



# **STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE**

**Hansard Verbatim Report**

**No. 25 – May 8, 2018**



**Legislative Assembly of Saskatchewan**

**Twenty-Eighth Legislature**

**STANDING COMMITTEE ON INTERGOVERNMENTAL  
AFFAIRS AND JUSTICE**

Mr. Fred Bradshaw, Chair  
Carrot River Valley

Mr. Buckley Belanger, Deputy Chair  
Athabasca

Mr. Ken Francis  
Kindersley

Mr. Hugh Nerlien  
Kelvington-Wadena

Mr. Eric Olauson  
Saskatoon University

Ms. Laura Ross  
Regina Rochdale

Mr. Corey Tochor  
Saskatoon Eastview

[The committee met at 15:27.]

**The Chair:** — Well good afternoon everybody and welcome, members of the committee. I'm Fred Bradshaw, the Chair of the committee. We have Nicole Rancourt substituting for Buckley Belanger, and also in attendance is Doyle Vermette. We have Ken Francis, Hugh Nerlien, and substituting for Eric Olauson is Lori Carr. We have Laura Ross.

And right to begin with, I would like to ask a member to move the following motion:

That the agenda be amended to recess from 5 until 6 p.m.

Mr. Francis moves. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. We're also joined by Corey Tochor.

**General Revenue Fund  
Government Relations  
Vote 30**

**Subvote (GR01)**

**The Chair:** — This afternoon the committee will begin its consideration of the estimates for the Ministry of Government Relations. We will now begin with vote 30, Government Relations, central management and services, subvote (GR01).

Minister Kaeding, please introduce your officials and make your opening comments. And I'd like to remind the officials to introduce themselves when they speak. Thank you.

**Hon. Mr. Kaeding:** — Thank you, Mr. Chair. Good afternoon. It's my pleasure to speak to the spending priorities outlined in the Ministry of Government Relations budget for 2018-19. And I'm joined this afternoon by I believe a very large all-star cast of Government Relations officials and senior officials from the Ministry of Government Relations. This includes Deputy Minister Tammy Kirkland, Assistant Deputy Minister Keith Comstock, Assistant Deputy Minister Laurier Donais, Assistant Deputy Minister Giselle Marcotte, and Assistant Deputy Minister Duane McKay. They also have their program experts with them here this afternoon.

So I'd like to begin by providing a few general comments on the ministry's 2018-19 budget, and then my officials and I would be very happy to answer any questions that committee members may have. This budget reflects government's commitment to get back to balance. Government Relations 2018-19 expense budget is \$581.8 million, a decrease of 91.4 million or 13.6 per cent over last year.

Highlights in this budget are going to include 241.1 million for the municipal revenue-sharing program, and this is a decrease of 16.7 million and represents revenue from one point of PST [provincial sales tax] derived in 2016-17.

83.2 million for the new Building Canada Fund, and this is an increase of 15.7 million and it reflects estimated funding

requirements for this year. 74 million for gaming payments. This is a decrease of 2.7 million and it reflects an anticipated decrease in casino revenues. 63.5 million for the gas tax program. This is an increase of 2.2 million. 37.4 million for the Clean Water and Wastewater Fund. This is a decrease of 72.1 million, but it reflects estimated funding requirements for this year and the wind-down of that program.

We have 15 million to complete government's three-year commitment to Saskatoon's north commuter parkway bridge. We have 13.3 million for grants-in-lieu of property taxes, and this is an increase of 200,000 to reflect estimated funding requirements. We have 10.5 million for the Saskatchewan Assessment Management Agency, and this is a decrease of 312,000 and it removes funding for a capital technology upgrade and adds new operating funding to support the upgrade. We have 6.1 million for the Public Transit Infrastructure Fund, and this is a decrease of \$18 million. It reflects estimated funding requirements for this year. We have 500,000 for a new subdivision online application system, which will improve delivery to developers.

We also have a new line in our budget called provincial municipal support for \$496,000. This funding is provided as a consequence of the decisions taken regarding the restoration and expansion of the SaskEnergy municipal surcharge and the elimination of the one-year offset cap. It will be used to ensure that a municipality does not receive less funding than they received in 2017-18.

Now I would like to describe our budget by examining the expenses. Over 94 per cent of our budget reflects third party transfer payments. The majority, 81.5 per cent, is provided to municipalities and municipal stakeholders primarily through revenue sharing and infrastructure grants, while 12.8 per cent is provided to First Nations and Métis organizations primarily through gaming agreements. This leaves 5.7 per cent of our ministry's total budget to deliver ministry programs, and this includes community planning and support; ongoing programs, services, and reconciliation efforts in relation to our First Nations, Métis, and northern portfolios; emergency management and fire safety responsibilities; building standards; gas and electrical licensing; and the provincial disaster assistance program.

So this concludes my overview of the Ministry of Government Relations' 2018-19 budget. It is a budget that still delivers on our commitments to the communities and the people of Saskatchewan. Thank you.

**The Chair:** — Well thank you, Minister. Are there any questions? Ms. Rancourt.

**Ms. Rancourt:** — Thank you. I want to take the opportunity to thank all the officials that are here this evening. I really enjoy when we get this opportunity to come to committee and I get to learn a lot more about municipalities and the municipal relations portfolio because it's so diverse and there's so much to learn and so . . . You guys always do such a great job with explaining some of the programs that you offer, and I want to thank you a lot for that.

And I also want you to be mindful of the fact that, when I ask questions about how the operations are running or ask the minister some questions, it's in no way to negate the fact that we know that you guys are hard working and you do an excellent job with providing services to the people of the province and we appreciate all the work that you do. So thank you for taking four hours of your day today to come and listen to me give you a whole bunch of questions today.

Today I'm joined with a couple of my colleagues, Doyle Vermette, the MLA [Member of the Legislative Assembly] for Cumberland, and Buckley Belanger, the MLA for Athabasca. And they have some questions that they would like to also ask today, so I'm going to turn it over to one of them. Thank you.

**The Chair:** — Mr. Vermette.

**Mr. Vermette:** — Thank you, Mr. Chair. I guess getting right in again to the minister, you know, giving us an opportunity. Thank you for being here with your officials. And I guess we may as well get right into some of the questions that we have, and you can give us some of the information that we're going to need.

I'm just thinking, and I want to get into a little bit of staffing. And I'm more worried in the area that I want to go, is northern Saskatchewan. As the critic for that, that's where I want to go, so I'll just give you the heads-up that's where I'm going to have some questions. And I guess my . . . You going to do a little change there? Okay.

Thank you. I guess starting out with I've always . . . Jobs are important in northern Saskatchewan. They are key to so many opportunities for economics, for a community to have a good workforce, government employees who make a good paycheque and can, you know, buy a home and provide for their family. It helps the local economy. It helps the local business entrepreneurs. And I just look at that, and I've said for years, it seems like unfortunately northern Saskatchewan, if you go to some of the buildings it's, you know, it appears like jobs are leaving.

Now I don't know with yourself what your plan is when it comes to, you know, staffing, and I wouldn't mind having an update on some of the staffing. And I'll give you an idea. I would like to see if there's any numbers have changed of staffing within your ministry in Northern Affairs, and that's where I'm thinking about it, if you can give a little bit of information. And at the same time I'll put this out, if you can identify . . . And I've asked this before and maybe you have come up with a new way and maybe you haven't, identifying the Aboriginal, you know. We look at the population in northern Saskatchewan, and I would just like to see if there's any reflecting our population as Aboriginal, but also those individuals with disabilities. I just want to give that if . . . give you time to go through that. I just thought it'd be nice to start it there.

**Hon. Mr. Kaeding:** — So we'll break this down. So the northern division, we've got 29 FTEs [full-time equivalent]. We have nine that are employed in the northern engagement portion of that. Three of those nine are Aboriginal. And we have none that have declared themselves with a disability. So over that

time there's been no changes in FTEs from previous budget.

**Mr. Vermette:** — Okay. I know your role is to advocate with the ministries and being the response for Northern Affairs, and I hope you're advocating. And that's what we've always wished the minister of Northern Affairs would do within the ministries. And we've questioned them and sometimes maybe some have found areas where they've, you know, worked a little harder or we'll say there was an area where they found that they wanted to work on — they would do that.

Being that you're a new minister, at this point have you visited the North at all? Have you made it into the northern communities, any of them, just out of curiosity in your new role as minister? I'm just curious to start there.

**Hon. Mr. Kaeding:** — Sure. So I guess now we're getting close to our three months in this portfolio. What I have done is I've engaged with each one of the segments for First Nations communities. So with the First Nations, we've met with virtually all the heads of the tribal councils, gone to a number of functions where I've had the opportunity to meet chiefs and band members and council members of the various reserves as we've gotten through, you know, different functions we've attended.

Went to the Métis Nation organization, their AGM [annual general meeting] in Saskatoon a couple weeks ago and met with various stakeholder groups as we have over that time, you know, whether it's economic development issues. We've met with our Sixties Scoop survivors, so certainly been engaging in the various roles and entities that we've had within our First Nations group.

We've had, just in the process actually of working on a northern trip where we're certainly going to be trying to get up to as many northern communities as possible. La Loche is certainly on the list, Fond-du-Lac, Pelican Narrows. So those are just a few of the communities that I know that we've made contact with and have made a promise to get up there and make sure that we visit their communities. And as well, meet with our GR [Government Relations] people up there too and just see what they're up to and what they're involved in and the different programs that they've got on the go there as well.

**Mr. Vermette:** — Okay. Thank you for that. And again and I hope you do get into as many of the northern communities as you can as you represent the North and this government's, I guess, mandate.

And having said that, I know you have an opportunity and I don't know if you've been brought up to speed on the Wollaston Lake road. And if you have been, I know the leadership, PAGC [Prince Albert Grand Council], chief and council, you know, the mayor and council, I know that they have been working hard on trying to get the government for years to respond to that. And I don't know if you have any information you could share. Have you worked with the Highways minister or any of the officials trying to advocate for the Wollaston Lake road and seeing where we go? If you can just give me an update, if you have anything to share at this point.

**Hon. Mr. Kaeding:** — Certainly anything pertaining to Highways is best asked with the Minister of Highways, but we certainly have been in discussions with, really with all modes of transportation into the North, certainly talking about airports and roadways. We've met with a couple of stakeholder groups that have certainly identified the highway, the Athabasca projects, and the Athabasca highway in there as something that needs some attention. So we've had discussions with stakeholder groups, but I think probably best left with Highways as to try and explain exactly, you know, what their priorities are going to be up in the North this year. I do understand that they are devoting a significant amount of dollars to different or northern highways.

**Mr. Vermette:** — And I guess why I bring it up . . . And I realize you have other, you know, ministries that you're responsible for. But I guess Northern Affairs is the one that used to have an office of its own, with staffing of its own, and the minister at the time would work with ministries to make sure the issues in the North were addressed, whether it be housing, highways — it didn't matter — social service. It gave that extra look at the North feeling like it was always forgotten about, and that was the interest. And I know the government changed, of the day, decided to change and, you know, we have a minister responsible for Northern Affairs.

And that's why I say you can be, and hopefully you will, you know, be a champion for the North as we raise issues with you, and that's why I say that and I'm being genuine when I say that to you. We're willing and I know the leaders, we'd be willing as the MLAs to work with you to advocate with different ministries because I think it's crucial. You could have an opportunity at the table to raise the issues that need to be raised. And I think about the road for one. There's airports, as you have said, and I understand what you're saying, sometimes those questions work with, you know, the Ministry of Highways. But again I go back to saying your title that you have and your responsibility when I look at my role as critic for Northern Affairs, I see you as the person that I get to say, here we encourage you to advocate for many of those people.

So as you go to the North and you meet the people, I hope that you hear the issues that you at the table can advocate because that's my understanding of the role of your being responsible for Northern Affairs is to advocate, and I hope you will do that and I mean that with the most respect.

[15:45]

Now having said that, I know there's different issues, and I'll give you another one. I have raised petitions in the House here and maybe you can help our, not only our northern trappers, but trappers in Saskatchewan, and I'll see what you think about this. We've asked for trappers, right now currently if you're 65 years of age or older, you don't have to have a fishing licence. In northern Saskatchewan or the rest of the province, if you're a trapper and you're 65 years of age or older, you have to buy a trapper's licence. We've been petitioning, asking, and they have asked and I have brought that forward. Maybe you can work with the Minister of Environment to push to say maybe it's time to look at this and give it a fair shake. It feels like they're willing to look at it, but maybe you could give that a push advocating for our northern trappers, and seeing that it's their

wish, I would encourage you and I'll just see what you think about that if you wouldn't mind, sir.

**Hon. Mr. Kaeding:** — Certainly recognize the North as a very valuable asset to this province. So you have my commitment to certainly do what I can and certainly within our ministry that we can to help support the North.

Just a couple of examples are, we lead an ADM [assistant deputy minister] working group on northern issues. So that's where DMs [deputy minister] from other ministries . . . ADMs from other ministries will come together and discuss northern issues. And we've taken the lead on that. The other one is we help the various ministries collaborate on northern issues. So be it Education, Health care, Social Services, all those ministries . . . Yes, La Loche would be a good example of where we've taken the lead on getting services improved and put into La Loche.

Northern trappers, we're certainly open to any kind of those discussions. I know the Northern Trappers Association is something that we've certainly earmarked as a valuable commodity within Government Relations as well, and we have been doing some work there. Yes, we've helped them develop a board governance training workshop and we've also helped to strengthen their organization's structure. There's 14 interests that are identified with the Northern Saskatchewan Trappers Association, and several have already been addressed while others are in ongoing discussion. So certainly the over 65 would likely be one of those ongoing discussions.

So we've certainly taken the lead in trying to bring some of those discussions to the forefront, so we will certainly be working with them.

**Mr. Vermette:** — Well I thank you for that commitment then. I know from time to time myself, and I know there's certain leaders and residents in northern Saskatchewan have tried to work with ministries in different areas. And I guess now, knowing that you're saying you're committed to that, when I have issues with some of the ministries that are not, as far as I'm concerned, exactly accommodating the residents, I'm glad that you're saying you're willing to look at that and have an opportunity. And I won't get into any details because at some point me and you are going to have a meeting and I'll share some of those frustrations that will happen. So that dialogue's going to be good.

When I think about an area where you could be grateful with the trappers, and I know they'd appreciate it, the trappers have gotten funding from different ministries and partnerships and it's worked well, but unfortunately, even in the good times they unfortunately were getting cut. And maybe that's an area you could look at to see if there's ways to find dollars and commitment from the ministries, advocating for the trappers. Again I give you that as a suggestion. It's an opportunity to show the good faith, that hey, we're willing to do that.

So I would encourage you, and if your officials . . . Maybe you guys can find a way that, you know, they're not a one ministry gives 50 or 60 or 100,000 or 200,000. Maybe they can share it and give more supports to them. It is a very vital tradition, living off the land, that many of the trappers do. I realize some

of them, you know, they're not to the extent of full time. But many of them do practice as a culture and it's very important to them. And I think that would show a good faith, you know, and just as you're . . . Just something for you to look at and file. So I'd appreciate if you could look into that and see what you could do, if there's any way you could advocate with the other ministries to do that.

If you're finished, the last question I'll ask you on Northern Affairs is, we have a crisis in northern Saskatchewan when it comes to mental health, comes to addictions, it comes to youth suicides. Again I say this. You have an opportunity to advocate for many of those families. I attend way too many funerals. I go to support the families the best I can. I'm not . . . Everyone's touched. Every family gets touched when it comes to the addictions, the suicides. And I don't know if there's anything you and your officials can do working with the Ministry of Health and whoever you need to. But I say to you, there is a crisis going on.

And I look at many of the different things with the addictions, the HIV [human immunodeficiency virus], hepatitis C, with all the challenges that are going on in northern Saskatchewan. And it's not just the North; like I know there's other communities. But again I go back to this as a minister responsible to advocate, I ask you — and again with the respect — please advocate with the ministries to say, have a look at these things and meet with the leaders, meet with the people that you have an opportunity when you come up north to meet with. And again all I can say to you is, ask you to advocate for the people. They need help. They're suffering and they've been going on for years. And I just ask you if you will look at and meet with some of them, meet some of our young people that are having troubles.

And if you can, again, I would love to see what you have to say with your commitment. And maybe there's things that you could move that we can't get done, but you might be willing to move on. So I leave that with you. Thank you for your time.

**Hon. Mr. Kaeding:** — So certainly I think you've seen from this government that they value every life. Every life is important to us, and certainly recognizing the fact that we're dealing with issues throughout the province.

But I do look at the hopeful part of it and the positive part of it. And even today, you know, the group that we saw come visit us today I think is a good example of youth leadership and good youth leadership. And I commend you folks as well for recognizing that and certainly being a part of that.

