for Rural Crime Watch groups across the province. The working groups includes representation from SARM, SUMA, the RCMP, the Ministry of Corrections and Policing, and members of local Rural Crime Watch chapters.

Over the last eight months, the working group has drafted bylaws, terms of reference, signage design, and reviewed insurance options for the provincial association. The group also had discussions with the RCMP regarding the implementation of a mass notification system both for Rural Crime Watch and internal RCMP needs in Saskatchewan.

Fire Suppression and Vehicle Extrication Rates

In 2018, SGI reviewed the report prepared by Dillon Consulting on the actual costs incurred by municipal fire departments when responding to motor vehicle collisions (MVC). After consulting further with SARM, SUMA, Saskatchewan Association

of Fire Chiefs (SAFC) and the Saskatchewan Volunteer Fire Fighters Association (SVFFA), SGI decided to drop the non-productive call rates to compensate fire departments as of March 1, 2018. Now, fire departments are compensated at a single rate per hour when fire suppression of vehicle extrication services were provided as a result an MVC. In 2018, the rate was \$913 an hour. Effective January 1, 2019, the rate is \$937.65 per hour.

Western Canadian Municipal Association (WCMA) Meeting

Every year the SARM Executive meets with representatives from SUMA and the municipal associations in Manitoba and Alberta to discuss areas of joint concern. In April 2018, SARM and SUMA hosted the Western Canadian Municipal Association (WCMA) in SARM's new office. Topics for discussion included cannabis legalization, climate change, carbon pricing, Bill C-68 and C-69, and pipelines.

Ottawa Advocacy Days

In 2018, SARM's annual Advocacy Days took place from October 2-4 in Ottawa. While there, SARM Board and staff members had over a dozen meetings with Ministers, Senators, MPs, and staffers. Priority issues discussed included carbon pricing, *The Fisheries Act*, *The Navigable Waters Act*, infrastructure funding, *Species at Risk*, rural broadband, and rural crime.

Meetings were held with members of the Liberal, Conservative, and New Democratic Party to ensure that all three parties were aware of the issues facing rural municipalities in Saskatchewan.

COMMUNITY PLANNING SERVICES

The SARM Community Planning Department provides municipal planning and land use advice and support to municipalities. The staff serves to support activities of SARM and prepares planning and development proposals, bylaws and policies. The Planning Department consists of three planners; two Registered Professional Planners and Full Members of the Canadian Institute of Planners and one that it is in the process of completing their candidate membership.

Key Responsibilities

The Department is responsible for but not limited to, providing advice and assistance on:

- Drafting and Amending Official Community Plans;
- Drafting and Amending Zoning Bylaws;
- Interim Development Control Bylaws;
- Concept Plans;
- Reviewing Development Permits;
- Subdivisions;
- Servicing Agreements;
- Development Appeal Board Inquiries;
- Mapping;
- General Planning and Development Inquiries; and
- Public Consultation.

The Department also reviews proposed amendments and provides recommendations regarding legislation and regulations as they impact SARM members.

2018 Highlights

2018 was a busy year for the SARM Planning Department. Throughout the year, staff assisted approximately 59 municipalities (51 Rural Municipalities and 8 Urban Municipalities) with planning related issues. Some of the more common issues and topics that the department worked on included oil and gas refineries, regional planning, intensive livestock operations and cannabis production facilities. In the beginning of 2018, approximately 36 official community plan and

zoning bylaw projects remained open which is consistent from previous years. The number of requests for advice regarding development permits, subdivisions and other general planning related inquires varied throughout the year but remained steady.

In addition to the day to day planning tasks, staff worked with various Ministries regarding proposed changes to: *The Statements of Provincial Interest Regulations, 2012; The Dedicated Lands Regulations, 2009; The Uniform Building and Accessibility Standards Act; Intensive Livestock Operations and Cannabis.*

In 2018, fees for planning services covered approximately 35% of the department's costs; the remainder of the costs were funded through the Strategic Initiatives Funding.

As always, the SARM Community Planning Services Department will move into 2019 and seek ways to ensure that it is providing quality services that meets the needs of rural Saskatchewan. We look forward to 2019 as another exciting year to continue to serve and work with SARM members.

INSURANCE AND BENEFITS

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 2018.

