



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

## **Hansard Verbatim Report**

**No. 12 — March 31, 2026**

**Published under the  
authority of  
The Hon. Todd Goudy  
Speaker**



**Legislative Assembly of Saskatchewan**

**Thirtieth Legislature**

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**STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE**

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[The committee met at 18:00.]

**Chair B. McLeod:** — Good evening and welcome to the Standing Committee on Intergovernmental Affairs and Justice. Pleased to see everyone here. My name is Blaine McLeod. I'll be Chair for tonight's meeting. And I will just introduce members before we get things started here.

So myself, and then we have MLA [Member of the Legislative Assembly] Brad Crassweller; MLA Jamie Martens; and MLA Megan Patterson. And on my left we have MLA Jordan McPhail, chitting in for Betty Nippi-Albright; MLA Leroy Laliberte; and also with us tonight is Erika Ritchie, chitting in for Jacqueline Roy. So those are our substitutions for tonight, and the members that you see around the table.

So today we're working with Government Relations, and we'll be considering the 2026-27 estimates for Government Relations right through until 9 p.m.

**General Revenue Fund  
Government Relations  
Vote 30**

**Subvote (GR01)**

**Chair B. McLeod:** — We're going to begin with vote 30, Government Relations, central management and services, subvote (GR01).

Now here with us tonight is Minister Schmalz and all his officials. And I would ask that officials, as per usual, please introduce yourselves, themselves, before they speak for the first time. And again remind everyone, do not touch the microphones. The *Hansard* operator's got that under control and will turn them on when you speak.

So, Minister, no further ado, let's introduce your officials and make your opening comments please.

**Hon. Eric Schmalz:** — Thank you, Mr. Chair. And you are correct, all of my officials are here tonight. Thank you and good evening. I'm pleased to speak to the spending priorities outlined in the Ministry of Government Relations' budget and business plan for 2026-27. I'm joined this evening by Deputy Minister Laurier Donais, ministry executive management and officials, as well as representatives of the Provincial Capital Commission.

I look forward to providing a quick overview of the budgets for the Ministry of Government Relations and the Provincial Capital Commission. Afterwards I will be happy to answer questions from committee members. I wish to thank the senior leadership at Government Relations and the Provincial Capital Commission, as I'm sure that we will all be relying on their expertise to provide the best information for committee tonight. They will introduce themselves as necessary.

The 2026-2027 provincial budget protects key priorities for Saskatchewan people, including affordability, health care, education, community safety, and sound financial management. The provincial budget introduced on March 18th supports job growth, international trade, and key industries to build on

Saskatchewan's strengths, including its people.

Last year's budget for the ministry was \$781.1 million. This year it is \$830.2 million. The increase in funding is driven by increases in two areas. For municipal relations, there's an increase to municipal revenue sharing, a new record amount for Saskatchewan communities. For First Nations, Métis and Northern Affairs, the increase is a result of forecasted gaming agreement payments.

The annual allocation of the Provincial Capital Commission remains at \$7.5 million for the 2026-27 budget.

The investments made in this budget continue to protect the strength of Saskatchewan and the services that the ministry provides. The Ministry of Government Relations' goals remain that citizens live in safe, well-governed, and sustainable communities that support economic growth, and that First Nations, Métis, and northern communities fully share in Saskatchewan's benefits and opportunities.

On our commitment on affordability and sustainable financial management, we will be holding the line on educational property tax mill rates. Our government reduced property tax mill rates last year, and they will remain the same for the 2026-27 fiscal year. For most ratepayers the tax levy will remain the same, but the total revenue to government will increase by \$8 million to 804 million due to base growth from new construction or property improvements.

Also, as part of the Government of Saskatchewan's plan to rightsize operations and control spending, the Ministry of Government Relations will reduce our expenses by \$333,000 this year. Our government is committed to preserving the programs and services for all residents, so these savings will be found in staffing and ministry operations. I am confident that Government Relations can meet this target this year.

The 2026-27 budget for the Ministry of Government Relations supports the direction of government by helping build stronger communities. We ensure residents live in safe and well-governed communities through record municipal revenue sharing, resources to support officials with governance and administration, and investments in integral infrastructure. This year \$392.4 million will be distributed to 761 municipalities through the municipal revenue-sharing program. It's an increase of 30.7 million from last year, more than 8 per cent.

Since 2007 the Government of Saskatchewan has provided more than \$5 billion in unconditional grants through municipal revenue sharing. This is the highest ever amount allocated under MRS [municipal revenue sharing] and the result of the underlying strength in Saskatchewan's economy.

It is based on a fixed formula, and communities can count on their allocation each year. The reason that this program is the envy of so many Canadian jurisdictions is that it is predictable. During the budget deliberations our government understood how important this funding is, and that a reliable government serving its residents would deliver on the commitment of revenue sharing. I'm proud to stand by that commitment, ensuring that communities are best positioned to decide how to invest those

dollars.

Another indicator of our provincial economy's strength is that we continue to build. Not just government, but businesses and residents choose to invest in their properties. Because of this investment, Government Relations provided an increase of \$602,000 to SAMA [Saskatchewan Assessment Management Agency] this year for an annual allocation of \$12.9 million. The Saskatchewan Assessment Management Agency develops property assessments, policy, and standards; confirms municipal assessment rolls; and conducts property valuation services. This increase will assist SAMA to maintain its property assessment services.

Funding for SAMA is essential for the agency to fulfill its mandate, which in turn maintains the integrity and reliability of the Saskatchewan property taxation system. In the '26-27 provincial budget it represents one of the largest capital investment plans for our province, and the Ministry of Government Relations plays a significant role in infrastructure investment. A total of \$239 million will be allocated through infrastructure programs administered by the Ministry of Government Relations in 2026-27. This includes the Investing in Canada Infrastructure Program, which will receive 158.2 million, with 74.8 million of that being provincial funding.

The New Building Canada Fund will receive 6 million in provincial funding. The Canada Housing Infrastructure Fund will receive 3 million, with 1.3 million of that being provincial funding. Government Relations will also distribute \$69.5 million to municipalities under the Canada Community-Building Fund, through what is federal funding only.

At this time ICIP, or the Investing in Canada Infrastructure Program, and the New Building Canada Fund are fully subscribed, and there is new funding under the Canada Housing Infrastructure Fund. This program is not as large nor as flexible as past federal, provincial, and municipal cost-sharing programs. The Government of Saskatchewan continues to work with our federal counterparts on such cost-share programs.

I was joined by municipal representatives in Ottawa last fall, meeting with federal Minister of Infrastructure and several other ministers' staff, including Minister of Finance, MPs [Member of Parliament], and senators to advocate for a new, flexible infrastructure cost-shared program. As leaders of our respective governments, we feel municipal infrastructure investment supports the federal direction to build a stronger, safer Canada. As Minister of Government Relations I am committed to continuing this dialogue with the federal government as well as local municipal leaders to see a new program delivered to benefit Saskatchewan communities.

The other notable increase in our '26-27 budget is for First Nations and Métis communities through the Saskatchewan gaming agreements. It is estimated that the gaming payments will be \$137.9 million this year. This is a \$30.5 million increase over the '25-26 budget and, like municipal revenue sharing, would be a new record amount. These are estimates based on forecasted gaming revenues for the year and is reasonable based on the growth of gaming revenue in the province.

These dollars are reinvested in Saskatchewan communities.

Gaming payments are made to First Nations and Métis organizations and grassroots projects that advance economic, cultural, educational, and social programs in Indigenous communities throughout the province. Including those estimated gaming agreement payments, the '26-27 provincial budget earmarks \$324 million in targeted funding for Saskatchewan's First Nations and Métis in community safety, education, and economic reconciliation.

While those investments are made across government, including Advanced Education, Community Safety, Justice, and Social Services, the Ministry of Government Relations continues to offer community grants and sponsorships. These grants for First Nations and Métis organizations and communities empower economic, social, educational, and cultural initiatives throughout the province.

The Missing and Murdered Indigenous Women and Girls+ Community Response Fund is \$400,000 of provincial investment and \$400,000 of federal investment through Women and Gender Equality Canada, supporting events, initiatives, and projects that prevent violence and build safety, dedicated to Indigenous women, girls, and two-spirited individuals.

The First Nations and Métis Community Partnerships Projects program supports initiative projects that help build safe communities, strong families, student achievement, or economic growth. Applicants may receive up to \$45,000 for their program or event.

First Nations and Métis Sponsorships has funding available for public events that promote reconciliation and cultural understanding organized by qualifying community or non-profit organizations. These events must focus on education, employment, professional development, cultural celebrations, or honouring veterans and elders.

Through the three grant programs, Government Relations approved nearly \$1.2 million this fiscal year for more than 60 projects. The consistent investment in these grant programs year over year is a significant part of reconciliation and strengthens our province as a whole.

Protecting Saskatchewan means continuing to invest in our priorities, in our communities through this period of economic uncertainty and trade instability. The Ministry of Government Relations will continue to provide funding and supports upon which communities rely. It remains true that 98 per cent of the ministry's budget allocation is transferred through third parties, meaning 2 per cent is administration and operations for the ministry.

This budget, we continue to stress our focus on front-line services that serve our stakeholders and the residents of the province. The dollars invested through Government Relations pay for municipal services and infrastructure, community building, and reconciliation efforts that build a stronger, safer province and protect our way of life.

My officials and I are happy to take any questions you may have. Thank you very much.

**Chair B. McLeod:** — Thank you, Minister. I will now open the

floor to questions. And who's going first? I recognize MLA Ritchie.

**Erika Ritchie:** — Thank you, Mr. Chair. I want to start under subvote (GR01) where you have listed an estimated budget of 6.452 million for central services. It looks like about a million-dollar increase over last year, and wondered if you could explain what that's for.

**Hon. Eric Schmalz:** — Thanks for the question. Yes. So the increase specifically was to consolidate some of our legacy IT [information technology] systems. Some of the older systems that were used to administer programming through the ministry has been outdated for a significant amount of time, and we are looking to consolidate that into a new, renewed IT system to allow a more effective application of our programming. And I defer to our deputy minister here to elaborate a little further if he feels the need to.

**Laurier Donais:** — Sure. Thank you, Minister. Thank you. Thank you for the question. Laurier Donais, deputy minister, Government Relations.

[18:15]

So yes, as the minister indicated, under that subprogram, central services, an increase of just under a million, so 997,000. There's a few things going on there, as the minister indicated.

Capital funding for our municipal investments transformation project. So as the minister indicated, we've got six or seven or eight — eight, I think — systems that are very outdated, no longer being supported by the existing platforms. And so that project is to consolidate all those into a new system over the next couple of years.

We did have a \$947,000 reduction with regards to consolidation of IT services across government. So as you may be aware, under SaskBuilds and Procurement, they provide IT services to ministries. There were some services that they felt just needed to be provided to sort of everybody and no longer do that cost-recovery piece. And so what they did instead of charging ministries, they just consolidated those budgets into that ministry for those specific IT services.

And then we do have a salary reduction of 85,000, and that is related to sort of the government-wide effort around efficiency and to basically reduce salaries, I guess, through vacancy management. So these are voluntary resignations, whether it's due to retirements or people leaving for other positions. When those positions become vacant, we will assess those and look at those going forward.

**Chair B. McLeod:** — Minister Schmalz, just add to that?

**Hon. Eric Schmalz:** — If I just could quickly. And to maybe just further drive home the point that the vacancy management is the key to here. We're not firing people or laying people off. This is strictly through attrition, the means of attrition, whether that's through retirements, or you know, people moving on to a different career or moving on within ministries, other ministries. So we're not out there cutting jobs. Jobs will remain as long as there is a person filling it. Once that position is vacated, then it is

reviewed to ensure that it's essential before it's restaffed.