Just a few of the initiatives and, if you want, we can expand on some of the things that we've been working on. One is Embracing Life initiative. Another one is the La Loche Clearwater planning group. And the other one is a northern alcohol strategy that we've taken the lead on. So if you're interested, I can have officials, you know, just briefly describe what some of those are and what their goals and missions are, if that's something you'd like to expand on.

**Mr. Vermette:** — Well on the one with the alcohol addictions, I am aware of it. I've been to the presentation and they've invited me. And so I've had an opportunity to watch the work they're doing, so I have that already. But I appreciate that

anyway. And if I need anything further, I'll get hold of your office and you guys can set something up. But at this point I think I have a good understanding of where they're going.

**The Chair:** — Mr. Belanger, you have questions?

**Mr. Belanger:** — Thank you. Thank you very much, Mr. Chair. And welcome to the minister and to his officials. I just want to confirm. Are you the minister responsible for monitoring and allocating funds through the gaming agreement?

**Hon. Mr. Kaeding:** — Yes, we are.

**Mr. Belanger:** — Not necessary to have a long wait on this, maybe you can just give us a ballpark figure this afternoon as to what revenues that you have afforded to both the First Nations and, more in particular, I'm interested in the allocation from the gaming agreement to the Clarence Campeau Development Fund. Can you give me the last three years? Even if it's general ballpark, I'm fine with that.

**Hon. Mr. Kaeding:** — Okay. I'm going to get Laurier Donais to go through the information that he's got. But I just want to make sure for the record that we are a flow-through, right? So the Ministry of Government Relations is just a flow-through entity where gaming revenue comes in and then we reallocate. And, Laurier, I'll just get you to expand on that.

**Mr. Donais:** — Sure. Laurier Donais, assistant deputy minister with the Ministry of Government Relations. So in the '18-19 budget we have 2.743 million allocated to the Métis Development Fund and, as you know, through the agreement that the government has with the MNS [Métis Nation of Saskatchewan], Clarence Campeau Development Fund is named as the Métis Development Fund. And then the First Nations gaming agreement, so that would be the First Nations Trust, and then the six community development corporations, what we have in the budget there is 71.299 million.

I think I also heard you say previous year funding as well. So I can really give you a bit of a breakdown of what's been provided in the past there. So in 2017-18, the amount that we actually paid to the CDC, the community development corporations, was 20.303 million. Then for the First Nations Trust we paid 53.987 million, and for Clarence Campeau Development Fund we paid 2.565 million.

And then for 2016-17, so that would be the year prior, we paid community development corporations a total of 19.703 million; First Nations Trust, 53.845 million; and Clarence Campeau Development Fund, just over 3 million, 3.093 million. And you probably noticed the big discrepancy or the decrease I guess, from '16-17 to '17-18 on the Clarence Campeau, and that's simply because of reconciliation payments. So once a fiscal year ends for the Sask Gaming Corporation and they determine all of the profits for that organization, there may be an additional payment made. And that was the case in '16-17.

**Mr. Belanger:** — Yes, and those figures are probably an average. And I'm not trying to put you on the spot here, Mr. Minister, but on average the Clarence Campeau fund probably receives anywhere between two, two and a half million dollars per year. Is that a fairly safe assumption?

**Mr. Donais:** — 2.5 to 2.7 million.

**Mr. Belanger:** — Okay. 2.5 to 2.7.

**Mr. Donais:** — 2.7, 2.8. Yes.

**Mr. Belanger:** — And as well, is it fair to say that the Clarence Campeau Development Fund have in excess of \$30 million in liquid cash? Is that a fair assessment? I know I reviewed their annual statement several months ago, and I'm just doing this from my own memory. But is that a fair assessment to say that the Clarence Campeau Development Fund has in excess of \$30 million in their bank account? Is that fair to say?

**Mr. Donais:** — So the Clarence Campeau Development Fund has — I'm just referencing their annual report here for '17-18 — they have net assets at the end of December 31st, 2017 of 29.345 million. Now that isn't necessarily cash. That would be all of their assets less their liabilities. So things like, it would include some cash, short-term investments, some accounts receivable, some prepaid expenses, interest receivable on loans, mortgages receivable, and loans receivable, and then also some capital assets. And then we take off the amount of liabilities that they have. So net assets at the end of December were again 29.345 million.

[16:00]

**Mr. Belanger:** — Thank you very much. The other point that you raised, Minister, is that you were a flow-through partner in this gaming agreement. Did you simply channel the money to the appropriate agencies? And again, I'm going with a specific purpose. I'm focusing on CCDF, the Clarence Campeau Development Fund. Do you actually appoint the board of directors on CCDF?

**Hon. Mr. Kaeding:** — I'm going to get Laurier to speak to that.

**Mr. Donais:** — So the board of directors for the Clarence Campeau Development Fund, the Clarence Campeau Development Fund will have a nomination committee that will put forward a list of names to the Métis Nation-Saskatchewan — and this is for the voting members — they'll put forward a list of names to the Provincial Métis Council of the Métis Nation of Saskatchewan. And from that, the Provincial Métis Council will select the members that would represent the Métis people in urban, south, north, and then a member at large.

And then the government has two appointees to the Clarence Campeau Development Fund. They're ex officio non-voting board members. So I guess to answer your question, the government doesn't appoint the board members other than the two ex officio non-voting board members.

**Mr. Belanger:** — Yes, and the purpose of my line of questioning, Mr. Minister, is that while I appreciate the notion that you would view your role as a flow-through partner, that appointing ex officio board members, even though they're not voting board members, you do have influence on appointing those two, ex officio as they may be. You still have the authority and power to appoint them.

The process of having the CCDF board per se recommend names per se to the Provincial Métis Council, would it not be perceived as a conflict in the sense of, if I'm sitting on the board of directors for Clarence Campeau Development Fund, I'd want to stay on. So I get this committee in place saying, well let's keep the same people on and recommend this to the Provincial Métis Council.

What if there is some demur in that process? Or what if there's some disagreement from the parent organization back to the CCDF board of directors that's recommending names? How would the government, how would you deal with that or reconcile that issue?

**Hon. Mr. Kaeding:** — So I think part of our discussion around the Clarence Campeau Development Fund is they do a board policy, and board policy dictates that they have alternating three-year appointments. So I think, you know, like any democratic institution, there's an opportunity to replace membership that's there.

The one concern that, you know, we're maybe alluding to is that government should, you know, provide oversight to something that really Métis Nation-Saskatchewan has the ultimate oversight to. They're the ones that are managing this. They're the ones that have the oversight to the Clarence Campeau Development Fund, so a lot of those decisions are really best left in their hands. You know, we provide some level of oversight, but certainly not at the level that I think Métis Nation-Saskatchewan has the best opportunity and the best ability to.

**Mr. Belanger:** — No, and I understand. Being a new minister to the file, I think it's important that I communicate with you that there are, in my opinion, some deficiencies in how the process works. Now how you wish to address that in your role, well that's obviously your call. What I don't want to leave the Assembly with is you not knowing what the issues are as I see it.

So I just wanted to clarify: what you're telling me is that the board, within their mandate of being a CCDF board, recommends a list of names — even if they're alternating, whatever the case may be — for consideration of appointment, and that the Provincial Métis Council, there's no demur from them. You simply rubber-stamp that process. Is that the role you see as a flow-through partner as it pertains to the allocation of these CCDF dollars?

**Hon. Mr. Kaeding:** — So ultimately it's Métis Nation-Saskatchewan that has the overall mandate to be managing and looking over that board. Now we do have two members on there. That provides accountability, right? There is two government members that are on that board to provide, certainly, a level of accountability.

So I guess we could certainly discuss the role of, you know, maybe where you feel government needs to be involved in this, and maybe where we feel government needs to be involved in this. But you know, we certainly want to provide that arm's-length separation so that Métis Nation has the ability to manage and operate this, kind of at that arm's length from government.

So our contribution is to make sure we've got two members on that board with no voting authority, but certainly to provide accountability of the board as well.

**Mr. Belanger:** — Are the members of the CCDF board of directors, are they appointed by order in council?

**Hon. Mr. Kaeding:** — Okay. Ultimately, it's a Métis Nation . . . The board consists of four voting members, two non-voting members. Two non-voting members are Government of Saskatchewan representatives, one from Government Relations — and we've traditionally had an ADM in that responsibility — and the other one from Trade and Export Development is the other government representative on the board, both with non-voting ability.

So there's no order in council or anything that's done on government's part. We've provided the names put forward to Métis Nation, and it would become part of their board.

**Mr. Belanger:** — And you know, the reason I would inquire is that I still think the process is flawed, Mr. Minister. And the reason I share that with you is again, and I hope you'd undertake to review how this was done. I know, speaking to a couple of former executives of the Métis Nation of Saskatchewan, that they could not appoint a member from their executive on the CCDF board. In fact, the CCDF board rejected a request by a couple of members to be on that board.

So are they a power unto themselves? I don't want to make that assumption, but I'll tell you, if you're . . . I don't simply view the government as just a gatekeeper, as a flow-through partner. I don't want the government to take over what the Métis Nation's role should be, but as a partner, I think it's important, incumbent to understand if there are processes within the system that needs repair then there should be the onus on the non-voting members that the government appoint to say we need to figure out what's going on here if there are some issues. And I'm just apprising you of what I perceive as a Métis member of Saskatchewan.

Now would you be privy to bonuses paid to CEOs [chief executive officer]? If there is an amount, would you have that information?

[16:15]

**Hon. Mr. Kaeding:** — I'll get Laurier to speak to that. He's aware of the background.

**Mr. Donais:** — So the Clarence Campeau Development Fund's annual report and the supplement to the annual report discloses any payees that would receive amounts greater than \$2,500. And so, you know, there'd be a number of individuals, you know, their salaries on there, a number of suppliers that would've been paid over 2,500 during that year, and those types of things. So that would be the extent that the government would be aware of amounts that are paid.

**Mr. Belanger:** — So you can't confirm nor deny that there was a bonus paid to the CEO of the Clarence Campeau Development Fund. You basically explained to me today that there's a list of people that get paid 2,500 or more and there's

also a list of salaries. I'm assuming that the report will also indicate bonuses paid out to CEOs under their annual report. Is that correct?

**Mr. Donais:** — It would all be included. If there were bonuses that were paid, it would all be included under that employee, and it would be a total for that employee so . . .

**Mr. Belanger:** — And do the financial requirements dictate that there be a separation of salaries and bonuses under reporting mechanisms of the province of Saskatchewan?

**Mr. Donais:** — No, there's no requirement to identify, you know, differences between or amounts paid for, sort of, regular salary versus bonuses for the Government of Saskatchewan that I'm aware of.

**Mr. Belanger:** — Okay. And, Mr. Minister, the reason I'm asking these questions is that I want to see if there's a correlation between the value of CCDF being almost \$30 million and the fact that I've long felt that CCDF could do more for the Northwest and for the Métis community when it comes to economic building than that has been done in the past. I've been a critic of that process and I want to find out exactly what role that they should play. But I know putting \$30 million into CCDF while entrepreneurs in the Northwest are struggling to build an economy and really trying to create jobs in communities that need the jobs, that there's got to be that concentrated effort to point out that, where's your plan on that front.

And then when you find out, even to this day, that some members of the executive of the Métis Nation of Saskatchewan are having difficulty being appointed to the board of directors on CCDF, who ultimately has that power and say as to who gets appointed to that board? If the problem persisted in the past and the problem persists today, then I would submit to you, Mr. Minister, that CCDF can appoint their own board. They have the ability to dictate whether they want the member of the executive from the Provincial Métis Council on their board or not. Well I would submit that they are pretty much appointing themselves. If that's the case, if that's the process, then your officials should know that and should be able to provide you with the information.

And correct me if I'm wrong. Is it fair for me to say today, and fair of me to expect from you today that you would undertake to provide me the information as to how the board is being appointed? And if my issue is correct that in the past, executive members of the provincial Métis Nation had difficulty getting on the board, that problem persists today, then you can correct me if I'm wrong. But your ex officio members should be able to tell you that, yes, there is a structural problem in how the board is being appointed.

The reason I'm sharing that with you is that, as I've said before, like we have a crisis in many of the northern Métis communities. We do need strategic investment. We do need economic stimulation. The whole process behind the creation of the Clarence Campeau Development Fund was to stimulate the Métis economy. Now over time I'm hoping that the process doesn't involve a performance bonus, that the more money you have in the bank, that the more the CEO gets. Which I'm not



alleging at this time; I'm just inquiring.

And that's why I'm asking the questions around who appoints the board, how much is in the bank, and what bonuses are being paid out. Because obviously new to cabinet and new to this portfolio, we want to have the most, the best investment on the . . . the best return on investment of that money. I think Saskatchewan people want that. The Métis people want that. And we cannot simply say, well it's an issue that has to be resolved somewhere. We just need to find out where the structural problem is.

And for years I've had a fundamental problem with how CCDF works. I've applied for money from CCDF and I've received some money as a businessman. I've since paid that money back. But as you go into the northwest part of Saskatchewan there's no presence of CCDF. You have a presence here in Regina; you have a presence in Saskatoon; but there's still a resistance to set up shop in the North somewhere where they are an intricate part of building that economy.

So when politicians like myself complain about stuff, well we kind of get a closed door response. And I'm going to add myself. I've asked for meetings. I've asked to see what the plans are. And it was genuinely asked for information so I could share with my constituents. The response I get was no, we don't deal with politicians. But I know they've dealt with other provincial politicians willingly, but they seem to have a closed door policy. Maybe because I'm critical, but I'm not trying to be critical personally. I'm trying to be critical from the perspective as we need that investment in our communities. And some people would suggest they're just hoarding the money and not spending the money. And what does that lead to? Non-investment, non-commitment, and no development of our economies in these northern communities.

So I really want to know what parameters exist around board appointments, how bonuses are paid out, and why is the money being stockpiled within the CCDF. \$30 million is a lot of money and if you were to extrapolate how you could piggyback other revenues onto that money, all of a sudden you can see how this could turn into a 70, 80, \$90 million opportunity.

Now on the positive note, there's been some changes at CCDF. And I want to once again ask, can we have a visit and a chat with whoever the new CEO is, to ask him what's plan for the northwest? You know, we're just asking for a constituent so we can communicate, we can articulate what their plans are.

But to get that closed door policy, and then you hear after the fact that there's bonuses being paid and people don't have the ability to get on the board, and it's a closed shop kind of perspective. Well that's concerning to me. And I think it should be concerning to you as a minister, all the while knowing that I don't want you to take over the role of this board. It's the provincial Métis council's role. I respect that position. But if there are structural and administrative issues that prevent the maximization of benefits for the money geared toward CCDF, we can't sit idly by and hope it fixes itself.

So I just need you to know that we have to understand how this works. And I only have one more point after this, but do you see yourself . . . Would you undertake to get the information

back to me on how the process works now, if there's issues or problems with the process now, and how it will be reconciled in the future?

**Hon. Mr. Kaeding:** — Okay. We'll certainly be able to provide as much as we possibly can to what you've requested here. But I guess I would also encourage the Métis peoples as well, if they're concerned about the operations, the functionality, maybe the direction even that the Clarence Campeau fund is going, that they need to talk to Métis Nation-Saskatchewan as well and ask for those kind of answers to questions as well. They need to be asked those questions. But we'll certainly provide as much as we possibly can with what you've requested today.

**Mr. Belanger:** — Thank you very much, and I'll be looking forward to your undertaking on providing that information. I just want you to know I think the Métis Nation know already what the circumstances are, and I think they'll try and reconcile it within. And I pray that that process is undertaken as seamlessly and as quick as possible.

Now I'll close on this statement, Mr. Minister, in a sense that despite what may be perceived as being a negative guy, I'm actually a very optimistic guy. And the point being is that the Howe Institute indicated that the opportunity attached to the First Nations and Métis people of Saskatchewan is a \$90 billion economic opportunity. The modelling in which Mr. Howe extrapolates that information is very impressive, very, very, well researched as well — 90 billion with a "b."

And this is why your role is so important provincially. You and I know that the Métis Nation are getting a lot of federal dollars. They're starting to move in the right direction, which is important to recognize and to applaud. And at the same token, we want the province to play an even greater role. And perhaps today you can say finances don't permit, but somewhere along the line there's got to be that opportunity will arise in which you will have the opportunity to do something. And I've been there before. When we have the opportunity to do something, you'll try and do something.