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 2018 remained the same as 2017 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:	\$300 for \$30,000 coverage
Group Coverage (per RM):	\$550 for \$40,000 coverage OR \$800 for \$50,000 coverage

At the end of 2018, 293 rural municipalities (including SARM) were participating in the SARM Benefits Plan, with 2,039 employees enrolled. Group coverage for elected and appointed officials is available at three coverage levels. Coverage at \$30,000 was taken by 165 municipalities; 18 municipalities chose coverage at \$40,000; and 44 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 2018.

The breakdown of claims paid for 2018 is as follows:

Disability Benefits	\$ 944,902
Vision Care Benefits	\$ 140,345
Maternity Benefits	\$ 14,000
Death Benefits	\$ 15,000
Accidental Death & Dismemberment	\$ 60,000
	\$1,174,247

Disability benefits claims decreased by \$302,127 from 2017. There were fifteen death benefit claims and two accidental death benefit claims were paid. The vision care claims increased by \$4,336 from 2017, while maternity benefits claims remained average. The total amount paid for all claims was lower than 2017 and as such there was an overall surplus of \$463,857 for 2018, bringing the net assets of the SARM Benefits Plan up to \$3,922,359.

In 2018, the SARM Board of Directors approved the rates for all SARM Benefits Plan coverages to remain at their current levels for 2019.

Group Benefit 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 2018, 252 rural municipalities (including SARM) were covering all their employees bringing the total enrollment to 1,593.

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 2018, there was a premium increase for the health care benefits and a for the dental care benefits.

Participation in this program increased in 2018 to 280 rural municipalities (including SARM) covering 2,227 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 2018, 91 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, \$50,000, \$100,000 or \$200,000 per person up to age 65. For employees age 65 to 70, the coverage amount is reduced to \$12,500.00, \$25,000, \$50,000 or \$100,000 and terminates at age 70. No medical underwriting is required, as this is a group program. Premium rates for 2018 increased slightly from 2017.

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. If the RM has the Group Life insurance, we also added that council members also have the option of opting into the benefit at the same level as the RM.

At the end of 2018, 135 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 1,130.

SARM Fidelity Bond Self-Insurance Plan

The Fidelity Bond Self-Insurance Plan commenced January 1, 1994. For the year 2018 there were 294 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 2018, there were eight (8) claims made against the Plan. All of the claims were under the Money & Securities Coverage. Seven (7) claims have been paid and closed, totaling \$1,861.43. One (1) claim is still in progress and \$800 has been reserved on the file. Two claims under the Fidelity Bond Coverage from prior years remain open for potential recovery. The Plan had a surplus of \$42,300 this year, bringing the total net assets to \$467,951.

SARM Liability Self-Insurance Plan

The SARM Liability Self-Insurance Plan officially went into operation on October 1, 1987 with 214 rural municipalities participating. Currently, the Plan provides liability coverage to 281 out of 296 Rural Municipalities. 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 2018 we opened 77 new claim files, which was below average for the last ten years. Claims expense for the Liability Self-Insurance Plan for 2018 was \$188,703.15. 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 \$281,262.75. Investment Income earned by the Fund was hampered by the poor performance of the markets in 2018, resulting in a loss of \$3,878.78. Overall for the year, there was a deficit of \$285,141.53, bringing the total Fund Balance for the Liability Self-Insurance Plan down to \$13,359,154.08.

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 2018, the breakdown is as follows: 1) Investment Income totalling (\$3,878.78), which was distributed to the RM's Individual Member Accounts; 2) Specific Claims Allocations of \$150,666.51, 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 \$130,596.24, which represents the remainder of the operational deficit distributed to the RM's Individual Member Accounts, based on the premiums paid in 2018.

In 2018, a premium increase was approved by the SARM Board of Directors, as part of a multi-year strategy 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 2018, the program saw further growth in participation, growing to 177 out of 281 Rural Municipalities who are LSIP participants also 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 2018 there were 215 rural municipalities 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 2018 was \$293,905, a 17% 'claims-to-premium' ratio, which is well below 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 surplus of \$759,675 which, along with investment income of (\$1,065), was distributed among the member accounts of all participants. The total reserve for the SARM Property Self-Insurance Program at the end of 2018 increased to \$3,383,818.