**Erika Ritchie:** — Okay, so it sounds like there's a few things, a few moving parts here in that. So I've got a couple follow-up questions. So yes.

So the capital asset acquisition project I see listed at basically \$2 million. So that was new spending. But then it's sort of offset by some of these savings that you mentioned in the consolidation that occurred plus the vacancy management. What was the change to the number of FTEs [full-time equivalent] over last year with that?

**Hon. Eric Schmalz:** — Thank you. Yeah, so there's no actual reductions as of yet. We were concentrating on the dollar value of the reduction. So if that has to include the component of a reduction in staffing through attrition, then that will occur. But currently we don't have earmarked how many positions or anything like that. It's going to be an ongoing assessment based on the work of the management of the ministry. And if . . . Yeah, go ahead.

**Laurier Donais:** — Yeah, just if I could elaborate on that. So there's really no way for us to know which positions are going to become vacant throughout the year, right? And so you could have positions, you know, at different salaries, right? And so there's no way for us to sort of predict that.

And so what we've committed to is, as positions become vacant, again as the minister indicated, you know, through voluntary reasons — whether that's a resignation or people leaving the job for other opportunities or just leaving the job under their own decision — then we will assess those positions and likely keep those positions maybe vacant for a certain period of time, you know, until such time as we're able to determine do we need to fill this position, or do we repurpose it for another purpose or those types of things.

**Erika Ritchie:** — So how many full-time equivalent positions are currently on the books right now for Government Relations?

**Hon. Eric Schmalz:** — Currently we are at a 192.4 staffing complement. I don't pretend to know why there's a 0.4 in there, but . . . [inaudible interjection] . . . Oh, part-time staff. I understand.

**Erika Ritchie:** — Okay, maybe you're providing some workforce flexibility to your staff.

Okay, moving along, Saskatchewan Municipal Board, (GR06). So here I see that again we have a reduction in amounts that the Municipal Board is going to be receiving, in the range of about 7 per cent. Has the department prepared any analysis to look and see, you know, what sort of impact on service delivery times? Or how this will impact services in general?

**Hon. Eric Schmalz:** — Yeah, thanks for the question. It's again that IT component that's been removed from the budget for the centralizing of the IT programs in SaskBuilds. And it's also going to be, part of that also will be managed under the Municipal Board. Part of that will also be managed through staffing as well through there.

**Laurier Donais:** — Yeah, I guess I was just going to indicate that the Sask Municipal Board really operates very arm's length, independent from the ministry. I'm sure you can appreciate that some of the decisions that they may make impact the ministry and some of the ministry operations, so we do have that arm's-length relationship with them.

**Erika Ritchie:** — Well then perhaps you could tell me a little bit about what sort of governance and oversight the ministry provides for the board. Or what is that relationship like?

**Hon. Eric Schmalz:** — Yeah, thanks. Again, the Sask Municipal Board does report directly to the minister when it comes to things like budget allocation and what they are prescribed to operate under, which is the legislative authority delegated to them through the Act. And they hear varying cases and adjudicate matters on behalf of individual applicants or petitioners. I'll maybe pass it over to Bonnie Chambers here to have a little more in depth of some of the types of cases that they hear.

**Bonnie Chambers:** — Thank you for the question. My name is Bonnie Chambers. I'm the assistant deputy minister of municipal relations division within the ministry. Municipal Board is the second level of appeal in a matter of cases. They will hear assessment appeals after they've gone through the local board of revision.

They also will hear development appeals board for planning appeals. Other things they hear may be boundary alterations if two municipalities are in dispute in a boundary alteration. They also approve water and sewer rates for municipalities, and they also approve debt limits.

**Erika Ritchie:** — And how many appeals would they hear in a year, and what would be the length of duration of time for those appeals to be settled?

**Laurier Donais:** — Thank you for the question. So in 2025, just on the assessment appeals, Sask Municipal Board processed or heard 1,443 appeals. So that's just the assessment appeals.

They would have some other, as Bonnie mentioned, development appeals and, you know, reviewing debt limits — those kinds of things. We don't have that information with us right now. I suspect — I don't know this for certain — but in their annual report they likely report some of those things. So we could endeavour to get that annual report for you.

**Erika Ritchie:** — Okay. Yeah, that was going to be my next question. I don't think I've seen their annual report recently anyways. And so once a decision is rendered, is there any further recourse? Or where would one go in terms of sort of further appeal in such a case?

[18:30]

**Hon. Eric Schmalz:** — Yeah, so again there's probably another level through judicial review, but only if there's an issue of process. So if the process wasn't followed or if there was a matter of, yeah again, technical process not being followed where there would be a judicial review not for overturning but for . . . yeah, through the Court of Appeal, correct. And Bonnie if you want to speak to it.

**Bonnie Chambers:** — Yeah, it would be a matter through the courts for a judicial review or Court of Appeal but only if there was a matter of impropriety, like processes, as the minister said. But to appeal it further, the actual appeal would not be through the courts in that respect. I don't think I'm explaining it well.

**Erika Ritchie:** — Is the minister aware of any cases currently before the courts on a procedural matter related to the board decision?

**Hon. Eric Schmalz:** — Yes, thanks. We wouldn't track that, given that this is an arm's-length organization specifically outside of the arm of government obviously, but in the judicial aspect of it as well. That would be something that would be done at its own level and not part of something we would be able to, you know, comment on or influence.

**Erika Ritchie:** — All right, thank you, thank you very much, Mr. Minister. I'll move on to (GR07). You mentioned in your remarks, you know, a number of figures related to the allocations with respect to a number of the programs within this subcategory. And you'll have to forgive me because it was going pretty fast, and my handwriting's not that quick.

I did have kind of a general question in terms of, you know, which of these funds are sort of flow-through from the federal government and what portion of them is provincial versus federal. And wondered if you could sort of restate that for me please.

**Hon. Eric Schmalz:** — Yeah, so when it comes to the programming that we administer as a ministry, the municipal revenue sharing is 100 per cent provincially funded. We also obviously administer the integrated bilateral agreements that are, you know, in a broad sense, about a third, a third, and a third.

So we've entered into those historically with the federal government, particularly or most notably would be the ICIP. That would have been the largest program I think in the history of any of the programs we've delivered. That was the biggest one. ICIP, yes, our portion of that as a province was \$700 million allocated over 10 years to varying numbers of projects. You know, that was significant and beneficial to our province. We were happy to be playing a part in that.

Going forward we have of course the new Canada Housing Infrastructure Fund, which again has components written into it to support the growth of housing availability in the province and in the municipalities across the province. Particularly focused on water: wastewater, solid waste management, those types of things. And we were, you know, obviously as a provincial government, we look to engage with our federal partners to ensure that there are the maximum amount of dollars available to Saskatchewan municipalities through any of those integrated bilateral agreements.

**Laurier Donais:** — If I can maybe just elaborate on or speak to a few of the programs that would be listed there. So the ICIP, Investing in Canada Infrastructure Program, you'll see the budget is 158.287 million. That consists of 74.8 million provincial funding and then 83.485 of federal funding. And so again, I mean those are federal-provincial applicant cost-share programs.

Canada Community-Building Fund, this budget is 69.496 million. There's no provincial money in that. That's federal funding. So that's all transferred. It's just a flow-through from the federal government, if you will. That's the old gas tax program under CCBF [Canada Community-Building Fund].

And then as the minister talked about, Canada Housing Infrastructure Fund, or CHIF, that program budget is 2.962 million. And it consists of 1.346 million in provincial funding and 1.616 million in federal funding.

**Hon. Eric Schmalz:** — Yeah, thanks. And just quickly to further expand on the numbers that Deputy Minister Donais has outlined there on the ICIP funding. Specifically the reason why those numbers are far lower than they would've been in the large allocation is because those projects, as they come to completion, they fall off and then the funding allocation for that year is reduced, as I'm sure you're aware. But I want to make sure that we're all communicating from the same songbook here when it comes to that. So I think that's important to note.

**Erika Ritchie:** — Yes, so I guess the big question is, sort of moving forward, what funding streams there will be available to municipalities to continue to address their infrastructure deficits. I did note, I think on page 50 of the budget, there is a forecast where municipal infrastructure funding is shown at the 239 million — as long as I'm getting my zeros right there — in the current year, and then is sort of tapering off in successive years. And that was a bit alarming to see. I wondered if you could explain how you arrived at those values and, like whether you feel that's adequate moving forward.

**Hon. Eric Schmalz:** — Thanks for the question. Yeah, as we engage in these integrated bilateral agreements, again some of those as the budget forecast moves forward, as time moves on and those projects come to completion in the absence of another revenue stream or an integrated bilateral agreement from the federal government, we will be looking to engage again with them to ensure that we are again advocating at all levels of government for another investment in municipal infrastructure for the province.

So last year we had a lobbying mission that we took the mayors of the seven largest communities in the province, along with SARM [Saskatchewan Association of Rural Municipalities] and SUMA [Saskatchewan Urban Municipalities Association] representation and advocated to federal ministers. The Minister Gregor Robertson, Secretary of State Buckley Belanger, as well as several others. Minister — and I'm going to try to get her name correctly — Olszewski. I think we're close enough. Okay, apologies to the Minister if she ever sees this.

But we've had opportunity to advocate alongside our mayors and our municipal representation there to ask for a re-engagement, alongside the current CHIF funding, of a more flexible program to allow for communities to allocate that funding, not necessarily to the Government of Canada's specific criteria, but to broaden or open the aperture, if you will, to create a more flexible fund to be used in anything from recreation to infrastructure and in-ground infrastructure, things like that.

And I'll turn it over to Laurier kind of to round that out, if you would, please.

**Laurier Donais:** — Sure, absolutely. And so just for example, like on the ICIP program, I know you had talked about . . . Or you had asked the question, how confident we are in the numbers. And I would say we're 100 per cent confident in those numbers, you know, at this point in terms of the budget. We have a fairly robust process where we're interacting with municipalities on a regular basis throughout the year to sort of see what their progress of their projects are, right? And so we take that information into consideration when we build the budgets.

And then as we travel through the year we're always updating that information as well to determine if we still have, you know, appropriate funding, or if there's some savings and those kinds of things. So it's a regular process that we go through.

And so just to give you a bit of an example, under the ICIP program we had 434 projects in total, and 268 of those projects are now complete. So as the minister indicated earlier, we're seeing some of those projects, you know, come to completion. And of course there's no longer a funding requirement for those. And then we still have 166 projects that are in progress. And that program goes until 2033, I think. Municipalities have until 2034, sorry, to complete those projects.

**Erika Ritchie:** — Thank you for that. Yeah, I know somewhere here I saw a variance chart which showed, you know, that things were pretty spot-on. I was more asking about the outlook piece and just how accurate those projections are. It's 237.9 million in '27-28; 161.7 the following year; and then 148 million. And it's a declining number which, as I say, is concerning because the deficit in infrastructure is growing, but the outlook in terms of what's going to be available is shrinking. So that's why I'm asking. Like are these just sort of like placeholder numbers? Or what are they based on?

**Laurier Donais:** — Just a point of clarification. If I could just find out what you're referencing and what . . . Yeah, okay, so it is this document.