[16:30]

So as you look at how I perceive your role, there are a lot of people in my community that want to put up a cabin two miles outside their home that they've had for . . . They've lived there all their lives — haven't left, won't leave. The rigorous process of trying to get a lease to build a cabin by SERM [Saskatchewan Environment and Resource Management] is just impossible to try and get things done. I mentioned this to your colleague, the Minister of SERM, that every time somebody applies for them, they say, oh there's a land freeze. We're trying to do the land use planning. Well that bloody freeze has been on for the last 20 years, 30 years. People aren't buying that anymore. It's just denying access to land.

So I think the province has an important role to play in helping the First Nations and the Métis people under the Truth and Reconciliation Commission. They've come forward with some good recommendations. They've articulated a great vision, and it's going to take bold leadership to achieve some of this stuff. It's going to take bold leadership to get 'er done.

So the jury's still out, from my perspective, as to how you would perform as our minister for Indian and Métis people. When the Aboriginal community can't get access to land, when we know that we're a \$90 billion opportunity for the province of Saskatchewan, when we know we demand our rightful place in the economy, that we're seeking social and economic justice, that's what this is all about. And we can displace the misery. We can displace the suicide. We can displace the dependency. We can displace all the hurt in that community if we start providing leadership.

And I just picked one topic, that being CCDF and how structurally it can make a significant, positive difference. There are some things you should not interfere with and there are some things you should not allow to happen. That's my message to you today.

So as you indicate, there is collaboration between ministries. I think some very positive initiatives should be, start giving some of the indigenous communities some of the land they requested two or three miles outside of their hometowns. What's the big deal of them building a cabin next to the home community they lived all their lives? It's government policy stopping them from building that cabin so they can take their families there and live off the land and enjoy nature and bond and strengthen their family unit. We can't even do that today. And that's what the TRC [Truth and Reconciliation Commission] was all about. It was all about reconciling and healing, and we haven't got there yet.

Now I look at my colleague from Cumberland who's a great leader. He's been a leader in many ways. He talks about addictions, drug and alcohol addictions, and the fact that we need more treatment centres in the North to reclaim our people. Why don't we have more of them, is what he says.

Now I obviously don't bother illicit drugs, but I do have a beer now and then. He abstains totally, so he's a solid leader on that front. But he talks about that with passion because he knows these communities and people need that help.

So I just wanted to explain to you everywhere we go, rules are set from a distance and we get concern from a distance, while really the impact of some of the rules hurt our families. They stifle our future and don't help us in any way, shape, or form. So somewhere along the line, we have to embrace the notion of the Aboriginal renaissance that has to happen within Saskatchewan.

If people don't philosophically believe in it, well let's give them the economic argument. It's a \$90 billion opportunity. You guys want to save the taxpayer money, well let's get the Aboriginal community fully engaged in our economy, fully engaged in our institutions, fully engaged in the use of our lands. So that's a point that I raise.

And everywhere we look, if there are structural problems, and I'll use one example, then those structural problems cannot continue to permeate government, and they cannot continue to stifle the opportunity the Aboriginal people have long desperately sought in this province. So this initial discussion is just to advise you that there are hopes and dreams. We would ask that you become part of the solution and not continue to be

part of the problem that we've seen over time.

So I look forward to that information around CCDF. There's other initiatives that I could go on this evening, but fortunately we only got a couple hours not a couple of weeks. And I look forward to some of the information that you said that you'd be providing me. Thanks again.

**Hon. Mr. Kaeding:** — If I could just, I'll just close off on that part of the discussion is that, you know, we've evolved into a level of policy from 30 years forward and, you know, we're slowly getting through that. But my experience, and it's very short in this ministry, is that I've seen some incredibly positive things in our First Nations and Métis communities.

What I've seen is an incredible amount of imagination and ingenuity in different entities and what they're doing — what they're doing in the business world, what they're doing for their own communities. And being involved with, even spending time with the FSIN [Federation of Sovereign Indigenous Nations] youth at the youth gathering and the enthusiasm and the energy that came out of that group, I tell the stories of the young entrepreneurs there cleaned my wallet out with all the great ideas that they had.

So I have a tremendous amount of hope, and I think we are starting to see some of the benefits of some of the policies and things we're putting forward. Is there more that we can do? Absolutely. And is there more that we're going to do? Absolutely.

But you know, we've got a really good group of people here in this room that are, I think, spending a lot of time in developing things and working with people and developing those stakeholder relations that are going to move things forward. And I have an incredible amount of optimism with that. So I'll just leave you with that.

**The Chair:** — Ms. Rancourt.

**Ms. Rancourt:** — Thank you. I'm going to continue in the First Nations and Métis and Northern Affairs portion of the budget here. And my first question is, how many grants were given under the Consultation Participation Fund for First Nations and Métis communities last year?

**Hon. Mr. Kaeding:** — Okay, as of March 31st, 2018, we had 61 grants that were approved for \$316,000 under the First Nations and Métis Consultation Participation Fund in 2017-18 fiscal.

**Ms. Rancourt:** — So when I looked over the last few budgets and asked this question in the last couple times I've been in estimates, this was well over the \$200,000 that's allocated. Is there any likelihood that you'll increase the amount that's allocated to this portion of the budget?

**Hon. Mr. Kaeding:** — So we've recognized that as well, that we're starting to see some more . . . We've been able to find, you know, monies within the ministry to cover off some of what our original budget allocation was as we've gone into these overages. But we've noticed that trend as well. So we're certainly taking that into account and seeing if we can maybe

change policy as we move forward on that.

**Ms. Rancourt:** — There was an increase to the First Nations, Métis and Northern Affairs. What was the increase of the funding directed for?

**Ms. Marcotte:** — Good evening, Giselle Marcotte here. The increase was due to the internal realignment in the ministry to bring northern engagement in to work with lands and consultation and First Nations and Métis affairs, which was formerly called Provincial Interlocutor, to form the new division of First Nations, Métis and Northern Affairs. And that was so that we could be more closely aligned and collaborate for meeting the needs of First Nations and Métis throughout Saskatchewan, including the North.

**Ms. Rancourt:** — And so with this funding, is this directed to some grants and projects?

**Ms. Marcotte:** — This was an increase in salaries, 848,000 in salaries. It wasn't an increase; it was just a movement over to the division.

**Ms. Rancourt:** — Okay, so where would I see that change in funding in the budget?

**Ms. Marcotte:** — It's coming out of the municipal relations division where it was located before. So those salary dollars were just moved over to another part of the ministry into the new division.

**Ms. Rancourt:** — So will there be any increase in staff, or will the staffing complement stay the same?

**Ms. Marcotte:** — It will stay the same.

**Ms. Rancourt:** — And I notice that the goods and services increased over 270,000. What was this increase for?

**Ms. Marcotte:** — So that would be the movement of the operational dollars that were related to the northern engagement branch within municipal affairs division, moved over into First Nations, Métis and Northern Affairs division.

**Ms. Rancourt:** — Okay. In the 2017 ministry plan a key action was to “Lead coordination of Government’s response to the Truth and Reconciliation Commission’s Calls to Action; [and to] Engage and collaborate with partners to advance priority actions.”

But in the 2018 plan, that was no longer a line item or a priority within the action plan. I was wondering why was this not included in the 2018 plan?

**Hon. Mr. Kaeding:** — Okay. So what we've done is we've been able to gain a fair number of efficiencies by creating a lot more areas of collaboration, so both at the DM level and at the officials' working group. And virtually still doing the same work, and even expanding on that, but just doing it probably at a more efficient level, at our officials' level moving up through the DM level.

**Ms. Rancourt:** — So how have you been facilitating

engagement with and between communities to advance reconciliation?

**Hon. Mr. Kaeding:** — Okay. So what we're undertaking and expanding on is we're funding various initiatives, and part of that would be the Office of the Treaty Commissioner. We've been attending a number of First Nation, Métis events throughout the province, certainly Regina, Saskatoon, Moose Jaw. And SARM [Saskatchewan Association of Rural Municipalities], you're well aware of, now has started a new initiative, and we're certainly going to be assisting with them in developing that initiative as they move forward.

**Ms. Rancourt:** — So another key action plan is to administer and deliver services to communities in the northern administration district to serve northerners. Is there any new initiatives planned?

[16:45]

**Hon. Mr. Kaeding:** — I'm going to get Keith Comstock to speak to that.

**Mr. Comstock:** — Well good afternoon. My name's Keith Comstock, ADM on municipal relations side. Thanks for the question. There are a number of new and evolving things that are happening in the North that we're quite excited about. Some of them were my responsibility previously and are now kind of in transition over to Giselle's division. I'll speak to them because I was there when they started and I'm kind of still there.

One of the things that we're most excited about is the work that we're doing in co-operation with our colleague ministries and agencies, both at the federal and the provincial level, with La Loche and the Clearwater River Dene First Nation.

After the tragedy in La Loche a couple of years ago, we worked with local community on four priority areas: infrastructure, education, health, and housing. We worked with local stakeholders and they developed a plan for action for each of those four areas. The ADM colleagues and others, both at the federal and again at the provincial level, and I worked with those groups. And one of the things we identified was that those four plans needed to be augmented with a way of coordinating them, and as well there was a need to work with the First Nation because they had aspirations in those areas as well.

So we are kind of two-thirds of the way through in implementing a new initiative in the North that will see one dedicated senior member of Giselle's team, in Scott Boyes's northern engagement branch, devote their time entirely working with those two communities. And we will provide some money through the Northern Municipal Trust Account to both the village and the First Nation to hire staff that will be on the ground and working with those local interests. And the notion is that by having a coordinating piece at the ministry level, two people working on the ground full-time for the two communities will do a better job of making sure that they link up properly to all of the different things, whether it's Trade and Export Development or ourselves or the Ministry of Health or the Ministry of Education.

We hope over time to be able to expand that to work with two or three communities at a time and work our way around to different areas in the North. So that's something we're quite excited about.

Earlier on, just late last week, a colleague of mine from the Ministry of Justice, an ADM, and a senior official from the Liquor and Gaming Authority were in La Ronge. We're working with the community and the First Nation and the village of Air Ronge on a community alcohol management plan. This is another exciting piece of work that is being led by the community, but supported by our ministries and the SLGA [Saskatchewan Liquor and Gaming Authority] as well. And what this will see is the two communities, the three communities — the First Nation and the two municipalities — work together to put in place complementary bylaws and band council resolutions that will help to address some of the issues that their citizens and their business community are experiencing because of alcohol use in their community.

We went up there this past week to talk to them about the range of a couple of dozen different ideas they had to help them start the process of prioritization, to make sure that they stayed within their legislative authority, and to identify those things that they could do on their own, the things that they needed to do in collaboration or co-operation with us, and the things that they needed the province to do.

So I think this is a really interesting way for the community to take charge of its own destiny in these regards. And we hope that this sort of community alcohol management plan could well become part of the initiative that we're doing in La Loche and Clearwater Dene and in other communities as well.

They need to be purpose built. They need to be individualized according to the needs and the issues in each community, and that's one of the nice ways about this approach is that we can really custom design. So if one community wants to use their bylaw power to do one thing, it's not necessarily . . . You don't have to do that in every community. So it's not a blunt instrument like legislation would be. It's a program response to a problem.

I also want to mention some of the work that we're doing on the infrastructure side. We have a great relationship with the administrators, the advisers on the Northern Municipal Trust Account, and we are making great strides in helping on the infrastructure to address the infrastructure deficit in northern Saskatchewan. We've made a pretty significant commitment over the last seven or eight, even nine years to addressing water and sewer needs in the North and have spent total project costs upwards of \$100 million over the course of that time.

We are continuing that. We're in phase 4 of the first plan. We're starting phase 5 of the water and sewer side. And I'm happy to report that our folks on the municipal side in La Ronge are also starting to work with the environment folks, and we're addressing the issue of solid waste management. We're going to move to regional systems where it's feasible to do so.

And we're starting on that Highway 2 corridor up from P.A. [Prince Albert] into La Ronge, then we're going to move over onto the west side. Clearwater River Dene First Nation and La

Loche are interested in that as well. So there's some real synergies that we're seeing there.

There's probably some other smaller program aspects of that, but those are certainly three that would bear mentioning in this forum.

**Ms. Rancourt:** — Okay, that's wonderful to hear of these initiatives that are happening. Is this through the New North organization?

**Mr. Comstock:** — Yes and no. There you go, there's a specific answer for you. New North is a trusted partner of ours, and we believe very much that they need to be part of the mix where their resources and time allow them to be. So on the community alcohol management plan side in the La Ronge area, they're not so much involved. On the infrastructure side, they're a key partner with us, and they help us to develop priorities and also from a program perspective to deliver and to also help with various aspects of the administration of that.

So we work with New North on a regular basis. We were just up again in P.A. late last week to meet with them on the review that we're doing on the municipal revenue-sharing program, so I hope we get to talk about that later on today as well. And so like I say, they make a decision of where they need to be involved, but we really appreciate their help.

**Ms. Rancourt:** — So another question I have is, what is the percentage of the expenses in this budget that's allocated to municipalities, First Nations and Métis organizations, and the ministry programs?

**Hon. Mr. Kaeding:** — Okay, so the breakdown we've got is eighty-one and a half per cent is provided municipalities and municipal stakeholders. So that's through municipal revenue sharing and the infrastructure grants. 12.8 per cent is provided to First Nations, Métis, and that's generally through gaming agreements, and then 5.7 of the total budget goes to delivering ministry programs.

**Ms. Rancourt:** — There was a bit of a change from last year but not a lot. It seemed like it kind of stayed a little bit the same. I notice that the municipalities, it went down a little bit. First Nations and Métis went up a little bit, and the ministry programs went up a little bit, but quite close to the same. Was there anything in particular you want to draw attention to?

**Mr. Comstock:** — If I was going to draw attention to a couple of points, it would be the programs that we administer in co-operation with Canada, particularly on the infrastructure side, have a life cycle. And so you'll see in this budget where Clean Water and Wastewater Fund was quite high last year where the bulk of the work went on, and now this year it's quite low. New Building Canada Fund, we didn't allocate as much to it last year because we had big expenditures on the clean water, waste water side, but this year it's much higher. So we purposefully do that to try and accommodate, first of all, community needs and so that we do it in an orderly way.

Second reason is because we want to make sure that we don't do what has happened in the past. Not in recent memory, but in the past we've actually had an unintended consequence of

flooding the market with infrastructure projects and actually overtaking the ability of the construction industry and other trades to answer the demand. And we don't want to do that. We want to provide growth. We want to provide opportunity, but we don't want to provide so much work in so many communities that they end up having to bid against each other for good opportunities.

The other thing that I'll mention is that there was a decrease to the municipal revenue-sharing program this year, and that is totally a function of how the program is designed. It was purposefully done that way. And the amount of money in that program is the equivalent of 1 per cent of the . . . one point of the PST. And of course, that amount went down two years ago. So that too has its own ebb and flow. And so those are the major reasons for the, you know, the little bits of up and down on my side.

**Mr. Donais:** — So I can just sort of explain, because you had mentioned the First Nations, Métis transfers as well. And those actually decreased a little bit, marginally, from last year. That is, you know, so the Métis Development Fund, the Clarence Campeau Development Fund, we have in the budget 2.743 million and that's down 4.9 per cent from 2017-18. The First Nation gaming agreement is down 2.5 million or 3.4 per cent from 2017. And again, those numbers are really derived from the profits of both Saskatchewan Gaming Corporation as well as the Saskatchewan Indian Gaming Authority-run casinos.

And so the way the funding formula works is, for the Clarence Campeau Development Fund, 25 per cent of that funding goes to the Clarence Campeau Development Fund as well as the Community Initiatives Fund. So on the first 10 million, it's split 20/80 per cent. So \$2 million goes to the Clarence Campeau, and 8 million goes to the Community Initiatives Fund, which is under another ministry. And then once you exceed that 10 million, that 10 million or the 25 per cent portion, then it gets split 50/50 between the Clarence Campeau Development Fund and the Community Initiatives Fund.

On the First Nation gaming agreements, as I had mentioned, the First Nations Trust receives 50 per cent of the SIGA [Saskatchewan Indian Gaming Authority Inc.] net profits and also 25 per cent of Sask Gaming Corporation profits. So again, you know, those numbers are directly derived from the profits of those casinos. And then the community development funds, the six community development corporations that exist, they receive 25 per cent of the SIGA-run casinos' net profits. So again, you know, I guess in a nutshell, those numbers really rise and fall as a result of the increase or decrease in budgeted net profits of the casinos that are operating in the province.

**The Chair:** — Ms. Rancourt.

**Ms. Rancourt:** — So I notice that on the budget line for provincial municipal support, in previous budgets it would say, provincial, municipal, and northern support. And I was wondering why the northern was taken off of that budget line.

**Hon. Mr. Kaeding:** — That's because of the alignment where we've aligned the northern engagement into . . . Where did we put it into? . . . [inaudible interjection] . . . Sure, Laurier.