LEGAL SERVICES

In 2018 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 80% of Michael Morris' time and 64% of Andrew Svenson's time.

As at year end a total of 29 claims files remained open, which is below average for the last ten years. Eight (8) of those files were opened in 2018.

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 was down slightly from 2017. In 2018, our department provided legal services to 158 RMs on a fee for service basis. The inquiries were on a variety of topics from bylaws to road issues. Responding to these requests accounted for 13% of Mike's time, 21% of Andrew's time and all of Ray Petrich's time.

As most of you know, Ray Petrich retired on December 31, 2018. Ray had been working part-time with SARM, on a contract basis, since 2013 assisting our department with responses to RM inquiries. We thank Ray for all his help and wish him the best in his retirement. In addition to the above, Mike and Andrew assist 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 2018.

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 scholarships in 2018 to three worthy recipients.

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 2018 calendar year the Rural MAIP saw the completion of 6 internships and a further 10 were approved to start and will finish in 2019. SARM offered a train-the-trainer course in May 2018 for host RM administrators to attend.

SARM provided financial assistance in 2018 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 SaskPolytechnic, U of R, U of S, Yorkton and Muenster as well as email information sent to Saskatchewan high schools and post-secondary institutions.

Outdoor Worker Education and Safety Manual

In 2018 SARM worked with the Southeast College to offer Operator Training courses at our Annual Convention; WHMIS, First Aid/CPR, Supervisory Skills and Being a Safety Leader.

Management Essentials Training

SARM signed a Memorandum of Understanding with the Southeast College in November 2015 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 several business training workshop style courses.

The program is divided into three streams: Administrative, Foreman and Safety. Enrollments in these courses rose to 518 in 2017/18.

AWARDS AND 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.

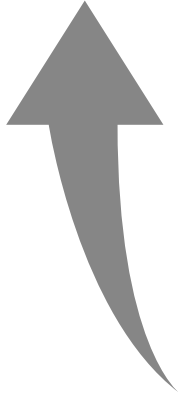
Third Place: *Youth Committee (Town of Kindersley)*

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.

TRADING SERVICES



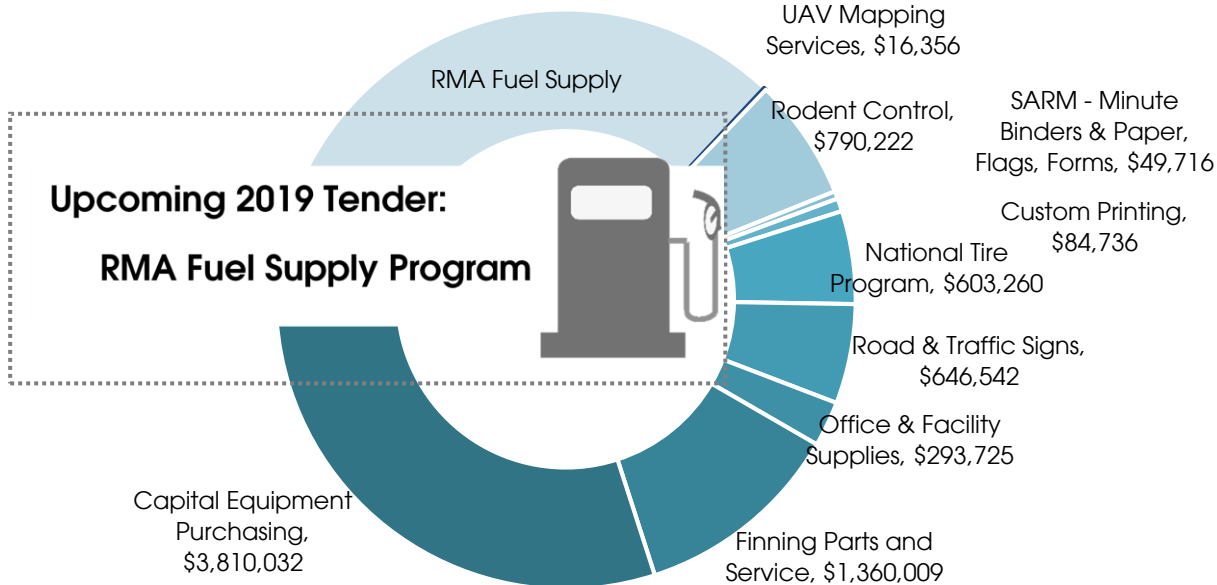
Several tender processes were conducted on our members' behalf – saving them both time and money.