**Erika Ritchie:** — Page 50.

**Laurier Donais:** — Page 50. Okay.

**Hon. Eric Schmalz:** — I believe that that is a reflection of the current infrastructure programming that we have right now. And what they're forecasting is how many projects they expect to be coming to completion as that funding draws down. So I think that's where we're forecasting the budget for that municipal infrastructure when that federal and provincial program is slowly coming to full subscription and projects are dropping off. Their funding allocation will shrink up as that funding shrinks up.

And so what we're doing as a provincial government is trying to engage with our federal counterparts which . . . And I'm not going to usurp any future announcements, but stay tuned. There is some very good conversations happening right now on a replacement to, or a subsequent program coming online. So we are engaged at the federal level to look towards a new program after CHIF comes to completion.

**Erika Ritchie:** — And I guess, of that amount for the current year, of 239 that's been budgeted out, how much of that — well I guess I could probably reverse the math myself — but I mean

how much of that would be spent on PST [provincial sales tax]?

[18:45]

**Hon. Eric Schmalz:** — Thanks for the question. We wouldn't have that with us, obviously. But there would be probably a question for the Minister of Finance.

**Erika Ritchie:** — Okay. So I mean, I think we've kind of in past years had this conversation around, you know, the PST on construction labour and how it sort of eats into the amount of money that's available for these infrastructure projects. I'm often told, well it's a net gain in terms of, you know, that goes back in and then it comes back out through municipal revenue sharing.

And I guess what I'd like to see maybe is the math on that, that shows that, because it is a little hard to believe, I guess. I wonder if you could take a stab at explaining to me how that can be the case for municipalities, that they're getting more than they give back.

**Hon. Eric Schmalz:** — So I would say that, broadly without speaking to specifics, obviously that would have to go through the Ministry of Finance. But any PST collected in the province also goes into funding these infrastructure programs outside of municipal revenue sharing. So any time that we fund things like ICIP or CHIF where the provincial government is putting money back into those programs, that would constitute part of that funding.

It would also be any time the provincial government undertakes a construction project of its own, so like the highways budget, any hospital infrastructure programs that we're doing, like with building of a billion-dollar hospital in Prince Albert. All of that PST paid on that construction is paid by the provincial government, and then three-quarters of one per cent of that project will eventually find its way into municipalities.

And the province does not collect municipal revenue sharing. So that is where it benefits the municipalities in the province directly, is that that program, anything that the provincial government is spending also gets calculated into the municipal revenue-sharing pool and is provided to the municipalities as well. So it's not entirely on the backs of municipalities, as one might say, but the whole province is paying into the municipal revenue-sharing fund, including the Government of Saskatchewan on any of their projects, which I would suggest is a large and significant amount of spending.

**Erika Ritchie:** — I continue to hear from municipal leaders that they're continuously under pressure to do more with less and that the funding provided by the municipal revenue sharing is no longer enough. Municipal leaders have been calling for, you know, new financial remedies and revenue streams to be able to fund the programs and the infrastructure that they need to provide.

And so I guess, you know, the municipal revenue sharing does provide a base, and as the PST grows, the revenue sharing also grows. But there does seem to be . . . You know, it doesn't seem to be increasing at the same pace that the needs are growing within these communities.

So I'm wondering if you can tell me what sort of initiatives or policies you are considering at the moment to adjust these shortfalls in funding that municipalities are needing.

**Hon. Eric Schmalz:** — So I would respectfully submit that municipal revenue sharing is a flagship program for this government. We are the only jurisdiction in Canada that provides it to their municipalities within their provincial boundaries. Alberta, BC [British Columbia], Manitoba, Ontario — none of them have this programming or this type of program that's available to their municipalities. And we've heard through various groups like FCM [Federation of Canadian Municipalities], through the Manitoba municipal association, that they are very envious of the programming that's available to municipalities in this province.

This year we're bringing forward an 8 per cent lift, which is . . . What's the CPI [consumer price index] right now, 2.1?

**Laurier Donais:** — Yeah.

**Hon. Eric Schmalz:** — 2.1 per cent. We're looking at four times the rate of inflation, nearly four times the rate of inflation that we're providing in additional funding to municipalities through the municipal revenue-sharing program. Since 2007 it's been \$5 billion that this government has provided. And we understand, and we hear those pressures are continual and constant when it comes to ensuring that the services are available and that that in-ground infrastructure is in good, solid shape.

We, in addition to that as outlined before, we've always engaged in the integrated bilateral agreements with our federal counterparts to try and stretch the dollars that we are able to obtain for municipalities to ensure that they are not bearing the brunt of this alone; that it is also shared by both the federal and provincial governments wherever and whenever possible.

I understand that there are constant pressures with municipalities. I would just suggest that Saskatchewan really is leading the way through this, our programming in this province.

**Bonnie Chambers:** — Thank you. I just wanted to add to that, that we also encourage municipalities to use asset management as a tool to make sure that their utility rates are paying for the utility and that what they are charging is actually paying for the services that they provide. So instead of just money, it's a tool for them to make sure that their finances are in order too.

**Erika Ritchie:** — Okay, thank you for that. Yeah, I guess I have always understood that the municipal revenue-sharing formula and policy was an innovation of the past NDP [New Democratic Party] government that was then implemented by the current administration. And that it had originally been at a rate of 1 per cent, and then was reduced to 0.75 per cent.

And then in addition to that, I guess what I'm kind of saying, there's a lot of moving pieces. Like some things have gone up and broadened and scaled. And it's just, you know, a lot has changed over the years, including a number of changes in terms of the grants-in-lieu program which used to provide a grant in lieu of property tax from Crown corporation properties as well.

And then I think we've also heard a lot from municipalities about

some of those shifts in terms of land allocations for schools in communities and the loss of the grants-in-lieu, the funding pressures for responding to community safety, fire and police, social housing. I mean, just the list goes on. I mean, the number of things that municipalities are now undertaking, all those things are continuing to add that pressure, so feeling a bit squeezed and looking . . .

So again I think that municipal leaders are very thankful for municipal revenue sharing. The problem is, is that it's just not enough. And so the question really I guess is that, given all that, how are you looking to sort of provide them with those funding sources and tools that allow them to address all those pressures?

**Hon. Eric Schmalz:** — Yeah, thanks. And just I will start, I guess there's a bit to unpack there. And I'm going to do my best to do it justice. So in the historical context, there was a system or an ad hoc system in place prior to 2007, which was not predictable for municipalities. The formula was done on an ad hoc basis, so that municipalities had to wait until budget day to be able to calculate or depend on the funding that would have been possibly coming down the pipe for them.

What this government has done is solidify the model in a way that it makes it predictable and sustainable for municipalities when it comes to their dependence on the revenue-sharing program as it stands today. So it was — again, you know, respectfully — this government that provided that stability for this program to continue and to be sustainable long into the future.

I would just point to again, I know that broadly speaking we can't speak to the Crown grants-in-lieu, but I know that there are still grants-in-lieu that happen currently with federal property in the province, particularly with federal penitentiaries. I can't speak to the provincial one currently. That would be, I believe it would be the Minister of Finance, Ministry of Finance question to have them answer that.

When it comes to future supports for municipalities, again that comes through the integrated bilateral agreements that we negotiate with the federal government to try and expand that. And I mean that work is ongoing, believe me. There is constant conversation between us and the federal government alongside municipal partners, both urban and rural, to ensure that there's, we'll call it a Team Saskatchewan approach to the federal government when it comes to asking them to join in on our integrated bilateral agreements.

In addition to those, there's still some one-offs that occur, you know, from time to time. The federal government might come up and say, hey listen, would you partner with us on some of this stuff? I mean, we're open to discussing any of those options, specifically as it relates to municipal infrastructure for this portfolio.

But again the primary bulk of our funding model comes from the sustainable and predictable municipal revenue-sharing program, and also through our advocating efforts and signing on to our integrated bilateral agreements with the federal government.

**Erika Ritchie:** — Okay. Well there are a few items here related to that I do want to ask about. One of them is the potash tax

sharing, which currently rural municipalities receive 90 per cent of the levies, and urbans receive 10 per cent. And I'm just wondering, you know, do you think that that's a fair distribution of those royalties and sort of reflective of population distribution and community needs?

[19:00]

**Hon. Eric Schmalz:** — So specifically to the potash royalty sharing structure, it is directly related to the road network that is used to transport those commodities to market. And it also relates to the distance of those mines or the distance of that road network to the municipalities. So if it's entirely in one RM [rural municipality] and uses provincial highways to transport to market, then that's where that formula is set out in the legislation to provide those supports to the municipalities whose roads are being impacted most directly by the development and ongoing development of that resource. But I'll let Andrea Ulrich speak to that.

**Andrea Ulrich:** — Thank you. Andrea Ulrich, executive director of policy and program services. So the Potash Tax Sharing Administration Board administers according to the legislation and the regulations, and there's a formula to determine the distance from the potash mines called areas of influence. So the resulting revenues are pooled and redistributed to the rural and urban municipalities, as you noted, using the distribution formula. No other commercial industry in fact shares its tax in this way. So this is unique in Saskatchewan.

That distribution is based on the proportion of the municipality in the area of influence; so the closer the RM is, the more of its land is encompassed in that area, the proximity of the mine. And as the minister noted, the roads are particularly important because there's a heavy toll on the roads from the potash mining. Cities are not part of that either. And so the rationale is just to provide compensation based on the level of services and the impact on the surrounding municipalities.

In 2026 it's expected that about 22.9 million in potash property taxes will be redistributed among 105 rural and urban municipalities.

**Erika Ritchie:** — Thank you very much. Another area that is highlighted relates to recreational and cultural facilities. And as I'm sure you're aware, there's been a lot of discussion around, you know, who bears the cost of building those facilities and maintaining them. There doesn't seem, that I'm aware of anyway, anything sort of compelling municipalities to sort of collaborate and work together to jointly build and operate these facilities.

And so again, what is your ministry undertaking, in maybe a policy way or otherwise, to sort of facilitate and ensure that we have these kinds of either funding agreements, co-operation agreements, that can see these facilities be built and operated in a way that's, you know, sharing the costs and sharing the services?

**Hon. Eric Schmalz:** — You've actually struck on something that was a key message that I carried when I went to Ottawa, is that the need for recreational facilities in our communities is integral to the social well-being and social fabric of our communities.

I've lived and worked as a police officer for most of my working life. And where I've lived and worked in communities that had a vacuum of outlets for young people, or even adults alike, when it comes to recreation, there is a breakdown in the social fabric. It provides a place and space for anti-social behaviour to take root.

And in the engagement of young people in recreation or structured sport, or whether it's the arts or some level of activity, it provides them an outlet. It provides them an outlet and keeps them from, you know, starting to develop those anti-social behaviours early in life.

Because, let's face it, a life of addictions doesn't occur when you're 19 years old. It starts when you're much younger. It starts when you're 12 — 11, 12, even younger in some instances. Where we can provide some outlet and ability for those kids to engage in activities that are constructive, community building, and provide them with a good base for a strong future, is something that I'm a fervent believer in.

What I advocated in those meetings with the federal government is that we would, you know, be there as a third-share partner in any opportunities for recreational infrastructure to be put and brought to the table across the board. We want to promote that. In my mind, it's the first step in crime prevention. It stops kids from being . . . or you know, provides an outlet for kids to not be involved in that anti-social behaviour.

And I want to make sure that going forward we have that message carried to all levels of government that we want to be there to support that type of initiative. When it comes to communities building infrastructure, when it comes to recreational sports, we want to have those early discussions.

And actually this also speaks to part of my working life as a municipal elected official in a rural municipality bordering one of the larger urban centres in the province. There was always the conversation around, well can you guys come in and help us fund the operation or facility within another municipal boundary?