**Mr. Donais:** — So it really goes back to our earlier conversation about taking the northern affairs branch that was in Keith's division, so the municipal, it used to be called municipal relations and northern affairs, so we took the northern affairs piece out of that subvote and we placed it under First Nations, Métis and Northern Affairs. So we added the term "northern affairs" to subvote (GR12) and we took "northern affairs" out of (GR07), the municipal relations piece.

**Ms. Rancourt:** — So will there be any impact to the North with regards to these changes?

**Mr. Donais:** — No.

[17:00]

**Mr. Comstock:** — It depends. I think that there will be a positive impact for communities in the North. And Giselle may want to speak to this as well, but from my perspective, I think more closely aligning the work teams from northern engagement branch and treaty land and entitlement and the other folks that are working with First Nations and Métis communities and in the North, aligning them more closely and giving them the opportunity to build off of each other will have a positive effect. And I think we've already seen some of that in that increased momentum on the La Loche side, some of the work that has already been done through the ADM working group on northern issues that Giselle spoke to a little bit earlier. So I think there will be a positive impact to communities.

From the perspective of staff numbers and budgets, it's a wash. There's no more people, no less people, just a different working alignment . . . [inaudible interjection] . . . Are we adjourning? Okay. Long winded.

We still have a northern municipal branch of course as part of my division, northern municipal services, NMS, out of La Ronge. And we still do all of the things that we used to do, it's just that the northern engagement branch that used to be part of my division is now part of Giselle's. So I'd be happy to talk about the work of the northern municipal services if you want to go a little bit further down that road as well.

**Ms. Rancourt:** — I think I'm prepared for recess if you are, Mr. Chair.

**The Chair:** — Okay, well thank you. This committee stands recessed until 6 o'clock, pursuant to the motion earlier agreed to this afternoon. So we'll see you all back here at 6.

[The committee recessed from 17:01 until 17:59.]

**The Chair:** — Well welcome back, committee members. And we have Mr. Olauson who's come back to join us on this. And we'll resume our consideration of estimates for vote 30, Government Relations, central management and services, subvote (GR01). Ms. Rancourt.

**Ms. Rancourt:** — Yes, thank you. Thanks for the little bit of a break. And now we've got our long stretch here. We've got a lot of really important things to discuss here, and there's a lot going on with municipal relations and municipalities.

So I'm going to ask about one of the key action notes that you had in your ministry plan for 2018-19. And the one I'm asking about right now is the one that says it is "To ensure municipal and First Nation interests and authority are reflected in provincial cannabis framework and legislation." So how do you plan on establishing this?

[18:00]

**Hon. Mr. Kaeding:** — Mr. Chair, I'm going to have somebody speak to this.

**Mr. Nasewich:** — Good evening, I'm Rod Nasewich. I'm acting executive director of the policy and program services branch. How we've been able to do that is we've worked with Justice on the cannabis control Act. That's the provincial legislation that sets out the framework for how cannabis is going to be retailed and distributed in the province.

What we've done is make sure that the municipal authority to opt out, as well as the First Nation authority to opt out of having retail operation in their community is provided for in that legislation, similar to the way it's provided for in SLGA's liquor and gaming legislation. So that is in the Act that's in the House currently. And we think that addresses a lot of the concerns that municipalities had regarding cannabis and whether they want it in their community. So it becomes a local decision.

**Ms. Rancourt:** — So municipalities have been preparing for the legalization of cannabis with creating some bylaws and training enforcement officers. And there was nothing in the budget that indicated that there was going to be a distribution of potential revenue from cannabis sales to help and support the increasing costs. So how is the ministry intending to help municipalities with this increased costs?

**Hon. Mr. Kaeding:** — The reason we haven't identified cannabis as an expense is because we haven't identified it as a revenue. Until we can determine (a) you know, what the law is going to be from Canada and when it's going to be in effect, and then what we're going to require for training, for background work, until we can get some of that under . . . I guess so we can understand what that's going to be, we're not going to put that as an expense on the budget. And we're also not going to put it as an income on the budget because we just don't know when all of this is going to get implemented.

**Ms. Rancourt:** — So municipalities have already started sending their police officers to go get training so that they could be able to enforce any of the legal aspects of the legalization of cannabis, so the zero tolerance for drinking and driving and some of the other aspects.

In my understanding, it costs quite a bit to send an officer for that kind of training, so municipalities have been using their own resources to be able to pay for that. Is the ministry intending on reimbursing this cost or helping municipalities with this?

**Hon. Mr. Kaeding:** — So what we're in the process now is talking to all our stakeholder groups — so that will be New North; that will be SARM, SUMA [Saskatchewan Urban

Municipalities Association] — and just asking them now to start quantifying some of the expenses that they're starting to see as they start moving forward in what they need to develop for their plans and processes.

You know, certainly each entity has the ability to develop some of their own bylaws so, you know, we're going through that process as well. But the biggest thing is that we're fully engaged with our stakeholders. And that's the discussions that we've had with them, is just try and identify what their costs are going to be as they move forward. And we're going to have those discussions as we get all of this under way and then determine what our path forward is with each of them, on their consultation.

**Ms. Rancourt:** — Has your ministry heard of when potentially the federal government is planning on having this being legalized?

**Hon. Mr. Kaeding:** — Some of the advice that we've been given is that it may be as early as September. And we're not sure what the final date may be, so it's a way off yet.

**Ms. Rancourt:** — Yes, I know the municipalities too have been feeling that they're trying to be proactive with regards to this so that they're prepared for when it happens, and some of the changes with their bylaws. And it's been a heated discussion within councils and how they could go forward with this because we know we want to make sure we do it right at the beginning and make sure that there's a good plan going forward.

So I've had some municipal leaders contact me with concerns about how they might get reimbursed for some of these expenses. Who do you suggest that I tell them to contact? Would it be SUMA or SARM, or would it be your ministry?

**Hon. Mr. Kaeding:** — I would encourage them to talk to both the entities that they're involved with, whether it's SUMA or SARM or New North. And they're the ones that have put working groups together with us on the consultation level, and it would be far easier for them to kind of accumulate that kind of information and present that to us probably in the most efficient way, yes.

**Ms. Rancourt:** — At this time your ministry isn't prepared to say that you are going to reimburse these expenses?

**Hon. Mr. Kaeding:** — So we're not going to outright state today that that's something we're going to be reimbursing, you know, on a case-by-case basis. What we want to do is just try and accumulate that kind of information. You know, when we look at historical background, I mean, we didn't pay for enforcement of alcohol. We didn't pay for enforcement of, you know, bylaw enforcement and those kind of things.

So we need to take all of these things into account before we make any policy or any direction moving forward. So what we're doing is working very closely with our stakeholder groups to make sure we understand what extra issues that they may be dealing with or other extenuating circumstances that they may be facing that, you know, we need to be aware of at this point.

**Ms. Rancourt:** — Because my understanding too is that that is what a portion of this municipal revenue sharing is for, is for the municipalities to perform duties for the province which . . . The justice system would be one of those aspects.

And with the fact that the municipal revenue sharing will be frozen for the next year — already indicated by yourself at the conventions — it's providing a little bit less comfort for municipalities knowing that they're going to have support from your agency when we know the increase of those costs are coming up. And those law enforcement responsibilities are a provincial responsibility, and so I think that's where their concern is, when they already know that you've indicated that municipal revenue sharing will be frozen next year and they know these costs are increasing. How's the ministry going to support them?

**Hon. Mr. Kaeding:** — Just to go back on municipal revenue sharing, that's an unencumbered . . . We're not directing at all where they use those funds. So if they feel they need to use those funds to help on the policing of cannabis, then they're certainly welcome to do that. So we're not going to provide any direction on where they're going to spend their municipal revenue-sharing funds. Like I say, we'll continue to engage with them and just see where we're going to end up.

And you know, it's just premature, I guess, to speculate right now because we honestly don't know what this is going to look like. I mean, we can be as proactive as possible and certainly recognize the communities that are being proactive in what they can do out there, and we're certainly going to be engaging with them and through their stakeholder associations, but just not committed to make that decision today.

**Ms. Rancourt:** — There was over \$15 million increase to the New Building Canada Fund. So how much of that funding is federally based?

**Mr. Comstock:** — So the New Building Canada Fund has two primary components: one is the Small Communities Fund, and one is the National and Regional Projects fund. The Small Communities Fund is set up in such a manner that we pay both halves and Canada reimburses us for their share. The National and Regional Projects category is set up so that communities enter into contribution agreements with both Canada and ourselves, so the money that's reflected in the budget is all provincial. So there's a small amount on the Small Communities that reflects a payback that would be from Canada, but the majority of it is provincial money.

**Ms. Rancourt:** — So how many projects have been supported with this funding?

**Mr. Comstock:** — So under the New Building Canada Fund, the provincial-territorial infrastructure component — which is the two halves, the National and Regional Projects component and the Small Communities — there have been 42 projects approved or recommended underneath the national and regional ones. Those are generally larger projects.

There have been 82 projects proposed underneath the Small Communities Fund. By way of extension, there's also been 110 projects that have been approved underneath the Clean Water

and Wastewater Fund, and a further 14 underneath the Public Transit Infrastructure Fund for a total of, including the Saskatoon north commuter parkway bridge project, a total of 249 projects that were currently under way.

**Ms. Rancourt:** — So some of those projects would be under different lines in the budget. Would that be correct to say?

**Mr. Comstock:** — That's correct.

**Ms. Rancourt:** — So has there been any projects that were initially promised or proposed that had to be cancelled due to the budget restraints?

**Mr. Comstock:** — So there have been no projects that have either been recommended or approved by Saskatchewan to Canada that have had to be cancelled. We don't recommend or approve a project that we haven't made a commitment to, so once we do that then the project is good to go.

There are still many projects at the municipal level that have not received funding and just because of the amount of money that's in the programs, won't now. We are in negotiations with Canada on the Investing in Canada infrastructure plan which is what we used to call phase 2 and now it's ICIP. When we actually get that agreement signed, there'll be new monies that then we will open an intake and communities will apply for their project priorities. And we will go through an assessment process the same way we do each time we have a new program and then make recommendations on the projects based on, you know, who applies for what.

But in terms of . . . We haven't had any cuts to programs. Again I spoke earlier this evening about the ebb and flow of these programs, and that's really what it is. We have an allocation at the beginning, for example underneath the new NRP [National and Regional Projects] and SCF [Small Communities Fund] fund. We had a total of \$196 million federal which was matched by Saskatchewan on that, but that is over a course of time. So we planned the intakes and the project approvals and the project recommendations, and then expend that money over time. So there hasn't been any projects that have been compromised because of any changes to this budget.

**Ms. Rancourt:** — And due to the increase of PST and the fact that the elimination of the exemption on construction material, that has cost municipalities a lot more for some of these programs or projects that were initially funded for and they had money saved up for. So is the province planning to help municipalities with this increased cost?

[18:15]

**Hon. Mr. Kaeding:** — No, at this time there's no provision to compensate for the increased sales tax.

**Ms. Rancourt:** — So with a project that . . . like some of these projects are very expensive, and my understanding is that with the New Building Canada Fund, that it's a third provincial, third federal, and a third municipal. So would that PST expense be then divided federally, provincially, municipally?

**Mr. Comstock:** — I'm not sure I entirely understand your

question. The PST would be charged on whatever construction services or materials that were bought for the project. It wouldn't make any difference whether it was provincial, federal, or . . . I mean the community doesn't go buy concrete with the federal contribution and rebar with the provincial and, you know, sidewalks with their own. The PST would be charged on whatever components of the project it was liable to be taxed on.

**Ms. Rancourt:** — So if the municipality that was applying for this funding, it was prior to the budget that indicated that the PST exemption was no longer going to exist . . . So if it was prior to the, I think that was the 2017 budget, and it was agreed on that this project would go through, and the province, the municipalities, and the feds all agreed that they were going to give that amount, but then because of the budget that infrastructure project was costing more because of the increase of PST, did the provincial government change the amount that they were going to provide with that funding to reflect that amount so it was divided evenly between the three sectors?

**Hon. Mr. Kaeding:** — So we didn't make any adjustments to any of the allocations or how the project was going to be funded in the end. So we're continuing to have it split, as the way it was originally intended. You know, what we found is that over time a lot of the projects have come in kind of under what they were originally estimated at, so you know, the overall expense to a lot of communities maybe isn't as significant as what they first anticipated.

**Ms. Rancourt:** — But what you're saying is that it will be the municipality's responsibility to pay that increase to the PST then.

**Hon. Mr. Kaeding:** — That's correct.

**Ms. Rancourt:** — That's going to be another big hit to municipalities because they didn't have that planned, so I'm sure they'll be interested in hearing about that.

So with the Clean Water and Wastewater Fund, how much of that funding would be federal and how much . . . Could you divide it, like tell me exactly that level of funding, what is being put aside for salaries and operating, and what would be federal or provincial funding, a little bit of a breakdown of that?

**Mr. Comstock:** — So writ large, for the whole program, the whole program was \$89.4 million federal, \$44.2 million provincial, and \$44.2 million municipal. So it was a 50/25/25 split. In the current budget here, Clean Water and Wastewater Fund for 2018-19 is \$37.4 million, with about \$24.9 million returned as federal revenue. That clean water, wastewater one is like the Small Communities Fund, where we pay both shares and then we're reimbursed the federal portion. But the proportions are 50/25/25.

**Ms. Rancourt:** — And was there any of those projects that were planned under this funding, was any of those cancelled?

**Mr. Comstock:** — No.

**Ms. Rancourt:** — No projects that the province agreed that they would fund but then later decided to pull their funding?

**Mr. Comstock:** — No.

**Ms. Rancourt:** — So what projects were completed with the funding, and what are some of the projected projects?

**Mr. Comstock:** — So of the 110 projects that were approved underneath the Clean Water and Wastewater Fund, as of today 13 are completely done. The rest of them are in varying stages of completion. I don't have the complete list of communities and, you know, whether it was a wastewater or drinking water. I can get you that information if you're interested in the listing of all of the projects and what they were called. But of the 110, 13 are currently done.

It is interesting because the Clean Water and Wastewater Fund was originally designed by Canada to be a two-year program. We had negotiated as hard as we dared to try and make it a three-year program because we knew it was going to be very difficult for communities to apply, get approval, plan, tender, build — all over the course of only two seasons. And we were right, and it wasn't very long ago that Canada confirmed that they will, that they have extended the program now for the third year. So by the time we are done this current fiscal year and a little bit of cleanup in the year following, then all of those 110 will be done.

**Ms. Rancourt:** — It would be nice to have that breakdown. That would be appreciated if you could send that to me. That would be great.

So we were just previously talking about some of the northern communities that were going to be having some infrastructure changes. And you were indicating that some of it would be based on establishing some different water work opportunities, like changing their . . . I don't even know the wording for that. But would that be covered under this funding?

**Mr. Comstock:** — Yes. Ordinarily the practice that we follow when we have funding programs like this is, with respect to the North we have . . . Rather than have the communities apply en masse, like happens in the South, we actually make an allocation. We work with SaskWater who does much of our project management in the North, so we work with them and they develop a plan, and we fund it accordingly.

So for example, underneath the Clean Water and Wastewater Fund, approved and announced projects in February were one for Creighton for water and sewer main replacement for \$1.75 million. Green Lake, Ile-a-la-Crosse, La Loche, Michel Village, Pinehouse, and Stony Rapids were in that. Total eligible costs for those particular projects were 13.2 million. Some of that at the end is the same funding formula: 50/25/25. But we allocate to the North and we have done that underneath the Clean Water and Wastewater Fund and also the New Building Canada Fund as well.

**Ms. Rancourt:** — So will this be the final payment for the Public Transit Infrastructure Fund provided by the federal government?

**Mr. Comstock:** — Yes. There were 14 projects that were undertaken by the four largest cities that were funded underneath the PTIF [Public Transit Infrastructure Fund]. Most



of the expenditures, because they were . . . It's just a different sort of project. You know, buying buses and doing that sort of thing is a much different thing than building water works. And so most of the projects were done. And in this current year we will be finishing up and then we'll be done in this budget year for the public transit side.

**Ms. Rancourt:** — And how much of the gas tax program funding has been paid out last year?

**Hon. Mr. Kaeding:** — I'm going to go back to our PST on construction. So actually what we found is that there was very few projects that were either approved and not started or that were initiated before the budget announcement of the PST on construction materials. So we're actually going to have a very, very narrow window of any of the projects that were going to be affected by this.

I mean it was something that we had to . . . We were very conscious of some of the expenditures and costs that were going to happen, and unfortunately, you know, there's always that timeline of people kind of caught in the crossfire of decisions that were made. But again trying to, you know, be fiscally responsible for the province, trying to get everything back to balance, you know, that decision had to be made and the cut-off was made.