- Heavy Equipment and Vehicles
- Firetrucks
- Fleet Management
- Tires
- Traffic Signs

296 RMs

Every RM in Saskatchewan participated in at least one of SARM's Trading Services.

2018 Sales by Product



FINANCIAL DEPARTMENT

Consolidated Financial Statement 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, 2018 are posted separately under Audited Financial Statements.

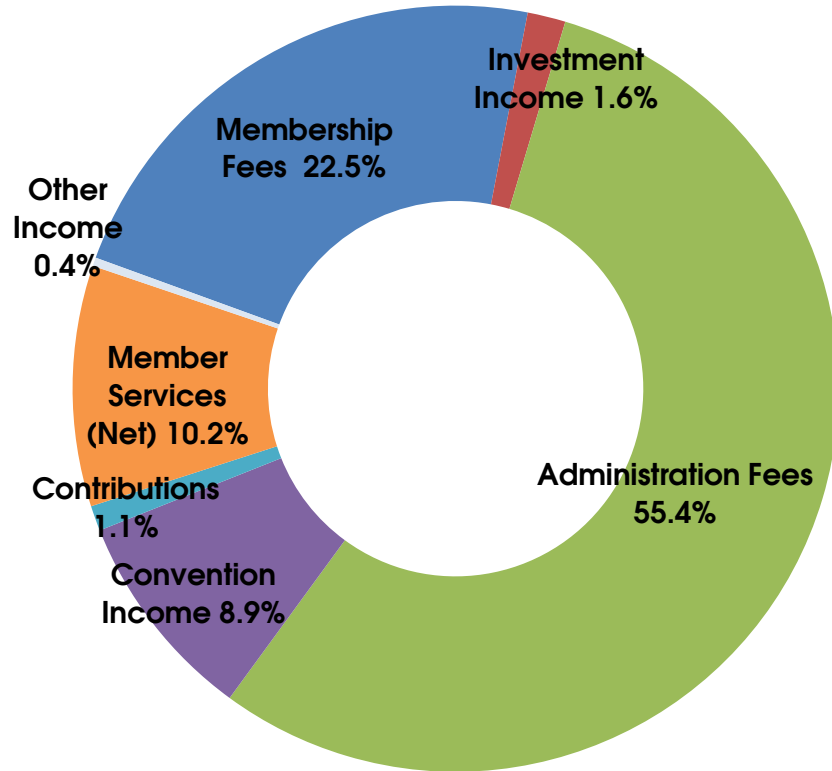
**Financial Position Highlights
As at December 31, 2018**

Assets:	
Current Assets	\$ 12,651,894
Long-Term Investments	16,944,163
Capital Assets	6,852,045
	<u>\$ 36,448,102</u>
Liabilities:	
Current Liabilities	\$ 3,460,313
Due to Investment Pool	3,090,205
Fund Balance:	
General	6,880,626
Insurance & Benefits Fund	21,163,280
Other Restricted Funds	1,853,678
	<u>\$ 36,448,102</u>

**Operations Highlights
For the year ended December 31, 2018**

Membership Fees	\$ 845,640
Administration Fees	2,086,258
Other Revenues	450,197
	<u>3,382,095</u>
Salaries, Benefits and Staff Expenses	1,592,954
Conventions & Division Meetings	347,535
Advocacy, Communications & Meetings	132,142
Board & Other Meetings	506,564
Property & Amortization	323,228
Other Expenses	378,822
	<u>3,281,245</u>
Member Services Revenue	15,145,223
Member Services Expense	14,762,726
General Fund Surplus	<u>483,347</u>
Premiums & Other Revenues	4,609,295
Claims Expense, SARM Fee & Other Expenses	3,628,606
Insurance & Benefit Fund Surplus	<u>980,689</u>
Contributions, Fees & Interest	20,570,217
Program Expenses	17,947,415
Other Restricted Funds Net Change	<u>2,622,802</u>
Consolidated Surplus / Change in Fund Balance	<u><u>\$ 4,086,838</u></u>

2018 % of General Revenue



2018 % of General Expenses