And my opinion on that has changed over time. I think it's important that there is a regional look to some of these facilities. That as a large urban, if you're going to build something or undertake to build something, that you engage with your rural partners early to ensure that they're willing to come on with you. Don't build it and then come and ask them for the money afterwards even when they had no say in it, is what I've told a lot of people.

So those kind of conversations and collaboration are important to ensure, you know, the regional aspect of ensuring we have recreational facilities available to young people across the province.

**Bonnie Chambers:** — The ministry always encourages municipalities to work together. And one of the programs that we have that has been in existence for the last five years is our targeted sector support program. And while it's not an infrastructure program, it is a program. It's a non-infrastructure program where municipalities can work together, whether it's a regional co-operation — we've funded a lot of projects for governance training for municipal officials — it might be regional co-operation where they look at regional planning

bylaws where they're all coordinated. So that's one thing that we have put in place in the last few years. And each year it grows, and we're happy about that.

The other thing that we do is when we do have an infrastructure program, regional projects do take precedence. They score higher when it is a regional project.

**Laurier Donais:** — Just one other thing to add here, you know, with regards to some of the maintenance costs with some of the facilities. I would note that Parks, Culture and Sport does have a program, the community rink affordability grant. And it's listed at 3.2 million in funding that goes to communities to help us offset some of those operational costs that they incur.

**Erika Ritchie:** — And so I guess what I'm hearing you say though is that other than regional projects scoring higher when you're looking at sort of funding allocations, there really isn't anything else out there sort of compelling municipalities to work jointly on projects. Are you contemplating anything further?

I guess I ask that question because I continue to hear a lot of frustration about, you know, just that lack of structure, I suppose, to really facilitate co-operation. And wanted to see if you had any intentions of doing anything further.

**Hon. Eric Schmalz:** — Yeah, thanks. The municipalities themselves — the owners of the capital infrastructure, the owners of the rinks, the facilities as it were — have autonomy within their own jurisdictions to be able to provide a fee structure separate. I know it's happening in some communities where there's a separate fee structure for those who are not undertaking to bring some money to the table and helping fund the operations of some of these facilities.

The municipalities in this province are indeed an independent level of government. They are able to act under the . . . They have legislated authority to act in an independent way. And the provincial government very, very, very sparingly reaches its hand into that order because we provide the Act and the umbrella under which they are able to operate.

You know, there's circumstances under which that necessitates intervention from the provincial government. But in this instance, I prefer the method to coming in to collaboration on their own.

And I'm encouraged actually having some conversations most recently at the SARM convention where I know there are RMs already that are paying into funding municipal infrastructure, recognizing that their people are using that infrastructure. And I've talked to a few other RMs at that conference who were in active negotiations with their large urban partners next door and wanting to come on board. So I would encourage that to happen organically rather than legislatively at this time.

**Erika Ritchie:** — And then I also wanted to ask about the Communities in Transition fund. The capital portion is at 1.5 million in the current budget. I understand that that comes off of the municipal revenue-sharing amount and there's the way that . . . I guess what that means is that it kind of takes that funding away that otherwise would be going to communities. And there have been some concerns about it being disproportionate in terms

of, you know, how it's benefiting communities. Perhaps you could speak to the structure of the program and why it's set up the way that it is.

**Hon. Eric Schmalz:** — Yeah, thanks for the question. So Communities in Transition funding has been in place for a significant . . . I'm not exactly sure the exact date when it was . . . '07, okay. So it's been around for quite a while. The purpose of that funding was to support communities that were under a requirement to dissolve into the RMs that surround them. We're talking of hamlets, villages, just through attrition. We're talking, you know, loss of their tax base, loss of quorum at the municipal level, unable to provide or meet the legislative requirements to be in compliance with the legislation in order to operate as a municipality.

And with those communities comes . . . They are urban municipalities that are being transitioned. With those communities comes some legacy infrastructure with those communities. So these urban residents who are now, through no fault of their own other than the passage of time and the natural flow of the population to gravitate to larger centres, they are now in a situation where they face not having support to keep providing that legacy system like water treatment or septic treatment, things like that.

[19:15]

So now that responsibility has been placed in the custody of the RM. However these individuals are municipal residents up until the day that they move into the RM. And what this funding is meant to do is to support those legacy systems to ensure that those services are still available to those urban residents.

So when we transition to the new model, which is an increase, obviously we're seeing this happen more and more, and we're expecting it to happen more and more. And we want to ensure that there is enough funding available, and that it is divided off the top in equal sum, because it is going to support urban residents who are faced with a dissolution of their urban status, but their systems are not. Their systems are urban systems still, and the RMs are having to take this over. And it helps to ensure that the RMs will continue or will continue to provide those services to those municipal residents after they become RM residents. We want to make sure that that's available to them.

In addition to this funding, we also have some funding available for strategic initiatives for both SARM and SUMA that are provided to them to be able to access some funding to be able to, you know, identify areas where they feel they can make some innovative steps to an approach to a certain issue. That's also available to them.

But in the meantime, this is not an open pot of funding. People just can't reach into it whenever they want. This is a fund that just stays in place and is a placeholder for when applications to the fund and approved applications to the fund are made. And that funding then is withdrawn to support those legacy systems, whether they be water, sewer, solid waste — whatever that community had in place prior to its transition into a rural community.

So I speak to this, you know, this is truly an across-the-board

level funding model to ensure that both urban and the rural municipalities are supported through this transition.

**Erika Ritchie:** — Thank you for that response. I do want to ask a few more questions about this because, like I think as you say, it's a program that is going to be . . . You know, demand is going to increase. And so first of all, you know, what is the average amount of an application? Like how much funding would a community receive on average? So I'm just trying to get a sense of like, \$1.5 million, well was that fully subscribed last year? And how many communities received funding? What was the average amount?

And then going forward, what are your forecasts telling you in terms of the need for the program? And at what sort of a rate?

**Hon. Eric Schmalz:** — So I'll just open quickly that the increased value of the fund was meant to help accrue a cushion or continue to grow the fund so that it would be a more robust amount of money through slow growth, through municipal revenue sharing as the years go by, to ensure that there would be enough funding in there for a significant number of these coming down the road. I mean that work was done through calculations through the Ministry of Government Relations on the best predictive models that we can.

I'll turn it over to Bonnie maybe just to answer a little bit more specifically on what that model looks like.

**Bonnie Chambers:** — Thank you. Great question. So this program, we did increase it this year, and we took it off the top as municipal revenue sharing, as the minister said. But what we also did is that we've opened it to allow . . . Previously the program was just where a small village would dissolve into the RM. Now we are allowing for urban to urban, so if two villages wanted to become one or if a rural municipality and an urban one to become a municipal district, it would help some of that transition. So we've expanded the program, which was one reason why we took it from the top.

In regards to the money that was spent last year, prior to this it was the \$700,000 that was allocated each year for this program. And all of that was allocated in '25-26.

I can't answer on what an average application would be because they range from the needs of the municipality. And each year is different because when the RM takes on a village, they have 10 years of where they can apply for projects. So it might be a water treatment plant this year; next year they might be working on a lagoon or other stuff. And they have 10 years when they can apply for projects. So we have funded projects that may be well over a million dollars, and we've funded some that may only be in the hundreds of thousands of dollars.

**Erika Ritchie:** — And just for a little bit of clarity in terms of, you know, when the communities are transitioning and you're addressing those facilities, are we talking mainly that they're being decommissioned? Or what exactly are we talking about?

**Bonnie Chambers:** — That's another good question. It may be decommissioning when it comes to landfills because that is one project that is funded often. If it's a water treatment plant, it may be upgrades. Or it could be where the council decides that they're

going to put in a reverse osmosis program in and provide water for each place in the former village.

**Erika Ritchie:** — Okay. I appreciate that. Thank you very much. I guess I will go back . . . That was a little bit of a jumping-off point. So I think I had a few more questions in the list of allocations for municipal relations I want to go back to.

I did hear you mention in your introductory remarks, Mr. Minister, that SAMA would be getting a slight increase to their funding. You know, I do have a lot of questions around SAMA and property assessment. It seems to me that there is a lot of fluidity in that space, just in terms of a little bit of AI [artificial intelligence] being a bit of a destructive force or constructive force in terms of, on the appeal side.

And I think, at the end of the day, you know, adequate, stable funding is super important to ensure the integrity of the work that SAMA does. And I understand that their funding had been frozen for a number of years at a set amount. And you know, I am concerned about if the funding that's been provided this year is going to sort of address some of the immediate pressures that they're facing in terms of, you know, staff retention and the number and quality of assessments that they're able to do.

So it's kind of a general broad question, but I just want to see if you can tell me a little bit about, you know, how you arrived at the amount of increase that you did and how you see that improving the work that SAMA undertakes.

**Hon. Eric Schmalz:** — So just for a point of clarification, last year SAMA did receive a \$900,000 increase to their budget. And that's in addition to the \$602,000 that'll be this year. So we'll be at the little over \$1.5 million increase over the past two years, which is significant.

When it comes to SAMA and their budget, what they do is they submit a budget request to the ministry, and that goes forward through the finance process. And so essentially what we're basing our budget on is their requests. So I would turn it over to Yomi here with our ministry to further explain some of those processes.

**Abayomi Akintola:** — Hi, my name is Abayomi Akintola. I am the director of property tax and assessment with the ministry. So basically what happens would be SAMA would present to the ministry what their important projects would be and their capital needs, and the ministry would review what they've submitted. And then we would also consult with SAMA to have some conversations to review what they've submitted.

So as the minister mentioned, the 602,000 that it got for this project for this year, it was based on the request. SAMA requested for 6.1 per cent in the important project to maintain the staffing level to ensure that the increases that they might get from salary increments and benefits are being met. And that was what was approved to them to ensure that they have the right staff and they have the right resources to continue to provide assessment services to the municipality.

And as the minister mentioned, although there was a freeze that happened a couple of years ago, in the last couple of years the SAMA's budget has increased accordingly, even sometimes

more than what they've requested for; especially last year when they got the 900,000.

With respect to SAMA's use of technology, SAMA's funding does not only come from the municipal sector, from the ministry. It also comes from the municipal sector through requisitions. And SAMA also has a contract with the city of Moose Jaw, and they also have access to other revenue sources by sales of data. And then this is something, decisions that SAMA's board of directors make. But with respect to their technology, they have their own in-house group that manages technology, and SAMA has invested significantly on that front with the ministry's support as well. Thank you.

**Erika Ritchie:** — Okay. Thank you very much for that. I'll move on to the transit assistance for people with disabilities. I'll have to admit to a little bit of confusion on that one because I see the amount of about 3.8 million listed, but then there was also an \$800,000 capital amount, I believe, in the capital budget.

And I'd like to know how many individuals that program is supporting. I understand that there's like a transit pass that that pays for. And so just wanting to know just, you know, overall what that funding is for exactly, and how many individuals it benefits.

[19:30]

**Hon. Eric Schmalz:** — And Mr. Chair, I'll quickly hand it over to Iryna Soloduk, then back over to Laurier Donais for an answer after.

**Iryna Soloduk:** — So good evening. Iryna Soloduk, executive director of municipal infrastructure and the finance branch. So when it comes to the transit assistance for people with disabilities program, or short for TAPD, in '25-26 we have 13 capital grants were approved for the funding of 715,000. For '25-26 the capital, as I said, was 715,000 and operating budget with 3.72 million.

When it comes to the '26-27, that total capital budget would be split for 800 will go to the capital, and 2,987,000 will go to the capital. So when it comes to the TAPD operational, we basically paid based on the ridership, and then municipalities decided to use it for the operating of the system.