But what we'll find is that there is very few projects that are actually going to be affected by the PST on construction. After that announcement was made, then any of the projects that were approved after that are actually going to have that looked after in their project costs. So we're going to find a very, very narrow window of those projects that were affected.

**Ms. Rancourt:** — So how many projects would that be?

**Hon. Mr. Kaeding:** — We're going to have to go back and provide that for you. We'll have to do some research for you but we'll be able to present that to you later.

**Ms. Rancourt:** — Okay. Thank you.

**Mr. Comstock:** — So with respect to the question on the gas tax program then, last year was paid out 58.8 million. And this year the gas tax budget for 2018-19 is \$63.5 million.

**Ms. Rancourt:** — And how many projects were funded last year using this fund?

**Mr. Comstock:** — So what we're looking for is the breakdown of the one year. We know that there were something over 3,500 different projects approved since the gas tax program was done. The way communities access gas tax is they submit an infrastructure investment plan. And ordinarily the infrastructure investment plan will include a number of projects. So it could be a water project or a playground project or anything that would be eligible, and then they decide when they fold that out.

So it's difficult to . . . In the '17-18, 740 municipalities received, so well over a thousand projects would have been undertaken with the gas tax money. Again, it's difficult because they don't all . . . they're not all nicely compartmentalized into any one given year. The money comes on an annual basis, but

the projects sometimes flip-flop between two, so it's difficult to come up with an exact number. But there are very many, many projects undertaken through the gas tax.

[18:30]

**Ms. Rancourt:** — But how many of those are active as this point?

**Mr. Comstock:** — The number we have here is about 556 of the ones that were started are done. The rest of them would be in some stage of completion. The 556 is the outstanding, and the completed would be the difference.

**Ms. Rancourt:** — I'm going to get back to the PST, because that's on my mind right now and I want to put some remarks on the record. If there are just a few projects that are affected, and now after eliminating that exemption the province is willing to pay for the PST portion of the expenses on any future projects . . . We heard today from the Finance minister that anyone who purchased a car before this budget, they won't have to pay the PST on the car if they register it after budget day. They could call the agency and they will be basically grandfathered in. And so we know the government has that ability to do that.

And so for the provincial government to not help these municipalities with this expanded cost that is fully their responsibility and their doing with eliminating the exemption, I think that is really putting these municipalities at further disadvantage. Because they didn't expect this increased cost. And I know the province has the ability to make allowances or grandfather them in or do whatever they need to do to add and help them with this added expense. So regardless if there's just a few projects, I think the ministry has a responsibility to help these municipalities with this increased cost.

**Hon. Mr. Kaeding:** — So ultimately we have to go back to municipal revenue sharing, and again that's unencumbered. That's something that we've given to every municipality to try and utilize to the best of what they believe they've got in front of them. You know, quite often when it comes to any project there's . . . You can either come in under budget, you can come in on budget, or you can come in over budget. And you know, so you're going to be looking at all the business decisions that projects are going to be as you go through that.

You know, we've tried to create a budget that tried to reduce the burden on as little people as possible, put the burden on as little people as possible. You know, the whole revenue-sharing component has worked really well for the last 10 years. We've had that in place. The stakeholders are all believing that that's working to the best of what they've got available to them.

You know, I guess we just . . . We've made decisions. We've made decisions in a budget to get back to balance and, you know, as part of those decisions that you're making, there's going to be I guess that little bit of hurt that's going to be felt in a lot of . . . in jurisdictions around us. So right now I think we've minimized that hurt that we've had to our stakeholder partners there and we're going to move forward.

We've got some tremendous infrastructure opportunities, I think, coming up that we're going to be able to take advantage

of. We're hoping that we can reach an agreement with Canada and that we're going to have some opportunities for a lot these municipalities to be able to take advantage of that, and looking forward to that opportunity to try and improve infrastructure across the province.

**Ms. Rancourt:** — But the funding agreement with these funding projects is to have one-third of the expenses paid by the feds, one-third from the province, and one-third from municipalities. So I think all municipalities are asking for is that, because of this increased cost that was no fault of their own, because they didn't know that that was going to be an aspect in the budget, that the province own up to their part of their agreement and pay the one-third of the increased cost. And like I said, I'm just putting it on the record. And I know that some municipalities have contacted me about this concern, and if there's just a few projects, I don't think that's something that's too much to ask for.

**Hon. Mr. Kaeding:** — Okay, we'll just . . . I think we need to go back through a little bit of a historical reference here as well, is that over the last 11 years that we've been in government, we've had the opportunity to provide \$2.5 billion in revenue sharing. You know, that's a significant amount of money that again has got unconditional values to it. This has allowed communities to do a lot of projects that, say, before that, they never would have even considered.

So we have a lot of investments in our communities, projects that they couldn't consider because they didn't have access to capital funds in years previous. So we're going to stand by our record that we've contributed significantly to improving infrastructure if that's where municipal revenue sharing monies are devoted to by certain jurisdictions, but I think we're very proud of the fact that we provide an awful lot to our stakeholder partners out there, our municipal stakeholder partners.

**Ms. Rancourt:** — I'm going to move on. So there's \$15 million in the budget for the Saskatoon north commuter parkway bridge. How much more provincial funding is going to be provided for the bridge?

**Hon. Mr. Kaeding:** — So this last \$15 million payment completes our commitment, a \$50 million commitment that we've made to the Saskatoon commuter bridge.

**Ms. Rancourt:** — Okay. And according to the operational plan, a key action plan is to "lead a regional planning dialogue to discuss successes and challenges with planning [district] commissions and other regional planning groups."

So in what ways have you started this, and what do you have planned in the future?

**Hon. Mr. Kaeding:** — So right now we've got 34 planning districts, which includes 173 municipalities, two First Nations, one regional park. This represents just around 500,000 people, so just about half of our population in Saskatchewan.

We've had 12 direct meetings with the planning districts, and certainly ongoing dialogue with the various entities. And this fall we're going to have a significant number more regional planning meetings. I'll get Keith now to get into some of the

details.

**Mr. Comstock:** — So when we meet with the district planning organizations, there are two or three things that we concentrate on. Primarily they're the operational aspects — so how they work together, the bylaws themselves that they pass — and the second thing is the governance. So operations and governance are the two primary things that we consult on when we meet with these organizations, and then we work with them to develop a plan that fits whatever state they're at.

We've also been doing some work over the last little while on some new planning manuals that will be done, both will be on our website and then available for use during these consultations as well.

It's very much a process with district planning. There are a variety of different configurations that are allowed for in *The Planning and Development Act*, and there's a suite of different ways and authorities and jobs that the participating municipalities can assign to them. So it's very much a process of working with them individually to try and make sure that they're making best use of whatever situation they happen to find themselves in.

**Ms. Rancourt:** — Have municipalities been relatively accepting of this concept and idea?

**Hon. Mr. Kaeding:** — So what we've found is that we're responding an awful lot to communities and jurisdictions, municipalities that want to have an organized plan put together. You know, they see the synergies of working together. They see the opportunities that they can do by working together, and we're certainly doing everything that we can to encourage that kind of regional co-operation.

You know, as we move forward we'll see probably some evolution of this. You're going to see some councils change, some structure within these entities change, but overall what we're starting to see is a significant movement forward of a lot of municipalities just seeing the value of regional co-operation. And we're certainly going to be encouraging that, working with any of them that see that.

[18:45]

**Ms. Rancourt:** — Is there a certain area of the province that the majority of these regional operations are happening?

**Hon. Mr. Kaeding:** — Yes, there's no distinct pattern. I guess what we're seeing as maybe a trend is certainly development around high-growth areas where there's certainly potential for more growth and advancement. You know, the higher populated areas is where we're seeing most of the interest coming from.

**Ms. Rancourt:** — So are they including some of our larger cities, or would they be more of the smaller cities and smaller municipalities?

**Hon. Mr. Kaeding:** — I think we've got a great mix of both, of certainly large cities and medium-sized communities, smaller cities, very proactive RMs [rural municipality] that want to be

involved in that, especially seeing commercial development ongoing in their jurisdictions. So we're just seeing a good mix overall of where these are starting to evolve.

**Ms. Rancourt:** — So what happens in an area if the majority of the communities want to co-operate and create a regional planning dialogue, but there are a few within that catchment area that aren't interested? Does that prevent all those communities from doing it? Or how do you guys manage a situation like that?

**Hon. Mr. Kaeding:** — Certainly it's a lot easier when everybody co-operates. And that's certainly where you're going to focus your efforts, is where you've got the most co-operation. But if a community or a municipality deems that they're not interested in that, they'll be left out of the planning process.

But I think ultimately you'll find is that they eventually want in when they see the advancements and the abilities of what the regional co-operating group has been doing. And that's the other part that we're seeing the positive part, is that they may initially not see the value, but a lot of times once they see the formalized part of the group and the direction they've taken, they want to be a part of that.

**Ms. Rancourt:** — Okay. Another key action plan was to provide support and technical assistance to these regional planning organizations to help improve their ability to facilitate development and advance the provincial growth agenda. So what types of technical assistance have you guys been providing?

**Hon. Mr. Kaeding:** — So part of the direct meetings that we talked about earlier is very much a part of that initiation of getting groups together and understanding what some of the roles, responsibilities would be. As well we've got numerous workshops that can be attended by those municipalities that are maybe interested, not sure what to do, how to get started. The workshops provide that kind of background, goes through the legislative responsibilities and things that they would need to take into account.

We've actually got a department that's devoted, designated really to that kind of regional development phase. So we've got community reps that any municipality phones in, wants to know more about it, we've got people, that's their sole purpose, to provide direction to these municipalities that are interested in moving forward on this.

**Ms. Rancourt:** — And another key action plan was to develop an online subdivision application system to improve client and inter-ministry services. Has this been started?

**Hon. Mr. Kaeding:** — Okay, so this is a two-year project. So we're in the first year of the two-year phase. We're just initiating an RFP [request for proposal] now to determine what platform we're going to be using, what the equipment, the hardware that's going to be used for this. It's going to be installed. We've got the second year of the budget then; we'll kind of complete the project and then it should be initiated probably 2020. Up and running by 2020, yes.

**Ms. Rancourt:** — Okay, the recent Ombudsman report indicated a substantial increase in municipal complaints. Can you indicate what the ministry plans to do to address this?

**Hon. Mr. Kaeding:** — I think part of the reason that you're seeing a number of complaints coming through the Ombudsman is that the process works. We've taken the initiative a few years ago to create this kind of independent, arm's-length body that is able to, you know, to look at any situation that municipal councils may be facing. Before that was in essence coming into government, that was coming into the ministry, and just probably not the appropriate place to be dealing with those kind of issues. You know, we see ourselves as really that last resort, but what we're seeing with the Ombudsman is that now the process is working.

Obviously municipalities are feeling very comfortable that they've got that independent source of information. And at some point in time we may be called in to provide guidance as to what we can do as our part of responsibilities. Quite often what we'll find is that the municipalities will take the advice of the Ombudsman, take corrective actions, and are able to fix the issues that they may have been dealing with.

If it comes to our ministry through the Ombudsman or that the municipality is directed to come through the ministry, we'll assist any jurisdiction in what they maybe need to do to be able to take the corrective actions to be able to get back on track and run their council chambers effectively.

So I think, you know, the initiative that we took a few years ago to appoint the Ombudsman, or to get the Ombudsman in place, I think is just showing that the need was there. What we've seen the last couple of years is that it's been a fairly straight line as to the number of cases that are coming forward to the Ombudsman, so I think we're just finding now that that's a very effective tool in helping our municipalities in their governance.

**Ms. Rancourt:** — So some of the issues that were brought forward in the report they indicated were items like conflict of interest and code of ethics violations and council member conduct, which are really serious in nature. And so I was wondering if the ministry was working at a plan on making councils maybe more aware of the potential of these code of ethics violations or conflict of interest, or what is the ministry doing to minimize these concerns being brought forward?

**Mr. Comstock:** — So I'll begin by talking about the steps that we took legislatively to put in place a framework that was intended to provide councils with more clear direction and a better set of tools in their toolbox. So the fact we introduced the public disclosure statements and we are requiring a code of ethics and a code of conduct — and not only for the elected members but also for officials — now gives municipalities a clearer set of objectives and goals that they strive for.

We have done a bit of outreach to about 25 per cent of our municipalities to make sure that things were going okay and that they had things in place. We were well into the high 90's of compliance on all of these items, which I think shows that the municipalities have taken this seriously.

But like any new set of requirements or any kind of new rules,

it takes some time to get used to it, so we've developed a variety of online tools and training courses that municipalities can take advantage of, and as well our municipal advisory staff are also available on an as-needed basis. We field somewhere in the neighbourhood of 8 to 10,000 inquiries a year through our municipal advisers. They're not all on this topic, of course, but some of them are, and where a municipality comes we will do our best to help them out.

We also make sure that at the annual administrator conventions for both urban and rural and in the North, our advisers are there and we'll talk about topics like this and provide helpful hints and other sorts of directions that administrators can use if they're encountering problems with their council members or they're having trouble understanding what they should do or they need help with an action plan. So again we try to . . . There's no one-size-fits-all for this, so we try and do what we can to make sure that we respond in a helpful way, no matter what the situation is.

**Ms. Rancourt:** — So with regards to the code of ethics and the code of conduct, if there was a breach of such would it be the ministry's responsibility to provide some level of consequences of that breach?

**Mr. Comstock:** — We have an expectation that all councils follow all of the requirements in *The Municipalities Act*, *The Cities Act*, or *The Northern Municipalities Act*. That law is there for a purpose and it is our full and I think reasonable expectation that councils do their utmost to follow it.

When we become aware of a situation where something hasn't been done in the way that it's supposed to be done, we'll ordinarily reach out and it will be, generally speaking, an escalating sort of situation: were you aware? No, I wasn't; now that I am, we'll rectify it.

[19:00]

Sometimes, depending on the situation, we would provide a time frame for action and make a request either from the executive director level or the ADM level that would provide, you know, this is a legislative requirement. We understand you haven't complied with it. Here's the standard. Please report back to us within 30, 60, 90 days, however complicated the action might be, and report on how you're planning to address this.

Ultimately the legislation does provide for the minister to either provide a directive or to take what I suppose could be called punitive action. That's always a last resort for us and thankfully for in virtually all of the cases that we've come to this far, it's never come to that. We will also take things . . . We will offer mediation and help in some cases with the costs of that. Our goal in this is not to punish elected council members for either not being aware or not following the legislation in a strict manner. It's the outcome we're after. It's the compliance. So if we can get there through a co-operative process, it's a much better outcome for us and for them than it is to go in and try and be too strict about it.

**Ms. Rancourt:** — Okay. And you were indicating that there was some training that you have available. Is there a

requirement to take this training or is that just suggested?

**Mr. Comstock:** — There is no legislated requirement, but most councils will take advantage of those sorts of things when they have. Not all of them. Some of them, depending on both their professional background and what walk of life they're from, either do or don't need it. But it's not a legislated requirement that they take the training.

**Ms. Rancourt:** — Okay, good. It's good for people to have an opportunity to report in an avenue that they feel comfortable in. But it's also then the ministry's responsibility to hopefully limit the amount of complaints that come forward. And if there's ways that you can do that, that's nice to see that you're working towards that goal.

The grants-in-lieu of property taxes increased by 200,000. Can you explain this increase?

**Hon. Mr. Kaeding:** — Ultimately it's just reflecting an increase in municipal tax rates. I mean we get kind of an estimate from the Crowns — or from the municipalities, sorry — and this is just kind of that bridge, you know, to get to where the estimates maybe were at and to where we're at in the final.

**Ms. Rancourt:** — Okay. Last year there was an increase of 800,000, and the minister at that time indicated it was because of an infrastructure project that was completed, the correctional centre in Prince Albert. So I was wondering if there was, this was a reflection of something else within the province.

**Hon. Mr. Kaeding:** — No, it would not be.

**Ms. Rancourt:** — Okay. Last year over 100 communities were impacted when they lost their grants-in-lieu of royalties, and the previous minister would not confirm if this was temporary or a permanent cut. Has that been decided?

**Hon. Mr. Kaeding:** — Okay, so when it comes to grants-in-lieu, I guess now we're hoping that we've finally got the true definition of grants-in-lieu put to bed on record. We'll get the definition out there and I think we'll get everybody on the page, and that's ultimately where we wanted to end up. We wanted to get grants-in-lieu to actually define, to have the definition of what it truly is meant for, and that's a grants-in-lieu of property taxes based on assessment.

And so that's the first change that we've made, is that now that is the only thing that is ever going to refer to again as grants-in-lieu. We've taken out the surcharges, we've taken out all the other points that used to be referred to. Franchise fees used to be referred to as grants-in-lieu — no longer referred to as grants-in-lieu. Grants-in-lieu are grants-in-lieu of property taxes based on assessment.

So any of the . . . So what that's going to refer to: SaskPower and SaskEnergy. They're going to pay grants-in-lieu of taxes to municipalities for assessed properties. So that excludes generation, transmission, distribution facilities, pipes in the ground, and associated land. That is not going to be included as grants-in-lieu. It's physical structures on top of the ground.

So it's the same process for executive government. This year

we're estimating that the total grants-in-lieu for all Crown property that that's reflecting as estimated be \$21 million, so that's going to be an increase. We're expecting an increase of approximately \$3 million over 2017-18. So that's strictly to do with grants-in-lieu based on SaskPower, SaskEnergy assessed properties.

The SaskEnergy municipal surcharge now — so we talked about fairness and transparency and equitability to all — only accounted or was only accessed by 109 communities. And some of that was at 3 per cent; some of that was at 5 per cent. So it was all over the map even to the communities that did qualify for it. So that's changed.

What we're doing now is SaskEnergy surcharges are available to every community in the province, every urban community in the province. They're given an option. The fact that they don't want to participate, we've given the option to indicate to us that they do not want to participate. We've also given them the option that they can opt back in if they've opted out in a term.

So now we've got 457 properties that are going to have access to the SaskEnergy municipal surcharge. That's going to be collected at a rate of 5 per cent. So we're going to see approximately \$30 million collected by SaskEnergy or through that SaskEnergy surcharge that's going to be distributed to 457 communities now. So that's a little better than the 109 that we were at before.

Municipalities will not receive the same offset payments provided in 2017-2018. Otherwise what we've alternatively, what we've set up is a temporary financial assistance to municipalities that are going to be negatively impacted by this change in Crown payment charges now, or changes.

So we're estimating this. We're estimating this as going to be \$496,000 that we're going to allocate to provide this one-year offset to anybody that maybe is going to be negatively affected by this change. So that's identified as a provincial municipal support. You're going to see that in our GR budget.

**Ms. Rancourt:** — Okay. You went around my question, but I'm assuming then those 100 communities that lost their grants-in-lieu royalties, that they will not be getting that money again from the government. That wasn't a one-year plan. That was permanently losing that funding.

**Hon. Mr. Kaeding:** — So let's maybe try and clarify this. The 109 municipalities that qualified for the SaskEnergy surcharge and then were subsequently removed from that are going to receive that again, as well as — we'll do the math — 457 in total, so there's going to be an additional 348 communities that are also going to be receiving this that hadn't received it before.

So the 109 that originally had that, well they were anywhere from 3 to 5 per cent, right? There was two different rates that some of these communities were accessing, either 3 per cent or 5 per cent. So those 109 communities are getting 5 per cent, as well as the additional communities. Urban communities in the province are also going to be accessing that 5 per cent. So everyone, every community now is getting this 5 per cent SaskEnergy surcharge provided to them.

**Ms. Rancourt:** — So that one-year offset, that temporary financial assistance that's under the budget here under the provincial municipal support, which communities will be receiving that funding and how much?

**Hon. Mr. Kaeding:** — So who we've allocated the \$496,000 for as a line item is it's estimated that six cities in the province may need to get this top-up to get them at a comparative level to last year. So that includes Humboldt, Regina, Yorkton, Melville, North Battleford, and Estevan. And just want to make sure for the record that this is an estimate only. So if gas usage goes up — they have an incredibly cold winter; they've got a couple of new commercial entities online this year — that they may not need or require any top-up.

And what we're expecting is that as communities do their job in commercial development, in increased housing, more communities moving into the . . . or more people moving into the communities, that that growth is going to come back to them and they won't require a top-up after this.

**Ms. Rancourt:** — So that was six communities that you indicated, and last year there was nine communities that were capped because of the financial impact of losing all of that grants-in-lieu. So I see some of those communities are not on this list of the six communities. So what are happening for those communities that were going to be really financially impacted last year? Why were they not included in this list?

**Hon. Mr. Kaeding:** — So ultimately what's happened is that as we're moving to making this this fair, equitable, and transparent program is that these communities now, as part of the surcharge coming to them, are going to be above where they were at last year. So they're not going to need any kind of top-up because now they are ahead of where they were last year, bases the estimates coming in on the SaskEnergy surcharge.

**Ms. Rancourt:** — Would some of these communities be some of those communities that had the 3 per cent levy instead of the 5 per cent?

**Hon. Mr. Kaeding:** — No, any of the cities had the 5 per cent.

**Ms. Rancourt:** — And so all of the communities that were at the 3 per cent, are they now at the 5 per cent? Do you have any communities that are at 3 per cent levy?

**Hon. Mr. Kaeding:** — Again, making this fair, transparent, and equitable to all, every community is going to be at 5 per cent. So there was a number of communities that were 3 per cent; they will now be going up to a 5 per cent surcharge. The number of communities that were at zero will be at 5 per cent. Everyone, the 400 and — what did we say? — 57 communities will be at 5 per cent.

[19:15]

**Ms. Rancourt:** — So this is a 5 per cent levy on your SaskEnergy bill that . . . Residents are paying five per cent more than for their SaskEnergy, which then that money will go to the municipalities. So this is no more funding from the municipal relations department. This is just residents paying more for their SaskEnergy bills and that money being then redistributed to the

communities, right?

**Hon. Mr. Kaeding:** — So we're really not changing the origin of where the money is coming from. The money always was derived from the ratepayers through a SaskEnergy surcharge. So what we're seeing now is that everyone is assessed the 5 per cent surcharge on their energy bill.

So if you were at 3 per cent, it's going to . . . an average household, this is going to mean \$18 a year more on their overall cost of the energy bill. If you were at zero, this would represent about a \$42-a-year increase.

So what that's going forward . . . And again that's totally unencumbered to any municipality. They're free to spend this on however they want. So if they wanted to rebate it back to their ratepayers, they're free to do so. If they want to put it into infrastructure, pave some streets, put up more light standards, they're free to do so.

**Ms. Rancourt:** — But this puts municipalities at a tough position because they lost millions of dollars prior and so now they're going to the ratepayers in a different fashion to get this increased funding.

And so I want to be clear that now that it's gone from 109 communities that have this 5 per cent levy, it's now at 457 communities. So that's an increase of 348 communities. Do you have a breakdown of how many more residents than . . . or how many more ratepayers will be paying due to this increased cost?

**Hon. Mr. Kaeding:** — So you have to remember that we consulted with our major stakeholder group, being SUMA. And it was actually as part of that, that discussion that we had with SUMA, that this is one of the things that came out of that discussion was again, how do we make a fair, transparent, and equitable system available to all ratepayers?

So part of the discussion we had with SUMA is that, okay, if a community feels that their ratepayers can't afford, don't want to, they don't want to put this on to their citizens, they're given a provision to opt out. So that's why that provision is there.

If they, if their ratepayers have come to them, they have time to consult. We estimate that they will have anywhere from one to three council meetings that they'll be able to have this decision put in front of them. It gives them ample time to have the consultation process with their ratepayers to determine if this is what they want to have in their community.

You know, again, there's 109 communities that, you know, are going to see minimal to no difference in what they're going to have on their ratepayers. If they're at 3 per cent, like I say, it will be about \$18 per household. If they're at 5 per cent, there's no change. There will be no difference to what their ratepayers are going to see on their energy bills.

I think I'm going to have to refer you to SaskEnergy to determine the number of ratepayers that that would affect. That's not a number that we have available in our shop right now.

**Ms. Rancourt:** — How many urban municipalities are there?

**Hon. Mr. Kaeding:** — 457.

**Ms. Rancourt:** — So every urban municipality has signed up for this levy now?

**Hon. Mr. Kaeding:** — Every urban municipality has the option to sign up. We're assuming that every municipality will sign up. They will indicate to us if they want to opt out, and that's how we've left it with them. So we've left it up to them by, the date is June the 1st, that they need to indicate to us that they want to opt out.

Now we've also given them, if they opt out, we've given them a window that if they happen to change council, change their mind, look at it as an opportunity that they can put toward something else that they opted out, we've given them the opportunity, one opportunity to opt in. And that would be five years from June 1st.

**Ms. Rancourt:** — And so the ratepayers in those communities, will they start having the 5 per cent levy as of June 1st, or has it started already?

**Mr. Comstock:** — So it will . . . I'll explain it writ large. So there's three different situations. If you lived in one of the 109 communities that was previously receiving either one of the . . . Most of the 109 were at 5 per cent. So if you were in a community that was 5 per cent, you've always paid the 5 per cent. You're going to keep on paying it. You'll see no difference.

If you're in a 3 per cent community, you will continue to pay the 3 per cent until the regulatory changes are made by SaskEnergy to allow them to assess the extra 2 per cent. SaskEnergy estimates that that process will be done around September 1st. It will depend a bit on schedules and how quickly they can get through the reg process but they're estimating about a three-month window to get the regulatory authority and to do the necessary changes to their automated billing system.

Same situation if you're in a community that was at zero. No change to your bill until that September 1st deadline or when the reg changes are done and the billing system is up and running; then they will start assessing the 5 per cent. The payments will be made . . . So if you're in a 5 per cent community, SaskEnergy from April 1st will take care of that money on behalf of the municipality. When the reg changes are done and they are allowed to pay, then the 5 per cent communities will get . . . effective from April 1st.

The 3 per cent communities will get whatever the 3 per cent would've been up until September 1st and then 5 per cent after that. And the ones that were at zero will get 5 per cent starting after September the 1st assuming that September 1st is accurate in terms of the day that it will start.

**Ms. Rancourt:** — Do you have a breakdown of the total reserves that cities, towns and villages, and RMs have?

**Hon. Mr. Kaeding:** — So we don't have that available right now.

**Ms. Rancourt:** — Last budget I got the numbers for 2015. So I thought maybe you would have the numbers for 2016.

**Hon. Mr. Kaeding:** — Yes, we'd have to go through that process again and get the rework numbers.

**Ms. Rancourt:** — Could I have that tabled, maybe within 30 days receive that?

**Mr. Comstock:** — Yes, we'll do the calculations and table it with you. Probably won't need the 30 days, but within 30 days.

**Ms. Rancourt:** — Thank you. What was the reason for the decrease with funding for SAMA [Saskatchewan Assessment Management Agency]?

**Hon. Mr. Kaeding:** — So what we've got is 2017-18 was the last of a three-year capital project of \$612,000. So that's the third and final payment on a new system we've got called Govern. It's an information technology platform. And what we're going to do with that is we're going to be able to increase the volume of property re-inspections. It's just making a more efficient use of the property inspection system and reporting and things that come out of that. 2018-19 will be the first year that we've got a \$300,000 allocation now to operate it, the operating part of that system, and that will be annual budget item that we're going to have year on year.

**Ms. Rancourt:** — And what is the \$500,000 in capital asset acquisitions?

**Hon. Mr. Kaeding:** — Okay, so what we've got is the \$500,000 capital allocation this year for what's called the Subdivision On-Line Application system or SOLA, and next year you'll see a \$400,000 capital, so that'll be a . . . This is a one of two-year capital project and it's going to move us into the 21st century of online subdivision applications.

**Ms. Rancourt:** — And that's supposed to be up and running in 2020, right? So what is the current FTE staff complement for the ministry?

**Hon. Mr. Kaeding:** — Okay, we're at 237.1 . . . 236.1, sorry. Last year was 237.1. We sent one out on waivers to Agriculture. No, actually we've moved one full-time equivalent over to Agriculture in the comms part of it.

**Ms. Rancourt:** — I never did understand why there was a point one, like when it's a full-time equivalent.

**Hon. Mr. Kaeding:** — They're referring to the minister is about a tenth of a one equivalent, I think is what they're referring to.

No, it's just when you've got half-time, part-time people working on terms, it adds up in the math to a point one position, so . . .

**Ms. Rancourt:** — Thank you. Last year the previous minister indicated the ministry was reviewing all revenue streams to municipalities. Can you provide more information about which revenue streams this would be — which ones are being reviewed, and which ones the reviews have been completed?

[19:30]

**Hon. Mr. Kaeding:** — So what this is, is an annual exercise just to make sure that we're turning over all the rocks and making sure that we've got all the efficiencies that we possibly can. But part of it also was going through the grants-in-lieu assessment, the surcharge process that we went through, you know, put some definition around that — ongoing. We talked about municipal revenue sharing is up for review this year. That would be part of what that process would include as well. So just trying to be better stewards of our stakeholders' money.

**Ms. Rancourt:** — And we mentioned municipal revenue sharing earlier, and you indicated you were hoping I'd bring it up, and this is the time. So I was wondering what the plan for the redesign is for municipal revenue sharing.

**Hon. Mr. Kaeding:** — So I think, you know, with any program that's had any kind of length of time to it, that it's always a good idea to review it and just see if it's fitting, you know, the needs of all our stakeholders. And we've got . . . Our key stakeholders are all seeing differences in what's happening out there. We're seeing new infrastructure. We're seeing new capital projects. We're seeing shifts in population. So I think after 10 years, any time, any term that we've got of any kind of program that involves that much separation and that much sharing amongst municipalities, it's always a good time to review.

So what we've asked our stakeholder groups, to go through a process now where we're going to ask their opinions, determine what the changes are. Do they see a need for a revenue sharing? Is there . . . What changes would they, if they did see a need, what changes would they be?

I'll maybe get Keith to go through the process as to where we're headed with this and what it's going to look like.

**Mr. Comstock:** — So we've begun the process already. We have a project team within the ministry and we have committed to the municipal associations New North, SUMA, and SARM, as well as the two administrator associations that we will consult with them as we . . . at various stages through the process.

The major components of the review . . . What we want to do is we want to take a look at the principles behind the program and we want to revisit them. So for example, last time around we talked about predictability. We talked about transparency. We talked about sustainability and unconditionality and some of the . . . so we want to go back through those and . . . Do they still hold up over time? Are there new things that are either of particular importance to the province or to the municipal sector that we want to build into the program? So that's part of the work.

Part of the work involves a review of the amount, of the quantum of it, and of course that's a fundamental piece of it. So we'll be going through and seeing how the world that we saw in 2007-08 when the program was first designed, how have municipal expenditures and responsibilities, tax loads and that, changed over time? And is there still a reasonable relationship between what the province is providing and what municipalities

are experiencing? So quantum is another piece of the work.

We also want to revisit the notion of the pool allocations. We did a review, this as required by legislation, and we determined that . . . We did a review of the pool allocations and decided that because we were going to do a review of the whole program, we didn't want to just change or consider changes to pool allocations in the absence of having done the other one. So at the end, we'll revisit the pool allocations again and give some advice and some recommendations or options around how that might change.

This is a collaborative effort, and we've already done one set of consultations in the North. We have another one on Friday with SUMA and the urban administrators. We follow up with SARM and the rural administrators the week after. Then we will go away and take what they've told us about what . . . how they think the program needs to change and what needs to not change. And we will come up with some options and some ideas based on the research that we would do. We will go back again and meet again with the stakeholders and say, okay you told us A, B, C, and D; here's how we might address those things and some different options, and do our best as officials to come to consensus on what recommendations we want to make to the elected.

At that point then, the minister will take over and do some consultations with his colleagues at the municipal level, with the elected boards of SUMA and SARM, New North. We also want to get the Northern Municipal Trust Account folks involved, because they have a stake in this. And by the end, we hope to be able to have a set of recommendations or a set of changes that everybody is in favour of, and that we can then propose to government at large.

**Ms. Rancourt:** — So are you anticipating change to the formula?

**Mr. Comstock:** — I don't know really. I think we need to be open to it, and I'll illustrate it by this: I can't presuppose what the decision will be, but when the program started, we based it on one percentage point of the PST because it was, at that point in time, the best fit of predictable, sustainable, transparent, a set of numbers that we had control over as the province, and it worked. We saw some growth. Now, over the past two years and possibly into another year, because of factors that we can't control, we've seen decreases. So one of the questions you have to ask yourself is, is the PST still the best tax base to use in calculating quantum? Is there some other measure of economic activity or some other measure of what's happening in the province that is a more appropriate thing to base how we calculate MRS [municipal revenue sharing]?

So it's too early for me to anticipate whether or not there will be changes or not, but I do think that we have to be open to the notion of the . . . And what we've heard so far, at least in our preliminary discussions with our partners, is that they understand that as well. Their world has changed in the last 10 years too.

So I suspect there will be change, but I don't know. It would be foolhardy for me as an official first of all, but second of all this early in the process, to try and guess what those might be.