**Laurier Donais:** — Thank you, Minister. Thank you, Mr. Chair. Yeah, this relates to your earlier question about Sask Municipal Board. So we just did some looking up at their annual report, and they've actually got quite a nice display of information there. They've got some nice graphs and charts about the various appeals that they hear, the applicants, and some of the debt limits and some of that information. So that's all available on their annual report. And you can access that on [publications.saskatchewan.ca](http://publications.saskatchewan.ca). Thank you.

**Erika Ritchie:** — Okay, thank you for that. So just hoping we can sort of unpack that a little bit more. Now you said that, you know, the pay was based on ridership. So what do you mean by the pay? I don't quite understand the terminology.

**Iryna Soloduk:** — So just back to your question, thank you so much. So the calculation is basically based on the ridership detailed. And the formula itself is very complicated, and it is

written in the grant regulations.

But in order for municipalities to receive this funding, they obviously have to apply to us and tell us how much ridership they have in the previous year. Then we take the ridership from all the municipalities and give them a weight, based on their population. So the municipalities that have over 100,000 population will have a bit higher weight. And then it goes from 20,000 to 100,000 population will have again little bit lower. And it has five, like, stages of the population, and each of them obviously will have a different weight. And then we stick with the overall operational budget and then divide it.

So it is complicated, I apologize. Like we can send you the grant regulations exactly where the formula is written. So the bigger basically the municipality, the better chance, so the higher weight they will have and the more funding they will receive.

**Erika Ritchie:** — Okay, I guess . . .

**Hon. Eric Schmalz:** — I just wanted to add something. The program is under review currently, and we are looking at adding the capital portion to that program, increasing the capital portion.

**Erika Ritchie:** — Okay, well why don't I start there? So there is \$800,000 in capital funding in the current budget. What will that be used for?

**Iryna Soloduk:** — So the capital funding is used for purchase of the buses.

**Erika Ritchie:** — Okay.

**Iryna Soloduk:** — So a municipality will have to apply. We obviously review how many applications we have, and then we determine who gets the funding. Capital portions go up to a maximum of 55,000 per bus. So again, dependent on how many applications we get, you know, some of the cities may get one or two or three buses, depending again on the amount of applications we receive and the priorities that they get.

**Erika Ritchie:** — And then the other amount is to cover off on the operating costs, correct?

**Iryna Soloduk:** — That's right.

**Erika Ritchie:** — Okay. According to the formula that you explained to me, would this be like full cost allocation, or is it basically a subsidy? What share of the operating cost would you be providing through the program?

**Iryna Soloduk:** — And so the budget is utilized every year for the original portion of the funding. It's hard to say which percentage we are covering because the amount varies every year when it comes to submission of the ridership for the municipalities. So you know, during the COVID time for example, we know that ridership decreased. But we still provided the same amount just across the border.

In the last two years we see significant increase in the ridership, specifically that post-COVID time. And again we do split the same pool, just between the same amount of municipalities.

**Hon. Eric Schmalz:** — Just again to reiterate, this program is under review currently and there is a review of the capital amount, the cap.

[19:45]

**Erika Ritchie:** — And just forgive me my ignorance on this program. I haven't asked questions on this piece before. So you're providing funding to the municipalities based on the formula, and then they're using that money to pay for a portion of the service. And then how does that work in terms of the riders themselves? They're purchasing a bus pass or token? Or how does that ridership piece fit into it?

**Hon. Eric Schmalz:** — Yeah, thanks for the question. So what this funding does is essentially puts the funding into the municipality's hands. And they decide how they're going to subsidize the transport for the individual, if they do it. Obviously we want to, again, not reach in where we don't need to and just provide what we can provide to the municipalities in order for them to make those decisions based on their need.

**Erika Ritchie:** — Is any of this a flow-through from the federal government? No?

**Hon. Eric Schmalz:** — It's entirely us. It's entirely provincial funding, yeah.

**Erika Ritchie:** — Okay, all right. Thank you very much. So another area of funding is the TSASK [Technical Safety Authority of Saskatchewan]. Let me see if I can find that here. Yeah, okay, so buildings and technical standards, I believe there is a decrease. Oh, okay, found my spot here. Okay, I'm seeing a slight decrease from 947 to 932,000 in the current budget. Could you tell me what that reflects?

**Laurier Donais:** — Yeah, thanks. Thanks for the question. So this really is the same reason as earlier under the central management and services subvote, where we saw that reduction on the salaries, the 67,000 on the salary side of things. So this is part of the workforce alignment process that we're going through. And so it will be achieved through vacancy management, so voluntary resignations and retirements from staff.

And so we allocated it amongst all of our various program areas, based on salary budgets, because that's really the only way that we could because there's really no other way to predict where those vacancies will occur.

**Erika Ritchie:** — I'm just kind of wondering, you know, sort of given the events of last year with the tragic loss of life to the Losco family and their young boy due to carbon monoxide poisoning, just an absolute tragedy . . . And I did write to you at the time, you'll recall, asking about the governance and oversight for boiler systems in these residential, commercial buildings. And I understand that it is a matter that's under investigation right now.

So I just wonder though, kind of given the circumstances at this time, if that is an area that should be undergoing a reduction at a time when, you know, I would expect that you would be looking to beef up and ensure robustness overall within that department

to ensure, going forward, that tragedies like that won't happen again.

I mean obviously there's a lot at play. I get that. But yeah, just at such a critical time here it does seem a bit concerning.

**Hon. Eric Schmalz:** — Thanks for your comments there with respect to the family and their loss. I would echo those and, on behalf of the government, offer condolences to the family as well. That's something that no parent should ever have to deal with in their life. And I know that many, you know, in this building have dealt with a similar situation. It's something I personally would never want to deal with. And to talk to people that have had that happen, it's very traumatizing and traumatic. And we offer our condolences to them.

Specifically to this issue, as you mentioned, this is a matter under investigation currently. So we don't know where the issue lies when it comes to how this tragedy unfolded, other than the obvious things that have been reported. But specifically, there is a burden upon any landlord or property owner to ensure that they are providing a good, sound dwelling for any individuals who would be potential tenants or tenants of them currently. And maybe I'll just pass it over to Bill or Laurier for further comment on that.

**William Hawkins:** — Thank you very much. Bill Hawkins, I'm the executive director of building and technical standards. I share your condolences to the family in this tragic incident.

Relative to carbon monoxide alarms, early warning devices, the interests of families and citizens in Saskatchewan, effective July 2022, Saskatchewan implemented a new program under which every building with sleeping accommodations in Saskatchewan is required to have adequate carbon monoxide detection and smoke alarm detection.

That was implemented following an incident in Saskatoon where 40-some residents of an apartment building arrived at an emergency room. And a quick-thinking doctor there realized that there was something awry at the building since all of the patients came from the same location.

At the time government determined that it was necessary to do more to protect the people. Prior to that, the only requirement for carbon monoxide or smoke alarms was in new construction, and those two requirements had come about at varying times in different editions of the building code that had been adopted in Saskatchewan.

We were asked if there was a way to improve that and how to do that. And we responded that there was. So we, here in Saskatchewan, developed an implementation plan that required carbon monoxide and smoke alarms in all buildings of residential occupancy, or all buildings with overnight sleeping accommodation. It made it retroactive throughout Saskatchewan in all buildings.

So the application of that I probably should go into a little bit. All of the construction codes and technical safety programs administered by government in this area are operated under five very simple principles. The owner is responsible for compliance with construction codes or any technical safety legislation. The

delegated authority — in the case of building codes, energy codes, and in some locations plumbing codes — is delegated to the municipality. The government is responsible for legislation, regulations, and the policy framework. The inspectorate — building officials, fire inspectors, boiler inspectors, and others — work for the delegated authority. And then finally, contractors, architects, engineers, tradespeople work for the owner.

So in that context there's a bit of shared responsibility for all of these programs and all of these services. Government set the policy, amended the regulations for it to take effect. Owners became responsible to install the CO [carbon monoxide] and smoke alarms as required in the regulation, and local authorities are providing passive enforcement where that applies to existing buildings. Brand new buildings or renovations that require building permits, there would be active enforcement of ensuring carbon monoxide and smoke alarms were installed.

**Erika Ritchie:** — Thank you for that overview. At the top you mentioned, I think you said "adequate detection." And could you tell me what you mean by that?

**William Hawkins:** — Adequate detection?

**Erika Ritchie:** — Detection.

**William Hawkins:** — Detection. Sorry. Thank you. Feel like I'm in detention. Been a long time.

Adequate detection is sort of described in the National Building Code as to where carbon monoxide and smoke alarms must be located in a dwelling unit. So I don't have those details immediately in front of me, but we want to protect people where they're most vulnerable, okay? In their sleeping rooms, okay? Because you know, carbon monoxide is an odourless, colourless, tasteless gas that we don't respond to typically as humans except we get groggy, may feel flu-like symptoms, and so on. So a person that is sleeping is likely not to know they've been poisoned by carbon monoxide.

So we want it either in or close to the sleeping room. We want it on each floor. In buildings that have multiple residences, we want it in — not want it; we require it — in all rooms that are adjacent to the parking garage, if it's attached to a parking garage; in all rooms that are adjacent to a boiler room or a room that has a fuel-burning appliance, so furnace, water heater, even a clothes dryer. And we want it in all locations where there are any risks.

So in a multi-unit residential building, it is not necessarily required in every dwelling unit in that building. It is required in those locations where the risks are most prevalent or closest to the source of the carbon monoxide poisoning.

**Erika Ritchie:** — And that's laid out in the National Building Code?

**William Hawkins:** — Correct. It's laid out in the National Building Code and augmented in *The Building Code Regulations*.

**Erika Ritchie:** — So augmented in *The Building Code Regulations* that pertain to the province of Saskatchewan?

**William Hawkins:** — Correct.

**Erika Ritchie:** — Okay. And so then, augmentation could include expanding the requirements further then, I would assume? If you understand my question, sorry?

**William Hawkins:** — I would say that's possible.

**Erika Ritchie:** — Okay. So for example, would it be possible to modify the regulations to require carbon monoxide detectors in every dwelling unit within an apartment building, theoretically speaking?

**William Hawkins:** — Theoretically, yes.

**Erika Ritchie:** — Okay. And I guess that's kind of one end of the problem, sort of the detection when there is a malfunction. And then maybe you could tell me a little bit more sort of on the front end, you know, in terms of the inspection of boilers and how failures are avoided, detected, and repaired.

[20:00]

**William Hawkins:** — So if I understand the question, it's about the front-end safety of boilers, other tactical safety products. I can help build some understanding around that.

So boilers and pressure vessels generally are fired by gas, natural gas, right? So they have a combustion chamber in them that heats water or creates hot water or steam for heating purposes and, in some locations, for industrial purposes. But let's stick to apartment buildings. They're there to create heat to heat the building, right?

So in Saskatchewan there are few technologies that have been regulated any longer than boilers and pressure vessels. I think the original legislation dates back to about 1910. So there's been a fairly robust program in place for a very long time.

Today that program is administered by the Technical Safety Authority of Saskatchewan, a delegated authority of the government. They employ a number of engineers, boiler inspectors, and other vocations that work in the field of plan review, inspection, engineering around the boiler systems.

They also work with other provinces and territories in Canada on assessing boilers for registration in other jurisdictions. We call it the Canadian registration number that's available or is subject to a reconciliation agreement under the Canadian Free Trade Agreement.

So throughout Canada all of the jurisdictions subscribe to this model, are signatory to that reconciliation agreement. So, sorry; I'm off track there just a little bit. I'm going to bring it back to this situation you asked for.