**Ms. Rancourt:** — Because with my communications with municipal leaders, they indicated that they appreciated the revenue-sharing program with the one point of PST. They knew that there was going to be ups and downs and that was something that was decided, but it was predictable and transparent. And so they knew when they were going to be getting less revenue and they could plan for that. So I'm glad to hear that you guys are doing your work with consulting with the stakeholders, because that's going to be a real important part with making some of these decisions.

So the ministry plan for 2018 and '19 also indicated that it plans to amend municipal legislation to accommodate provincial legalization and regulation of cannabis and the ride sharing. So since you plan to amend these pieces of legislation already, is there a plan to change legislation in *The Cities Act* to allow municipalities to have the power to tender taxi plates at fair market value?

**Hon. Mr. Kaeding:** — So that's definitely one of the items that's been brought up by our stakeholders and that's certainly something we're going to consider. But we also have to remember that we have other stakeholders in this too, and that would be the taxi industry. So that would be another entity that we would have to consult with and just see what, you know, what we'd be able to come up with that might be amenable to all. So definitely something that's on our radar as we move forward talking to our urban municipalities.

**Ms. Rancourt:** — Yes, because some people said that they've approached the ministry before and they indicated that when they decide to make some changes to the Act, they would consider that. And I know that there's changes to the Act on a semi-regular basis, every two or three years, and so I just wanted to make sure that was still on your agenda and that this has been brought forward to you, and so putting it on the record. So when will *The Cities Act* potentially be reviewed again?

**Hon. Mr. Kaeding:** — Right now we're looking at 2019.

**Ms. Rancourt:** — And I'm going back to the municipal revenue sharing, because I forgot to ask: when do you anticipate that this review will be completed?

**Hon. Mr. Kaeding:** — Our goal is to complete stakeholder input by the end of the year and then, if we need to change legislation, to move that into the following year, just always taking into account that we have that two-year lag on PST — what municipal revenue sharing is based off of — so we always have to be cognizant of where that is too in our cycle. So that's our goal is to complete consultations by the end of this year and then, if changes are made, to implement those next year.

**Ms. Rancourt:** — So you previously told municipal leaders that revenue sharing will be frozen next budget, so what they're getting this year to expect that for next year. Is that still the plan?

**Hon. Mr. Kaeding:** — The plan is that that would be the minimal amount that they would expect, so they're able to use that as a budget item going into next year. And it gives us that opportunity then to make sure we go through the process and



get all our stakeholder input and be able to put a plan together that we can move forward with. So yes, that gives them kind of a floor value of what they can expect moving into next year while we're going through the legislative process.

**Ms. Rancourt:** — So no municipality will get less revenue sharing next year than they got this year?

**Mr. Comstock:** — I understand the intention of your question from a practical program administration perspective, though that doesn't always work. In the North for example, a formula that we use to calculate revenue sharing is based on actual expenditures from the year prior in four key areas of municipal responsibility. I don't want to go too far down into the depths of the formula, but because of the year-over-year differences in actual expenditures, we do see some variations between communities in the North, and it's a function of the formula that northern leaders have worked with us to develop. So the total money in the pool would be the same, but there would be some distribution changes.

Same thing on the rural municipality side. There is always some changes in road classifications and new roads that were built, other roads would be taken out of service. And so there's always some room. So I can't guarantee . . . It would not be accurate for me to be able to say that every community will get the same number because that's not the way the formulas work. However, the pools will stay the same. The distribution between the pools, there will be some variation as there always is.

**Ms. Rancourt:** — Okay, like always it's as easy as mud. Clear as mud, right? So my next area of questioning is for public safety. So I know you might have to do some changes in officials, so I'll allow that.

[19:45]

Thanks for joining us, Mr. McKay. I'm sorry for keeping you towards the end. I hope we have enough time to talk because there's been so much going on with regards to public safety. Always appreciate everything that your agency does and what you do for our province. You do a top-notch job.

So I'm going to first start off and just ask you to give me an update on your department's activities in the past year, and what is planned in the future.

**Mr. McKay:** — Duane McKay, fire commissioner and assistant deputy minister of public safety division of Government Relations.

So the past year, as always, has been an interesting year. Certainly we have seen a significant number of events that have impacted communities around the province, to say the least. You know, we saw airplane crash in the La Loche area, which was remarkable in the fact that only one individual was lost in that. And certainly we saw, you know, wildfires in the Southwest which actually claimed the lives of individuals and injured several. And certainly the impact on agriculture in that area was quite significant.

And certainly just in the last months, we saw, you know, a devastating bus crash that certainly impacted not only

communities but in fact the entire world.

And so all of these things sort of help shape the activities that we are engaged in and how to support communities in developing some of the necessary planning as well as the activities that they will undertake. As you know, the municipalities are ultimately responsible on the front line for all of these activities. And certainly the province has attempted to and, I think, been quite successful in terms of providing safety nets and infrastructure that would ensure that while they are out there on the front line, that they know that somebody is coming behind to support them.

You know, we've had a focus on the 911 system, just to start there. Certainly the change in technology has been a significant part of our focus, certainly around the next generation 911 and the new telephone systems that are required. And I'm pleased to report that Saskatchewan is in a very favourable position in order to meet the initial requirements, which is text to 911 for deaf and hard of hearing individuals. That implementation was put into place early last year and has been quite successful and, I think, adopted and engaged with those individuals that suffer from that impairment.

Just to give a little bit of information on that. While most of us would just have access to 911, we could do that anywhere, the technology that the deaf and hard of hearing community would have had, to actually find someone and communicate with them to dial 911 because they couldn't communicate, and yet they would carry a cellphone that would be capable of that. And the new requirements that were established by CRTC [Canadian Radio-television and Telecommunications Commission] now allows them to use their smartphone and dial in to 911 and communicate those activities that they need assistance with. So that gives them mobility, and it really marks a significant step forward in making sure that the whole of society is engaged in these potential services.

Our radio system, the public safety telecommunications system, continues to operate. It is the largest land-based radio system in Canada — not in terms of the number of people because of the populations, but certainly the area base — and that continues to meet the requirements. And I would point out that in some of these large incidents that we've experienced, it allows police, fire, EMS [emergency medical services], and other public safety agencies to speak to one another uninhibited so that they can have a coordinated response.

In terms of some of the fire activity that we've seen — and certainly this spring has been significant in terms of the number of fires — I think right now we're averaging about 85 fires a day across the province, and some of them have gotten away and claimed some homes and structures. And even as late as yesterday, in the Kannata Valley area we saw two homes and one cabin destroyed, two families displaced. And so this is always a danger. And certainly the response to assist, both in terms of fire prevention activities and supporting them, as well as making sure that we have resources that we can build caches around the province to ensure that wherever possible we can respond to those.

In light of the fires and the tragedy that we saw in October of last fall, there has been quite a bit of work done with

municipalities and stakeholders in general to make sure that we learn the lessons, not just identify but learn the lessons, and assist with training of volunteer firefighters to make sure they have wildland training and make sure how they put together a proper response plan, radio training to ensure that that infrastructure that we've put into place is available to them and is used in a way that keeps them safe.

Unfortunately in many of these cases, it's quite chaotic, and certainly we have emergency service officers that will respond and help to try and bring order to those. And I think in terms of, you know, identifying the problems that we do see, it's an opportunity to change culture, change training, and so on. So we're actively involved in that. Certainly in the last few days, we've talked a little bit or heard on the news a little bit about SaskAlert or the Alert Ready campaign, that new technology that was mandated by the CRTC to ensure that all cellphones would get push notifications and make sure that while you are in a particular area where there might be danger, an alert comes out. Regardless of whether you've downloaded an app, your cellphone will get that notification.

In Saskatchewan that will occur on Wednesday, Wednesday at 1:55, and we would expect and hope that everything will work. I will report that the SaskAlert program in Saskatchewan would be considered quite mature now. It's been in place for a few years. It is a little bit different than what we've seen in other parts of the country where we have pushed that responsibility down to municipalities, in other words, allow local EMOs [Emergency Measures Organization] to use that system to alert individuals in obviously those life-threatening emergencies, but also use that to inform people of other public safety issues that might be there, like water issues within their town and so on.

Saskatchewan issues more alerts than all the rest of the country combined on that system and really is in position now to help to shape the direction of the Alert Ready program nationally, simply because of the work that we have done in that area. There is a SaskAlert app that we encourage people to download because, while you'll get the alert, the push notification — the SaskAlert app, which was developed along with SaskAlert — is an opportunity to get the alert but also maps and additional information and links that will allow you to get to information. So not just the emergency but, you know, a bunch of additional information that is available to you as well. We encourage municipalities to use it as much as possible. Some do, and when we think they should have, we go out and do additional retraining.

We made a few announcements on the single-engine air tanker program which we worked diligently with government officials and the private industry to take a resource that already exists here in the province, which is the air applicators, and use their aircraft now to help in wildland situations. So this is really targeted to central and southern Saskatchewan and give those wildland situations, as we saw in the fall, another tool. It's not going to put out all the fires, but it certainly is another tool to give aerial attack where necessary.

We have trained 26 pilots and most, I think, if not all, have been certified now to do that. We're working out the protocols, the pricing, you know, sort of all the procedures around that. We hope by midsummer that that will be fully active. It will be

activated through our radio system to dispatch, and everybody will be able to access that, certainly in case that we get those extended fire systems, as we move forward in some of those activities as well.

I think last year we talked a little bit about 911 and the new facility that we had put together. And a year ago we were notified by the city of Prince Albert that they no longer wanted to run that system for us. Saskatoon and Regina are also our partners. and now we have selected a new partner, CanOps, the Canadian Public Safety Operations Organization, to help us and partner with us in the delivery of that service.

We're in the transition now to ensure that all the employees there are transitioned with the least amount of concern for them, and we're well under way there. So there should be no operational impacts; it's virtually business as normal. So we're quite excited about that. The selection of a new partner is always a bit tricky, and I think we've done a pretty good job of selecting a partner that would be there for a long duration of time and perhaps allow us to leverage other activities that would certainly reduce some of the financial impacts on us over time. Certainly that is not our main goal but, you know, with all of the technology changes, we need to look and we need to manage that financial impact and ensure that we have the best system for the best value for the money we're spending.

Certainly on the building standards and licensing side, we have many projects going on there in terms of some of the things that you've already talked about — the impacts on buildings and building safety, and working with TSASK [Technical Safety Authority of Saskatchewan], their legislative responsibilities — those fundamental pieces that ensure that our core services are meeting standard and that we are building safe buildings for the people in Saskatchewan.

So that's a general overview. We're trying to make sure that we are responsive to activities. Certainly this spring, as I'd said, fire is a major issue and we have set up a controlled burn line as well to ensure that people can coordinate their calls in. And certainly there we have a list of all of the fire bans that municipalities put into place. And we can tell people when they call in, you know, you need to check back, there is a fire ban in your community and so on.

So we're trying to again to be responsive to sort of that ever-changing environment. So tonight we're monitoring a storm that is moving through the southern part of the province and could have some impacts on people. And so we've moved people down into the South to make sure that we can respond normally. We've established an intelligence, a situation awareness team which gathers that information from all of these different organizations we work with, including wildfire management and SaskPower and SaskTel, to ensure that when something comes up we can manage that risk and we can respond to it quicker. We can get information out and then take advantage of that infrastructure that has built over the last several years.

**Ms. Rancourt:** — These spring wildfires have been definitely a topic of discussion recently. And so you were saying that there's 85 fires per day. Can you explain that a little bit more?

**Mr. McKay:** — Certainly. So from last year, from January to February we were just around 550, so calls to this date. And now we're close to 800 calls. So there's quite a few, quite a few more fires. Now this would not include structure fires. These are wildland fires that we're seeing. So obviously it's very dry and certainly an extension from the dryness that we saw in the fall. The snow evaporated very quickly this year and what was on the water or what was on the land, the water that was on the land, you know, went into the land very quickly because it was very dry.

And so we've seen significant winds blowing and they've been dry winds. So the light fuels that we see, you know, the pasture, the grasses, and the fence lines in and around people's yards are drying out very quick. And just in the past, yesterday I think there was . . . Over the last weekend we've seen up to 85 fires per day. So those numbers are increasing.

Some of those have been controlled burns which people have lit and then it has got away from them, and so we're encouraging people not to burn. We're encouraging municipalities to put on fire bans. And certainly we're very sensitive to where we're positioned and how we can help. But there is a limited number of people that we can put into place. What we are seeing is a significant increase in mutual aid in terms of municipalities helping municipalities and First Nations helping respond to these as well. And so we are seeing some increased awareness and relationships being built.

The other thing I will point out is that we have noticed in the last couple of years the types of fire apparatus that are being purchased by municipalities are more centred on what types of fires they're actually responding to. Typically in the past you would get a city-style fire truck in a rural area and of course really couldn't go off road. It would get stuck; it was too heavy. And now we're seeing four-wheel drive, wildland-style trucks and some very big and very sophisticated vehicles to very light vehicles that can travel over rough terrain and so on. So overall I'd say that, while the fire risk is increasing and certainly the wind's driving these fires across jurisdictional boundaries, municipalities seem to be responding to that and doing things in a very co-operative way, which certainly takes the pressure off of us to be everywhere all the time.

[20:00]

**Ms. Rancourt:** — Do you have a bit of a breakdown of what types of fires have been happening? I know we've been hearing a lot of fires that may have been human started — or I don't know what the terminology is — but human caused, yes. And so I don't know if you have a breakdown of what type of fires have been happening.

**Mr. McKay:** — I don't have that here, but certainly we can pull that out. But I will make an observation: humans cause a lot of fires. And if we were to remove people, we wouldn't have a lot of work to do. You know, obviously there is a natural cause, and we saw a little bit of that in Tompkins, for instance. The high winds caused power lines to touch, and it created sparks. Certainly rail lines, we're seeing some of that driving through the grasses. Or whatever else can throw off sparks. You have steel on steel. It occurs.

But what we probably see in many cases and what is of greater concern is the individuals that decide to burn something. They do call in. And then obviously the fire gets away, and of course they haven't taken the precautions to perhaps have water or some sort of extinguishing agent on place. They may have called the burn line, but then they don't call quick enough back to 911 so we can get the fire apparatus in that jurisdiction activated. And certainly there's travel times in the rural areas.

And in these high winds — and high winds can be anything over like 50 kilometres an hour in a dry day — fires can move at tremendous speeds and build walls of fire that could be 15 to 20 feet high. And they will consume very rapidly anything in their path, and then it gets too much. So it's some of those that are causing our greater concern because those are 100 per cent preventable. And either they shouldn't have done it on the good burning day or perhaps they should've taken more precaution. Accidental fires are still probably impacted by human activity, but those we might have some understanding as to, you know, how those would occur.

I will point out that those individuals who have started a fire and lost control of it are accountable for the damages that it caused, whether it burn somebody's crop or somebody's house. The activities of all of the fire services that come in and so the operational costs could be very high. You know, for a two- or three-hour fire, you could see 30 or \$40,000 worth of costs just for that. And certainly provincial assets that were deployed, then those costs would be included. And then any losses could go against your insurance, if you have insurance, and if you don't then you would be open to those liabilities as well.

**Ms. Rancourt:** — Seems like a lot of these fires are right across the whole province, like in the northern part, in the southern part. Is this typical?

**Mr. McKay:** — It is typical but I think we're seeing a little bit more focus this year simply because the snowpack dissipated very, very quickly, and in some cases the snow left and there was very little moisture and the winds have been pretty steady. And in those kind of conditions with warm temperatures, when you get . . . And I love warm temperatures except as a fire commissioner I don't. But the wind conditions and those dry grasses and so on, I think we're just seeing a very compressed spring.

So typically it's over a longer period of time. The snow takes longer to melt. And in this case the snowmelt never really occurred to the middle or end of April, which then makes the warm temperatures come up very quickly. And again the wind which . . . You know, I grew up in Prince Albert. The wind didn't blow this much as I think it does now. And so all of these things are contributing. So some adjustments to weather patterns perhaps.

So this year because of that very compressed time . . . And the ground has to be warm enough for the grass to grow and it isn't quite there yet. We're seeing green but it's not quite growing yet. And so that rapid green-up is, you know, a week or two away yet. So I think it's the compressed time that seems to be making this more vulnerable or appear to be more vulnerable, and certainly by the numbers we are more vulnerable.

**Ms. Rancourt:** — And I read in one of the media articles that we're already above what the provincial average is for fires at this point. Is that true?

**Mr. McKay:** — It is true. Right across the board we're higher. And again I think the contributing factors are, you know, the long winter. People want to get out. They want to clean up their yards, want to do these things. The dry temperatures and dry fuels are certainly causing the fire conditions to go.