So the boilers are installed. So the boilers are designed by engineers. The plans for the manufacturer are reviewed by engineers in one jurisdiction or another. It could be anywhere in Canada. But if that boiler is sort of an assembly line-type boiler, it might be first approved in a place like Nova Scotia. That approval can be registered in Saskatchewan for installation.

The installation is done under a permit. The inspectors would go to a site to see a boiler commissioned, or shortly after it's first started, they would check on the commissioning to see how it was working and that.

In terms of its operation, depending on its size, a different plant operator may be required. And it goes all the way from a fireman's certificate for the operation of simple, small boilers to first-class boiler operator for larger, more sophisticated, higher capacity boilers.

So they have regular supervision. They have regular inspections done by the boiler inspectors from TSASK, and that's the model under which they generally operate in terms of design, permitting, installation, inspection, and commissioning.

On an ongoing basis, most boiler systems that I'm familiar with — and I'm not the expert — have multiple fail-safes built into them, right? If the water were too low, it would shut itself off. If there was a power outage, it would wait until the power was on before it reset itself.

Two or three years ago I toured the boiler manufacturer in Saskatoon, and they demonstrated one on the floor there and pointed out all the fail-safe mechanisms. If there is something wrong with the gas component, or the gas blower, they shut themselves off. In addition to regular supervision, there are a lot of fail-safe provisions that can prevent a boiler from malfunctioning.

**Erika Ritchie:** — Thank you so much for that overview. In the interests of time, I'm going to turn the mike over to my colleagues who have some further questions for the minister.

**Chair B. McLeod:** — I recognize MLA Laliberte.

**Leroy Laliberte:** — Thank you, Mr. Chair. And thank you to Minister Schmalz. I have a few questions. And I know everybody's tired here; I promise we'll be done here by midnight.

I have a few questions. The first one is, we've seen a few announcements around the mining projects in the province, which is positive to see obviously. However for this to be successful, we need adequate Indigenous consultations. In the estimates the allocation for the First Nations and Métis Consultation Participation Fund is flat year after year. Can you explain why that is, and if we're going to be expecting some more consultation with those First Nations and Métis communities?

**Hon. Eric Schmalz:** — Yeah, thanks for the question. When it comes to the consultation policy framework with Indigenous stakeholders and northern stakeholders and everyone that would be engaged on a project, it is a varied process. It's not a cookie-cutter approach that can be applied, as far as the funding model goes.

We expect and hope that the economy would drive a larger number of resource projects and continued growth in the resource sector, which it has over the years. But we also want to be cognizant that we can't forecast that accurately, given we don't know who's going to be wanting to come forward with a project.

So what we do is we allocate a certain amount to that fund.

However if the need arises — which it has, thankfully, in the past, over the past year — we will continue to fund that beyond the allocated funding so that we can ensure that that consultation is supported and ongoing. We want to make sure that that's a key component to any resource development for both the stakeholders who live in the North as well as the companies or proponents of a project. So we want to make sure that they are both in support. And this current model was indeed lobbied for by industry and stakeholders alike.

So this model is functioning well, and we're very happy to participate or provide supports for that ongoing consultation whenever there's a prospective project in the North.

**Leroy Laliberte:** — Thank you. Just going off a comment that I heard earlier after my colleague here had asked . . . You were speaking about recreation outlets being really constructive in the communities in the North — well, throughout the province. And I also noticed, with the announcements of new federal funding that's been announced in the North, is there any money that's going to be allocated to recreation outlets for northern Saskatchewan?

**Hon. Eric Schmalz:** — Yeah, and thanks. I just want to also just go back to the previous question, just really quickly touch on it. The original funding for consultation was set at a flat rate of \$400,000. We've since increased that to 1 million and have continually ensured that the supports are in place, if needed, to go above and beyond that. We have in the past.

When it comes to recreational funding and those dollars, those are allocated through, what we would use is an integrated bilateral agreement. They're not a single-source funding like a health care facility where the province would fund them entirely on their own, on our own. They would come through a federal and provincial partnership when it comes to those applications.

And again those applications would be made with the criteria outlined by both the federal and provincial governments. So currently we do not have . . . ICIP was the last integrated bilateral agreement that accounted for recreational facilities in the program. The current program is strictly associated with growing housing availability and ensuring that those infrastructure investments are made to support the growth of housing.

But currently right now we are not seeing any programming that's coming to us in an integrated bilateral way — currently, I say — to go towards what would be considered a recreational facility program stream.

**Leroy Laliberte:** — So with that, the next question, I don't know if it might sound a little silly or whatever. But with the money that's being allocated from the federal government to the province — like I noticed a few months back that there was an announcement where we had had minister Buckley Belanger up in La Ronge, for example — and you were there with that announcement for these funds. Now the funds come into the province, and do you have a say, your ministry, as to where that money is going to be allocated to?

**Hon. Eric Schmalz:** — So that funding, specifically that announcement, was for the Canada Community-Building Fund, was formerly known as Gas Tax. And for some reason the word

“gas” is no longer amenable to certain people to say. It's just what the program was, and it was meant, primarily meant for use on road infrastructure kind of thing.

So what that allocation does is it comes in through the federal government, and we provide or are provided with the formula by which that money is distributed. And I'll let Laurier maybe expound on that a little bit more. But essentially that is single-source federal dollars coming into provincial administration really, and then it's provided to communities all across the province.

**Bonnie Chambers:** — Yes. Recreation facilities are allowed under the Canada Community-Building Fund, and it's allocated on a per capita basis.

**Leroy Laliberte:** — Okay. All right. Thank you for that.

So you were saying with the money that went . . . that with the announcement up north would go to something like roads, for example. But so is there, is that money going to be utilized for the roads in the North? Or does the ministry get to pick where that's going to happen?

**Hon. Eric Schmalz:** — No, it's allocated on a per capita basis. So whatever community is able to receive that funding, they allocate where that funding goes. And it's not just for roads specifically. As Bonnie outlined, you can use it for recreational funding. You can use it for fire services. You can buy fire trucks with it, if you needed to in your community. You can use that money, direct it essentially anywhere you see fit.

Wherever there's a need for your community, you can provide that funding essentially. It's not entirely no strings attached, but there is a broader spectrum of applicable projects that that money can be put toward.

**Bonnie Chambers:** — And we encourage communities again to . . . As the minister said, they could buy fire trucks. We encourage them to work together and pool their money for things like recreation and fire trucks.

**Leroy Laliberte:** — Perfect.

**Hon. Eric Schmalz:** — There's also an opportunity under the targeted sector support funding that if you wanted to come together as a community on a project, we will as a ministry provide some funding for feasibility studies and things like that. So there's supports there available for communities right across the province.

**Leroy Laliberte:** — Thank you. So next question: many Indigenous people in our province live in the North. That is something that you know. Many of these communities are growing and in need of infrastructure. We are also seeing additional industrial developments. Despite that, the northern revenue sharing, 7.8 per cent, is growing at a lower rate than the urban revenue sharing at 8.4 per cent. Can you outline how you think that the infrastructure challenge is being addressed?

[20:15]

**Hon. Eric Schmalz:** — Yeah, just a point of clarity or a point of

information that the municipal revenue sharing went up equally across the board. So it went up nearly 8 per cent entirely across the board. So the lift was not varied or fluctuating depending on where the funds are going to be coming from.

But I want to get Brad Henry up here and have a bit of a conversation on some of the infrastructure projects that are being undertaken currently in the North.

**Leroy Laliberte:** — Just one second before that, please, before you start. And so with the urban revenue sharing, that's at 8.4 per cent, right? Is that, or am I getting . . .

**Laurier Donais:** — Yeah, thanks for the question. And just clarification, as the minister indicated, all three of those revenue sharing. So urban revenue sharing went up 8.5 per cent, went up 19.65 million. Rural revenue sharing went up 8.737 million, which was 8.5 per cent. And then the northern revenue-sharing pool went up 2.268 million, which is also an 8 per cent, 8.5 per cent increase. So they were all the same per cent increases year over year.

**Brad Henry:** — Thanks for the question. Just speaking to infrastructure in northern Saskatchewan that we support. In 2025 we were supporting 27 projects in 20 communities, and three of those projects were shared with neighbouring First Nations. Our total cost expenditure that year was \$5.8 million.

In 2026 we have 19 active projects in 17 municipalities. Two of those projects are shared with a neighbouring First Nation, and we're estimating 31.6 million in investments this year. That's going to depend on the ability for the construction industry to meet those needs. That changes every year depending on availability, but that's what we're projecting this year.

**Leroy Laliberte:** — And those projects are north of Prince Albert and north of North Battleford, right?

**Brad Henry:** — That's correct. I can walk through those right here if you like.

**Leroy Laliberte:** — Yeah, please.

**Brad Henry:** — So in Buffalo Narrows we're delivering a project to upgrade three of their sewage pump stations. They're having mechanical control and electrical upgrades and implementing portable standby generators as well a permanent genset for one of their SPSs [sewage pump station]. That project is being delivered with the support of the federal government through the New Building Canada Fund. And the total cost of that project is \$2.8 million, of which Buffalo Narrows is responsible for \$233,700.

In Cole Bay we're delivering a project to assist them with upgrading their lagoon and sewage pump station. Right now that project's just in pre-design and design stage, but it is estimated to be completed in 2026. That project is to install standby generators as well as upgrades to their buildings' mechanical, electrical, and control systems. The total cost of that project is \$400,000, and the municipality is responsible for just over 33,000 of that.

In Creighton we're estimating completion of a project this year

to upgrade their wastewater treatment plant. They're currently having capacity and discharge quality issues. That one again is being delivered with the support of the federal government through the New Building Canada Fund. That total project cost is \$3 million, and the municipality is responsible for 250,000 of that.

Another project we've got ongoing in Creighton is rehabilitating their sewage system. They're doing spot repairs on their sewer main as well as relining the sewer main, repairing manholes, and replacing manholes where needed. The total estimated cost of that project is just over \$3 million. This is another project that's supported through the Investing in Canada Infrastructure Program, and the municipality is responsible for 253,000 of that.

In the northern village of Cumberland House we're assisting them with water treatment plant distribution and programmable logic controller upgrades. They need to replace distribution pumps and headers, replace corroded piping, replace a control panel and some human-machine interface controls. Again this project is supported by the New Building Canada Fund at a total project cost of \$844,000, and the municipality is responsible for 70,000 of that.

Another project in Cumberland House is to assist them with their water supply and treatment system. That project is estimated to be complete in 2026 as well. The total project cost is \$350,000, of which the municipality is responsible for just over \$29,000.

In Denare Beach we're working with them on wastewater treatment plant upgrades. They're experiencing a high volume of what's referred to as liquid sludge, and dewatering infrastructure is required. The issue is affecting effluent quality, which is a compliance issue. This is a project funded by the Investing in Canada Infrastructure Program. Total project cost is 3.7 million, of which the municipality is responsible for just under 313,000.

In Green Lake we're working with them on water treatment plant upgrades. They need mechanical, electrical, building, treatment, and raw water supply upgrades. The issues are that sodium and alkalinity exceed the objectives, and as a result they have elevated ammonia and elevated THMs [trihalomethane]. This is an Investing in Canada Infrastructure project, and the total project cost is \$4.65 million, of which the municipality is responsible for 387,000.

Ile-a-la-Crosse is currently struggling with required upgrades to two of their sewage pump stations. Corroded piping and valves; upgrades to buildings, mechanical, and electrical systems; and we'll be adding generators to those infrastructures as well. This is another project that is supported by the New Building Canada Fund. Total project cost is 4 million, of which the municipality is responsible for 333,000.

In Ile-a-la-Crosse we're also assisting with a water and sewer main replacement project, inspecting and developing a new water main replacement program. Their water mains are currently cast iron pipes. And in 2011 they experienced four water main breaks during the same year, which tells us that we need to do something differently. So this is another New Building Canada Fund project. Total project cost is \$3.3 million, of which the municipality is responsible for 275,000.

In Jans Bay we've got a project for water treatment plant and sewage treatment plant upgrades. The treatment process as well as distribution pumps need upgrading, as well as the electrical system and the standby generator. And that's for both their SPS, sewage pump station, 1 and 2. Total project cost is \$300,000, and the municipality is responsible for 25,000 of that.

In La Ronge the wastewater treatment plant has effluent quality that doesn't meet federal guidelines, which creates a compliance issue. We delivered a feasibility study over the last couple of years, which has now led to a project to upgrade this infrastructure. This is another project that'll be funded by the Investing in Canada Infrastructure Program. Total project cost is estimated at 17.65 million, and the municipality's responsible for just under 1.5 million of that.

In Missinipe we've got some issues with pumps and a discharge pipe at the sewage pump station. Total project cost is 845,000, of which the municipality's responsible for 70,000.

In Pinehouse we've got a project under way for raw water and wastewater upgrades as well as upgrading the capacity and sewer main lining leading to their sewage pump station no. 2. And their raw water pumps are nearing the end of life as well. This is another Investing in Canada Infrastructure Program project. That total project cost is \$1.86 million, and the municipality's responsible for 155,000 of that.

In Sandy Bay there, we're delivering a sewage lagoon upgrade project, expanding the primary and secondary cells due to a lack of capacity. This project is \$14.7 million, and the municipality's responsible for 106,000 of that. This is one of the projects that's being shared with the neighbouring First Nation, and the neighbouring First Nation is funding 13.5 million of that.

In Stanley Mission we have a project, the water treatment plant. We're exploring a new pilot process and now implementing that. Total project cost of 14.2 million, of which the municipality's responsible for 45,000 and the adjacent First Nation, 13.6 million.

In St. George's Hill we've got a wastewater treatment plant and sewage treatment plant upgrade project, implementing permanent generators for both the water treatment plant and sewage treatment plant as well as replacing standby pumps, rehabilitating their well, and installing two additional fire hydrants. This is a project for which we've applied to the CHIF program for. Total project cost is \$360,000, of which the municipality's responsible for 30,000.

In Timber Bay their sewage lagoon cells need a synthetic liner upgrade to prevent exfiltration of the effluent, and we're expanding the storage cell to meet new regulations. This is a New Building Canada Fund project. Total project cost is 1.655 million, of which the municipality's responsible for 199,000.

In Uranium City their water system needs a number of upgrades — the floor drains backflow prevention, water metering systems. This is an Investing in Canada Infrastructure funded project. Total project cost is 4 million, and the municipality is responsible for 333,000.

In Weyakwin we're delivering a lagoon and sewage pump station upgrade project. The lagoon needs expansion and repair. Much like the Timber Bay project, the lagoon cells need replacement with a synthetic liner to prevent exfiltration, and the cells need to be expanded as well. And at the same time we'll be installing standby generators and upgrading the building mechanical, electrical, and control systems for the sewage pump station. This is another New Building Canada Fund project. Total project cost is \$2.7 million, of which the municipality is responsible for 230,000.

And in Wollaston Lake we are replacing their sewer main. Blockages were found. Grade issues were found. Some of the manholes are deteriorated. And with support of the Investing in Canada Infrastructure Program, for the total project cost of just over a million dollars, the municipality is responsible for just under \$90,000.

**Hon. Eric Schmalz:** — I was just going to say what Mr. Henry has outlined there constitutes a very, very significant list of investments being made by this government in northern Saskatchewan, in northern communities. And you know, we're very proud to partner with First Nations and Indigenous partners in the North whenever and wherever possible. But you can see that, when it comes to integrated bilateral agreements, we are in fact working to ensure that it is being impactful across the province, not just in certain areas.

**Leroy Laliberte:** — So there are two communities, one that was named up as Green Lake, a \$4.6 million project or whatever. And this was through the federal government funding where the municipality would have to come up with \$387,000. Is that correct? Is that how that works? Or does the province kick some money in there? Or is that all federal funding? Like how does that work?

**Hon. Eric Schmalz:** — So under the ICIP program particularly, the Investing in Canada Infrastructure Program, the provincial component of that program was \$700 million. So the provincial government pays roughly a little less than a third I think. The federal government did step up significantly and it helped offset the costs to municipalities as well. So it was really a good program. We'll call it a full-scope program that provided funding for any number of projects throughout the province, provincial boundaries.

[20:30]

And this would have been one of those programs where the province kicked in a third, essentially a third; the federal government 40 per cent, and then the municipality had the smaller share of that program.

**Leroy Laliberte:** — Yeah. No, the only reason why I was asking is I sat with the council at Green Lake and for them to have, you know . . . and spoke about the money that they have to run their community. And I tell you, it's nothing around that \$387,000 that they would have laying around there.

And it's the same thing with a lot of the other small communities. So that's why I was asking if the province would, you know, support them . . . [inaudible] . . . because they do need those water treatment plants and the money allocated to those northern

communities.

I'm going to move on to the next question here. Sorry. I have a few more questions before we run out of time here.

**Brad Henry:** — I just wanted to note that for the projects that I spoke to, the Northern Municipal Trust Account subsidizes the majority portion of the municipal share. So for example, with respect to that Green Lake project, the federal government's share was 1.86 million. The provincial share was 1.549 million. The NMTA [Northern Municipal Trust Account] funded \$852,655 of the municipal share and so the municipality itself was only responsible for 8.33 per cent of the project cost; whereas, as the minister mentioned, for southern municipalities they would be responsible for up to a third . . . [inaudible interjection] . . . A full third.

**Leroy Laliberte:** — Yeah, no I get that. It's just that where communities that don't have much money, that's still a lot for them, right.

**Brad Henry:** — Absolutely.

**Leroy Laliberte:** — So I'll ask one more question and then I'm going to pass things over to my colleague here. Maybe we need a little more time there, Mr. Chair. You know, if we could go till midnight that would be great.

So my last question here is, wildfire season is coming up and, you know, we see now that we're expecting another dry season coming out of a three-year drought. And we've seen the devastation had taken place in northern Saskatchewan in 2025. And I want to know, is the ministry working through its First Nations and Métis and Northern Affairs allocation or other allocation with Indigenous communities and other government partners to help Indigenous communities adequately prepare for this season? Because, you know, it's March now and going into April, and we seen that when this all started last year. So we want to make sure that the communities are prepared.

Now I wanted to see if the ministry was going to help with that.

**Hon. Eric Schmalz:** — I can speak broadly to some of the . . . Obviously we've mentioned some of the programs that communities can direct the funds toward bolstering their . . . essentially what we would call not . . . well I guess, fireproofing in the community or fireproofing their . . . or helping to augment their firefighting capabilities that we talked about early on.

Specifically related to things like FireSmarting and things like that, that all flows through the Ministry of Community Safety, through the SPSA [Saskatchewan Public Safety Agency]. And those are typically where those kind of program dollars come through because that is their specialty. They are tasked with the provincial safety element when it comes to the firefighting response in the North particularly.

**Leroy Laliberte:** — So just one more quick question. So when does your ministry kick in for like . . . I'm talking more like collaboration to ensuring that the communities are — in the North — are prepared?

**Hon. Eric Schmalz:** — Obviously as a government in its

entirety, we have those communications regularly with the ministries who are responsible for those specific elements of supports that are going to be delivered to those communities. Again, the Ministry of Government Relations is somewhat of a liaison between northern municipalities and identifying those needs, particularly when it comes to programming.

And any programming that is available through, again, the integrated bilateral agreements with our federal counterparts, come through us. And if there is such a program — which we have advocated for as well, particularly with Minister Olszewski — that there would be, you know, an eye to some of the emergency preparedness measures that are needed in communities — across Canada, really, not just in Saskatchewan. But for us it was an advocacy effort on our part to try and get some engagement with the federal government. Obviously we would look to engage with them on an integrated bilateral agreement if that came through.

But right now currently as it stands, the Ministry of Community Safety is the tip of the spear, as we'll call it, when it comes to dealing with community safety in the North.

**Chair B. McLeod:** — I recognize MLA McPhail. Please.

**Jordan McPhail:** — Well, thank you so much. And to some of the northern folks that I see in here: Brad, nice to see you again; Scott, my old hockey coach in the back; Dee, nice to see you again. Haven't seen you, I think, for almost a year here.

I could tell a lot of stories about the folks in behind the minister here, but in sense of time maybe I'll save that for another time. But good to see you. I'm sure that yesterday you had to drive through snow, freezing rain, wind — or as we like to call it in the North, Monday.

So to just to get into some of the questions here right off the hop. You know, me and my colleague here — both my colleagues, actually — were at the New North gathering. It was good to see, you know, the board of directors find a new CEO [chief executive officer] and starting to get that operations going. Some of the things that, you know, were obviously brought up at that meeting — when we talk about northern municipalities and the supports that they need — was like good councillor training, governance training, as well as like CFO [chief financial officer] training.

When we look at the amount of issues that we have in northern Saskatchewan, not only in retention, but the recruitment of people into northern Saskatchewan, a lot of folks will start their careers in the North and move elsewhere, which ties into a lot of training and retention kind of supports.

And so a two-part question when it comes to New North. The first is being, has the government put in the budget plans to continue to fund the circuit rider program that New North at one time did operate?

And second, from like the core funding model of New North, has there been any changes to the funding for that organization from your ministry?

**Hon. Eric Schmalz:** — Yeah, thanks for the question. So last year we did fund New North to the tune of \$90,000 to get them

started back up again. Obviously we see the value as a government in having what we'll call a combined effort by northern communities to, you know, be the voice of the North, as you were, as you would put it.

The circuit rider program obviously, as their reconstitution — I'll call it, to be fair — with New North, as they come back together as an organization and put down the base and start to build again, they are eligible for \$360,000 a year. That funding is available through . . . What's it called again?

**Brad Henry:** — Grants for municipal interest.

**Hon. Eric Schmalz:** — Grants for municipal interest. Thank you. And what needs to happen though, obviously, is that there still needs to be some legislative requirements met prior to that funding being triggered. Obviously audited financial statements, all of those things.

With respect to the circuit rider program that was being stood up earlier, in the earlier iteration of New North, that funding is available for that to continue under targeted sector support. So there's opportunity there for those programs to be explored and supports in place to help provide for those studies and feasibility studies and things like that to occur. Do you want to add anything?

**Brad Henry:** — No, I think you did it.

**Hon. Eric Schmalz:** — Okay.

**Jordan McPhail:** — Yeah, I just waited for the mike to come on there. Yeah, thanks for that. Just to touch on a little bit what my colleague had said about the preparedness for wildfires in northern Saskatchewan, I know that you'd mentioned that the SPSA is strictly there for like the wildfire itself. But I know that an integrated model of battling against wildfires in northern Saskatchewan will include some local fire teams and some local, you know, fire assets that have been accumulated from municipal governments.