You know, just on the weekend, I think on Sunday, we reported through the 911 system that over 40 fire departments were actively engaged in fighting, and that was just in the afternoon. So you know, the activities are pretty steady. So we're hoping for more rain and warmer temperatures in the ground, more heat so that things start to change on us.

**Ms. Rancourt:** — The wildfire budget was substantially decreased. Has that impacted any of your activities or your staffing?

**Mr. McKay:** — So are you referring to wildfire management's budget or our budget?

**Ms. Rancourt:** — The wildfire management, would that have an impact on your guys' agency?

**Mr. McKay:** — We work closely with wildfire management but their budget is for their operations, which is in the North, and the impact there for us is the consequence of those fires. We work with, you know, emergency social service, evacuation pieces and so on. So I can't really comment on their operational impacts.

**Ms. Rancourt:** — And do any of the RMs have a role in paying for some of the associated costs of these fire management?

**Mr. McKay:** — So in terms of municipalities, ultimately municipalities own the fire service so some of those costs would go back to them in terms of their response costs. The way most of the fire services are organized here is that there is a base budget established for the fire service operations. And then the operating costs, the response costs associated with going to a person's house or a field or vehicle, are usually billed back to the individual and charged back through insurance that that individual would have. If they don't have insurance, obviously the individual would then be accountable for that. In terms of direct costs associated with that to a municipality, typically those costs are moved off to the person that caused the incident or requested the service and I guess funded back through that way. So there isn't a lot of direct costs associated unless the person doesn't pay. Obviously then, you know, they have mechanisms that perhaps they can collect that.

**Ms. Rancourt:** — So are you involved with the wildfire task force that was established?

**Hon. Mr. Kaeding:** — So really, that was an Environment . . . The Ministry of Environment was the key component on, the government component on the wildfire task force.

**Ms. Rancourt:** — Okay. So the emergency management and fire safety has remained the same, but with the increase of costs,

how can this maintain the existing services?

**Mr. McKay:** — So while we have been doing this emergency business for a few years now, we have developed processes to ensure that when we start to look at emergency operations costs, that they are managed a little different than our base budgets that are established under this process.

So the budget that we have is really established around the core services that we need to have in place to run for the year. Any of our emergency operations costs are processed just as that, through emergency operations, so we're not really budgeted for them. It's pretty hard to predict whether they have a busy year or a slow year. Typically we have costs associated with that.

In addition to that, what we have done to ensure that the Ministry of Government Relations isn't looking after everybody's budget, we establish project codes when we go into a multi-ministry type of emergency or provincial-wide type of emergency which we see with evacuations or other activities where different organizations are funding or responding to those.

Government Relations provides the central coordination and the emergency management structure. And then those other ministries would handle their costs, but through a central project code, so we can roll up what the cost of the situation would be at the end of an operation. But Ministry of Government Relations, like others, would just go back for additional funding to cover those costs once they're done.

**Ms. Rancourt:** — The staffing budget was decreased by 160,000. How many staff were reduced and what were the positions?

**Mr. McKay:** — So, yes. So there in the line budget it shows that there is some decrease in the budget there. But in fact what really occurred within the ministry, they consolidated public safety. So they created a public safety division which aligned emergency measure and fire safety and building standards and licensing. And because of that realignment, the structure that was under building standards and licensing, which was a part of a different division, the senior administrative costs were taken out and moved to corporate services.

So in fact there wasn't any real decrease in terms of the costs or the staffing, but what it was, was just a realignment to ensure that all of the public safety was brought together and then those administrative costs would've been moved over to the other divisions, which was corporate services.

**Ms. Rancourt:** — We were talking about the 911 texting. How many people registered for that program so far?

**Mr. McKay:** — So we don't have the number with us, but we do know that that program was heavily endorsed by the deaf and hard of hearing. That's what it was limited to. And we can certainly get that information and provide it to you.

**Ms. Rancourt:** — Do you have the number of people who have used the service to date?

**Mr. McKay:** — We'd have to get that for you as well. It's not a

lot. Obviously it's a very small part of the population. But certainly it is now available where it wasn't before. So we can provide that information as well.

**Ms. Rancourt:** — Yes, if you can provide that for me, that would be great. Thanks.

So you were talking about the Canadian safety organization and how they're new partners with the 911 system. Can you explain that a little bit more to me? I'm not clearly familiar with what that organization is and what role they would be playing.

**Mr. McKay:** — Certainly. So let me just roll back a little bit so we can figure out sort of the evolution of what we were doing. Many years ago in the mid-'90s, the province decided that 911 was a pretty good core service that needed to be rolled out. At that particular time, they worked with municipalities that were involved or trying to be involved in the 911 system. It was not available across the province. Saskatoon, Regina had their own systems within the municipalities. Prince Albert had a system that was in the municipality as well, and Swift Current was running a regional system. It was the first regional or rural 911 system that was operating.

And Lloydminster was, because of the division within the . . . right on the border, and the two technologies from Telus and SaskTel created a bit of an issue. So those were the public safety answering points that were established. They were all established with municipalities that were already involved in the system.

[20:15]

Over a period of the time with the evolution of 911, we saw those things start to collapse down into a more efficient model. And eventually in around 2006-ish, '05, somewhere in there, we saw a provincial . . . We started moving towards a provincial. So all those little public safety answering points were consolidated into one, which happened to be into Prince Albert. And in Saskatoon and Regina we're answering calls under the same system. It's all one. But under contract they were answering within those two jurisdictions.

So the types of calls that would come in typically into an urban environment which, you know, would be, you know, primarily a certain type of emergency — I need police; I need fire; I need EMS. And they had to have an address. They would be answered there. But if they put a rural call into those particular areas, then certainly, you know, the dispatcher there or call taker may not know, you know, the land locations, for instance. So we saw a division in the types of services that were required. So over a period of time all of that occurred.

The 911 centre in Prince Albert started to grow. Obviously in terms of consolidating, once we had consolidated the 911 system, it provided an opportunity to start consolidating other public safety communications. And between 2006 and 2010 we undertook the public safety radio communications system, and it had provided now an opportunity to have radios all across the province. And certainly then the consolidation of fire dispatching. The consolidation of all the provincial public safety dispatching, conservation officers, commercial vehicle enforcement, treasury board officers, corrections all started to

be consolidated into this one area, which caused the system to grow and to grow and to grow.

And the municipality of Prince Albert, who was originally in that as part of a partnership, indicated in around that time that this was growing very large and it wasn't really under their control in terms of, you know, the demands that were on the system. And so over the last three to four years we've been working with the city of Prince Albert to find a different way to deliver that service. And we wanted it to be in a service that could continue the growth and be very responsive. It has other components. It's got a help desk, the fire control line, the 911 system, the dispatching. I think currently we're dispatching about 365 fire departments, you know, so it's quite large.

And of course we needed a partner that would be able to take over. Very large for any other municipality. We didn't think that consolidating it all into an urban environment would . . . Because we had experience that that was not the best idea. And to be quite frank, we wanted a partner that would ensure that we wouldn't see, you know, privatization. Although it is not a part of government and hasn't been, we wanted to ensure that the people were looked after, that there wasn't wage suppression and benefit suppression as one. So it was very unique.

We went out to a tender, a competitive process, working closely with our colleagues, and looked for an organization. The organization that was successful in that tender is a not-for-profit. It has a governing board where provinces and territories participate on the strategic guidance of that organization. It has a board that looks after the operational parts of that, and it is based here in Saskatchewan. So all of the, you know, I think good criteria to ensure that we can have a long-term relationship with the organization. They agreed that they would do the things that we needed them to do to ensure the long-term success of that program, and so we've entered into a contract with them. And we expect the full transition to occur in the next month or so.

**Ms. Rancourt:** — How long is the contract with them?

**Mr. McKay:** — The contract is a 10-year contract with a one-year implementation phase which we'll work very closely with them to build a relationship, solve any problems that might come along, and then to look for future opportunities as well. And it'll be reviewed after 10 years and I think there's a five-year option to extend. But it also gives government an opportunity then to review and see whether this is where they want to go.

As we've seen in the past, 911 and all the technology is very dynamic and we want to bring stability, but we also want to make sure that government can address any potential opportunities as well as whatever the future brings to us.

**Ms. Rancourt:** — Do they provide this type of service to other provinces?

**Mr. McKay:** — Their opportunity . . . What their business model is, is to assist governments in managing things that governments don't really want to or can't. So they're in that grey area between, you know, government-owned and -operated and privatization. So a key component is they're a

not-for-profit. They can own; they can manage; they can run. It's really very flexible in terms of what the options are. This is so, right now, they are looking after the employees. They will ensure that all of those things that a good employer needs to do are there. But the program itself will stay with the Government of Saskatchewan.

So Sask911, the public safety telecommunications, all of those things, the assets are government. It's really just a partner, much the same as if the city was to say, we'll look after the employees; we'll look after sort of the day-to-day management; but all of the standards, all of the coordination, the program itself, will be firmly in the hands of government to ensure that we get what we need and the employees and the stakeholders, the clients, get what they need.

**Ms. Rancourt:** — So do we as a government, do we pay them to manage this?

**Mr. McKay:** — Yes. So the contract has a fee for service, a percentage that they pay, much the same as you would see with the Red Cross or other not-for-profit organizations.

**Ms. Rancourt:** — So would that cost be reflected in the budget here?

**Mr. McKay:** — Yes. So the way the 911 system is funded is a little different than sort of a normal budget. There is a fee that is put on your telephone and it's obviously nominal because people don't complain about it. And it doesn't go into the General Revenue Fund. It is part of the summary estimates in terms of, you know, it's government money, but it is housed in SaskTel. They collect the fees from all the telephones that are operating within the province and that money goes into a fund and then it is controlled specifically for the purpose of 911.

911 has two components to it. It is the 911 call-taking, dispatching component, and then there is the public safety telecommunications network which is funded there as well. And in the legislation it's basically one system, but it's actually two programs and so that's how we run it. It's all within that other account. The advantage to the sort of the program is that it isn't solely accountable for that money in the sense that the dispatch services provided, they are actually charged back to municipalities or those ministries or agencies that they provide dispatching for, so it's a hybrid system. The core funding comes out of the 911 account which is controlled through the ministry, and then the business side of that, which is dispatching fees and other services that might be provided, are charged back to the clients that are requesting those services. So it's a little bit unique. It's not recorded in this particular piece. It's an account that is currently being managed by SaskTel.

**Ms. Rancourt:** — Okay. I wanted to talk a little bit about the SaskAlert that you were talking about. And so tomorrow we'll be getting our alerts at 1:55. What should we expect?

**Mr. McKay:** — Well your phone will make a screeching noise that will shock you and then you'll get — or a buzz or whatever — and then you'll get an alert that says . . . Actually I have no idea what it actually is going to say, but it'll be a test, test, test, and then whatever is there. And it's basically just a way to ensure that the system has cleared all of its hurdles.

I will point out that in Quebec that didn't work exactly right. There was a hyphen or a space put into the programming that obviously was a small error, but blocked it. We're expecting that those problems are solved, and so we're expecting success tomorrow. And certainly those individuals who have not downloaded the app, who may be completely unaware, at that particular time they will become aware and they will now be aware that this thing is going to happen.

And it's interesting. So the technology has come to Canada. It's been worked on for many years and there's been much controversy around how to get this thing done, whether we record everybody's telephone numbers or whether we push it out through the system. Obviously this is the ideal way of doing it. Australia went a little different way. Every time you register, your telephone number goes into a database and it activates the database. We thought that that was . . . had too much opportunity for error. And for those that have travelled through some states in the US [United States], it isn't everywhere in the US, but in some states you'll be driving down the road; it'll send off its little siren signal and you'll say . . . It might come up and just say, flash flooding, be aware.

So it's those alerts that people who may not be anywhere aware of what's going on around certainly will be notified, and then you can take the appropriate action. Tomorrow's test will be . . . We're waiting on bated breath.

**Ms. Rancourt:** — We will be in the House. It'll be close to question period. So I'm assuming we might want to all shut off our cellphones because that could be quite noisy in here.

**Mr. McKay:** — But it might be a tension breaker.

**Ms. Rancourt:** — So that was the other question I was going to say, was that we know that there has been issues in other provinces with regards to the SaskAlert testing. And so have you been working with Minister Goodale with regards to this implementation?

**Mr. McKay:** — So certainly we have. We're heavily involved in a lot of federal-provincial committees around public safety. And although we're not working specifically with Public Safety Canada on this particular piece, we're involved with them. This has really been driven by the CRTC and we have . . . Our people are on those committees. They attend regularly and are quite influential.

As I've mentioned before, the SaskAlert system, which is part of that national picture but we've rebranded here in Saskatchewan, put our name on that, that committee and that SaskAlert program is quite mature. As I've mentioned before, the depth at which we have gone to in terms of making sure it's available to municipalities that want to take that training is quite deep, quite a bit deeper than what we've seen in other province. We've set the standard on that.

We meet with Pelmorex who is The Weather Channel organization. We've met with them on a regular basis. There's a technical advisory group that we're involved in to ensure that not only that the system, our system, is fully compatible but that Saskatchewan has the opportunity to drive this as opposed to be driven from other, larger provinces.

We are clearly punching above our weight, but that has certainly been to Saskatchewan's advantage to ensure that the system meets our needs as opposed to some adaptation from some other jurisdiction. And of course in all of that, Public Safety Canada, which is Minister Goodale's ministry, is closely involved in all of that as well.

**Ms. Rancourt:** — Volunteer firefighter organizations have had some financial restraints and oftentimes a lot of their equipment are based on donations. But when they have to purchase some items, has there been any discussion with potentially having that being a PST-exempt option for firefighting equipment?

[20:30]

**Hon. Mr. Kaeding:** — So we've heard different parts of volunteer firefighter requests through SARM and SUMA. And you know, we'll be following up on what some of those requests are, how that would affect finance and what it would look like. But that's something that we are following up a little bit more on, on training, professional development when it comes to that, and equipment, some of those things. So that's something we're going to be following up with our partners.

**Mr. McKay:** — I would point out that the sensitivity or perhaps the . . . of municipalities around fire protection, we've seen a significant increase in the technology that they're deploying. You know, in some days in the past we would go . . . And I used to use this comment that you might see a 1953 Chevy one-ton with a 300-gallon tank on the back and a Banjo pump. We don't see that. You know, we see very modern equipment, very specifically spec'd out to meet the needs.

And certainly big incidents that we saw in the Southwest, for instance, we know that increased purchases by not just the municipality that owns the fire service — typically the urban — but we're seeing RMs begin to invest in those services as well. So a lot of co-operation and good equipment being purchased, certainly after 2015 wildfires in the North where we invited a lot of those municipal services to come and help in La Ronge, Air Ronge, and Lac la Ronge Indian Band areas. With the next budget cycle, we saw a lot of new apparatus being purchased. I think people are becoming aware they need to be prepared. So while we don't hear that request coming directly from the fire service, we do see an increased investment in terms of what they are doing for their fire service. And yes, they still do a lot of fundraising and they're looking for sponsorships as well to off-load some of those costs. But that's what we're seeing now.

**Ms. Rancourt:** — Thank you. I know I've exhausted my time. I could probably stay here for a couple more hours but I'm sure everybody would like to go home. I again want to thank all the officials that were here tonight, and thank you for answering my questions. Thank you, Minister, for having a real respectful conversation. And I think this is important for everybody. I know I learned a lot and I hope maybe even you learned a little bit. I know three months on the job, there is still a lot to learn. This is such a diverse ministry. So I also want to thank the media services for spending their time this evening to have this all recorded so people can watch from home, and Hansard for doing their good job with making sure everything is kept on the record, and the committee staff and all of the other members who are here today. So thank you for a lovely evening of

learning a little bit more about the ministry and I hope you guys have a nice rest of your week. Thank you.

**The Chair:** — Thank you, Ms. Rancourt. And seeing no further questions, we'll adjourn our consideration of the estimates for the Ministry of Government Relations. Minister, do you have any closing comments that you would like to say?

**Hon. Mr. Kaeding:** — Well I too would like to thank everyone involved tonight, certainly all the support staff — Hansard, commissionaires — and thank the committee for their questions. And absolutely, we learn a lot from questions. But I think I would really like to thank the room full of rock stars that we've got here. As you can tell, there's a lot of brain trust that's found within this group, and I tell you, every day there's that much more that I learn. The binders keep getting a little thicker, but at least there's a lot of value in there. So I appreciate each and every one of the contributions that our staff has been able to provide the ministry.

**The Chair:** — Well thank you. This concludes our business for this evening. I would ask a member to move a motion of adjournment. Mr. Nerlien has so moved. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. This committee stands adjourned till Monday, May 14th, 2018 at 6:30 p.m.

[The committee adjourned at 20:34.]