And I'm just wondering, from an opinion yourself, do you think municipalities are funded enough to prepare in northern Saskatchewan for those wildfires in their fire halls? And has there been any conversation through the budgetary processes to maybe increase for a short term to allow for some capital purchases of fire halls across northern Saskatchewan to make sure that they have an inventory for some sort of value protection in the community on a defensive standpoint through the northern capital grants program or Northern Municipal Trust Account, or anything that might allow for them to invest in that kind of infrastructure?

**Hon. Eric Schmalz:** — Yeah, so again I have to reiterate the Ministry of Community Safety is tasked not only with fighting the fire and the attack of the fire in the moment, but they're also the arbiter of programming when it comes to FireSmarting communities or any of those types of initiatives that are undertaken by the provincial government.

So Ministry of Government Relations primarily is there to support communities in the day-to-day implementation of things like funding for, again, the in-ground infrastructure, the

infrastructure that pertains to daily life in any community across Saskatchewan.

I can speak broadly to some of the conversations that I've heard before. I mean, when it comes to firefighting services across the province, of course there's a need. There's a need for that to be creative and creating opportunities for funding models that may work again in an integrated and bilateral way through a federal program. But currently right now, under the Ministry of Government Relations, we do not have a program for this.

[20:45]

So this would be specifically related to the Canada Community-Building Fund, again to reiterate that point, and also through programming available through the Ministry of Community Safety, which would be through the SPSA again. That's the current funding that's available toward fire prevention and fire protection under the model right now.

**Jordan McPhail:** — Thanks. Just on a different note, I know last year in estimates I had asked you if you'd made it up into northern Saskatchewan. I have had the opportunity to scroll through some social media, and I've seen that you've made your way up into northern Saskatchewan, and I appreciate you getting up there. There's good folks all across the North, and I'm truly honoured to represent them.

So I have a bit of a two-part question. The first is, just as a general rule for ministerial travel, what's been put in the budget and what was spent last year for yourself to be able to travel across northern Saskatchewan? And then specifically to the Indigenous protected area tour that was in northern Saskatchewan, was any part of your budget spent in being able to go out and see some of these beautiful spots in northern Saskatchewan?

**Hon. Eric Schmalz:** — Yeah, so just to back it up a little bit, I did catch some of the inference there when we were talking last year on going to the North and being in the North. And I think I'd be remiss if I didn't point out that the first home my wife and I shared together was in La Loche, Saskatchewan.

Most of my service in the Royal Canadian Mounted Police was spent in service of the North, whether that was in La Loche, whether that was in Stony Rapids or Black Lake, whether that was in Pelican Narrows or not being able to fly into Pelican Narrows because of the deteriorating airstrip there which has now been, under our government, funded and replaced. So there's the availability of aircraft landing in Pelican Narrows.

A lot of those communities . . . Obviously spent some time, you know, providing relief work in some of those far North spots and happy to do it. And you know what? As a kid we didn't go to Disneyland. We went up north whenever we went anywhere.

So with respect specifically to the travel allowances, obviously last year I took a team from Government Relations. We visited several communities in your constituency, in particular, of Cumberland. Had some good conversations and learned about some of the challenges that are being faced in northern Saskatchewan and how we can help support some of those issues that are being faced in those communities. And part of that is outlined in the list of projects that are being undertaken currently

through the Northern Municipal Trust Account as well as through the integrated bilateral agreements that we're rolling out.

When we went up to the communities in the far North that was actually not through ministerial travel, that was through MLA travel. We went up to check on some of the areas that were being proposed as protected areas. And those are conversations that are ongoing with the relevant ministries, which would be myself, Ministry of Environment, Ministry of Energy and Resources. So again those perspectives and that type of face-to-face communication and understanding what's going on at the ground is invaluable, as you would know.

And I'm sure you would appreciate, you know, the effort that was made by several members of the government caucus to go up and be involved in that. So you know, happy to make those connections, and happy to continue to communicate and be in contact with the people that we had the privilege to spend time with and the honour and occasion to be in their communities with them.

And sorry, I've got some specific numbers here from Laurier.

**Laurier Donais:** — Sure. Thanks, Minister. So there was a few trips that the minister took last summer. One was up to Denare Beach, La Loche, Ile-a-la-Crosse areas, and the total amount that was expended on those — so that would include like meals and transportation, accommodations — was \$3,049.

**Jordan McPhail:** — Thanks. I want to quickly turn to a community that's obviously been struggling as of late and that's the community of Sandy Bay. I've had some concerns brought to me about some of the municipal infrastructure that they have, namely their fire truck and being able to respond to like, you know, house fires in the community.

I know that this is something that can be funded through . . . Part of the formula for the per capita distribution has things on emergency services, on how it's distributed into northern Saskatchewan.

And being that the community is currently under third-party financial stewardship, so basically directly under northern municipal services, is there a particular reason why that infrastructure hasn't been adequate to like properly fight the house fires in the community? From my understanding they're using a water pump and a water reservoir on the back of a half-ton truck currently to fight fires in the community.

**Hon. Eric Schmalz:** — Okay, so a little bit of context. Obviously a very complex issue in that community, as you're well aware. I've been to that community. Spent some time there last year.

So the Ministry of Government Relations is not in control of that community's finances. There has been a third-party financial comptroller that's been put in place. They are not affiliated with the government, but they are appointed by the government to ensure that the financial stewardship is being met when it comes to the requirements under *The Municipalities Act*.

With respect to decisions of that community, the mayor and council is still making the decisions as a council in that community. So if there was a resolution put forward that would

be under review, obviously we're trying to ensure that we have — I'm trying to put this delicately — ensure that we have a good fiscal position for that community to be able to move forward from where they are right now.

Currently there has been reduced debt numbers in that community. And I'll let Brad speak to those a little bit more.

**Brad Henry:** — Thanks for the question. Over the last couple of years the overall debt in Sandy Bay has reduced from 3.4 million to 1.7 million, but they are still at 1.7 million in liabilities. So given that, they would naturally have financial troubles. That said though, specific to the issue with the fire truck, they do have a fire truck. It's just currently being repaired. And once that's fixed, it'll be back in the community again.

**Jordan McPhail:** — Thanks. Just for the sake of the clock here, I'll pass it back to my colleague Erika.

**Erika Ritchie:** — Thank you. I did have another follow-up question on page 50 of the budget under municipal infrastructure. It does show that last year the budget number was \$239 million, but it's forecasted to only come in at 211 million, which is a fairly significant shortfall. And wondering if you could explain the reason for that.

**Iryna Soloduk:** — So thank you so much for the question. So when it comes to the ICIP project — this specifically was on the ICIP; the number was a decrease of the ICIP — there is multiple factors that are taken into account in order for a project to move forward. ICIP projects are done by municipalities and the municipalities have to submit the claim to the provincial government. And provincial government, we try to pay it as soon as possible; our kind of service standard is within 30 days.

We do submit the budget obviously almost a year in advance. So in order to do that, we communicate with our municipalities with an active project which would be, if you think about last year, would be around 200 active projects. And we communicate with them on a quarterly basis to understand their budget flow. So they do have to submit the budget forecasts till the end of their project, which sometimes, you know, some of these big capital projects may take up to three, four, five years. Sometimes we do see a variance.

[21:00]

So some of the projects experience delay due to the weather, as we have noticed. Some of them have delay when it comes to the opportunities to secure the company that will build, for example, the water treatment plant, some of them due to delay to the specific component of the project not being delivered. Obviously after the COVID we noticed lots of problems with the shipments and some of that.

Also, you know, there is always obviously the projects are signed with the municipality. The municipality may want to move the funding from one year to another due to the, for example, ad hoc priority coming with the municipality.

So it's a lot of factors. And sometimes we joke that our projects depend on the weather, but sometime that is a factor. And that's why we kind of keep close eyes on the project. We try to

communicate with them on a quarterly basis to understand the cash flow but sometimes they do vary.

**Chair B. McLeod:** — Thank you very much for great questions, good answers, and the participation of so many sitting in the back. There's a lot of wisdom and knowledge behind the minister and sitting with him at the table. And so we appreciate each and every one of you and the input that you put into making this work today.

So we've reached our agreed-upon time for consideration of these estimates, and we're going to adjourn consideration of the estimates for the Ministry of Government Relations. Minister, do you have any closing comments?

**Hon. Eric Schmalz:** — Yes, thank you, Mr. Chair. I want to first start by recognizing and acknowledging the hard work and diligence of our team at Government Relations. We've had a lot of growth together as a team over the last year and a half with me being in this role for that period of time. And I've come to appreciate many of the individuals who constitute a large portion of this team.

And I want to take a moment quickly to . . . And she's going to be annoyed with me because this is about the sixth time I've told this story. We are going to be seeing one of our integral team members retiring this year at the end of May. Bonnie Chambers will be completing her service with the ministry and the province, for the people of the province, at the end of May this year.

And I just want to, along with all members of our GR [Government Relations] team, whether they are in the building, the Mistasinihk building in La Ronge, or in the Victoria Avenue building here in Regina, want to congratulate them on a job well done again. And particularly I want to . . . I would hope that I could rely on the room to give Bonnie a round of applause and congratulate her on her service.

[Applause]

**Hon. Eric Schmalz:** — And second, quickly if I may, I'd like to thank the Clerks, *Hansard*, and all of the legislative team that's been put in place here to help conduct these estimates. And I also want to thank the committee. I appreciate all your hard work and diligence in your roles, and both on the government and opposition sides. So thank you very much. And thank you too, Mr. Chair, for you presiding over these estimates.

**Chair B. McLeod:** — Any closing comments from committee members? Not limited to one, but whoever would like to speak.

**Erika Ritchie:** — I would like to just take a moment to also thank the minister and his officials for being here so late on a Tuesday evening. Also want to thank legislative services staff who ensure that we could have a good meeting here today. And thank you very much for your time, Minister, in answering all of our questions. Thank you.

**Chair B. McLeod:** — Please go ahead, MLA McPhail.

**Jordan McPhail:** — Well let me tell you a story about Scott Boyes. No, in all seriousness, I want to thank specifically the folks from the North, but ultimately everybody from the

Government Relations team for showing up here tonight, taking some time to answer our questions.

And, Bonnie, we wish you well in your retirement. And if you're ever up into the beautiful parts of northern Saskatchewan, make sure to let my constituency office know. We'll show you around.

To the other committee members, thank you for the evening here tonight, and to the minister for answering some of the questions. And yeah, thank you, all.

**Chair B. McLeod:** — Please go ahead, MLA Laliberte.

**Leroy Laliberte:** — I also want to say thank you. Thank you to the minister and your colleagues for sitting in tonight and answering a few of the questions that we had had. Happy retirement to Bonnie, and if you're going to come to the North, come to the west side. You'll get better fish over there. So with that I just want to say good night. Thank you.

**Chair B. McLeod:** — Very good. Thank you so much. I'll just add my own thanks as well to each one here. I count 20 names on the list of people, 22 actually I think, if I remember . . . No, 20 in total. And I think, you know, all of you participated while in the discussion and also in securing the information.

But I want to give a little shout-out to folks that have been here twice now in estimates, and the Provincial Capital Commission has not received a question. And I just want to say that the management and stewardship of that provincial asset that we have does not go unnoticed by me. And so thank you, Jenna and Ryan, for being here and part of it. And I'll encourage our committee members to consider a question for the folks from Provincial Capital the next time we meet. Not a criticism, just an encouragement, and that's what I will say.

So that does conclude our business for today. And I would ask a member to move a motion of adjournment. Anyone. MLA Megan Patterson has moved. All agreed?

**Some Hon. Members:** — Agreed.

**Chair B. McLeod:** — Carried. This committee stands adjourned until the call of the Chair. Thank you so much.

[The committee adjourned at 21:06.]