



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

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**Legislative Assembly of Saskatchewan**

**Twenty-Seventh Legislature**

**STANDING COMMITTEE ON INTERGOVERNMENTAL  
AFFAIRS AND JUSTICE**

Mr. Warren Michelson, Chair  
Moose Jaw North

Mr. Doyle Vermette, Deputy Chair  
Cumberland

Mr. D.F. (Yogi) Huyghebaert  
Wood River

Hon. Rob Norris  
Saskatoon Greystone

Mr. Kevin Phillips  
Melfort

Mr. Warren Steinley  
Regina Walsh Acres

Mr. Corey Tochor  
Saskatoon Eastview

[The committee met at 19:45.]

**The Chair:** — Well good evening, ladies and gentlemen. My name is Warren Michelson. I am the Chair of the Standing Committee on Intergovernmental Affairs and Justice, and welcome to tonight's meeting.

I welcome the members. Members of the committee: Doyle Vermette is the Deputy Chair, substituting for Doyle is Trent Wotherspoon; Mr. Yogi Huyghebaert; Mr. Russ Marchuk; Mr. Kevin Phillips, substituting for Kevin Phillips is Mr. Bob Bjornrud; Mr. Warren Steinley; and Mr. Corey Tochor. Substituting for Mr. Corey Tochor is Mr. Bill Hutchinson.

The Chair advises the committee that pursuant to rule 148(1), the supplementary estimates for the following Crown corporation were deemed referred to the committee on November 27th, 2013: supplementary estimates vote 30, Government Relations.

We will now start with our consideration of vote 30, Government Relations, public safety, subvote (GR11). We have with us Minister Reiter and his officials. Mr. Minister, will you please introduce your officials and, if you'd like, you could provide any opening statements.

**General Revenue Fund  
Supplementary Estimates — November  
Government Relations  
Vote 30**

**Subvote (GR11)**

**Hon. Mr. Reiter:** — Thank you, Mr. Chair. I would like to read some brief comments into the record. Before I do that, I will introduce the officials. I have with me Angela Currie, my chief of staff; Al Hilton, our deputy minister; Jenna Schroeder, the executive assistant in the deputy minister's office; Karen Lautsch, assistant deputy minister; Wanda Lamberti, executive director; Jeff Markewich, director of financial planning; Duane McKay, executive director and fire commissioner; Margaret Anderson, executive director of PDAP [provincial disaster assistance program]; Tamie Folwark who works in PDAP as well; and also Noel McAvena who is also with PDAP.

Mr. Chairman, as noted in our government's mid-year report released last Wednesday, the Ministry of Government Relations is projected to be \$43.6 million over its expense budget for the current 2013-14 fiscal year. Almost all of our ministry's overexpenditure comes from disaster assistance spending.

Most of these added expenses, 41.6 million, relate to the provincial disaster assistance program: an additional \$21.7 million in higher than anticipated expenditures for 2013 PDAP claims, an additional 14.6 million in monies towards outstanding claims from prior years, and an additional 5.3 million in monies towards administration costs, including salaries, adjusters, and engineering services. An extra \$2 million is also required to support the province's response to emergency events that occurred during the spring and summer months, specifically the floods that threatened a number of our communities.

Let me deal first with the additional money required for the provincial disaster assistance program or PDAP. Mr. Chairman, members of the committee are well aware of this program and how it has worked with individuals and communities across Saskatchewan to help them with recovery from natural disasters. It exists to restore property hit by disasters such as the floods we've experienced in recent years. It exists for Saskatchewan people when disasters strike and when private insurance does not apply. It really is a program of last resort. We continue to be responsive to the needs of PDAP claims. Costs for this year have resulted from 155 designated disaster areas, and nearly 600 claims to date.

The overexpenditure in prior year municipal claims is largely attributable to five municipal claims where necessary project work was not initially identified by an engineer. And these higher costs and claims for both this year and previous years have obviously resulted in the additional expenses we've had to incur for adjuster and engineer services in our current fiscal year.

Let me now turn to the additional \$2 million required for our ministry's emergency management and fire safety area. Those monies have been directed to helping communities with their responses to flooding, to assisting in the evacuation of three northern communities, and to purchasing additional emergency supplies such as sandbags, Hesco barriers, and water pumps. We were both diligent and vigilant in preparing for emergency events this spring and summer. We learned important lessons from our 2010 and 2011 flooding events, and we were obviously watching closely the catastrophic floods in Alberta, which thankfully were not repeated here.

Provincial response capacity falls under our government's and our ministry's mandate to promote safe and healthy communities. We fill gaps in municipal and regional capacity, gaps that were identified in what we learned from the floods of 2010 and 2011. We also identified capacity gaps during this year's spring flooding, gaps that primarily affected the central regions of the province. My staff were responsive with advice, assistance, equipment, and assessments.

Mr. Chairman, the additional activities we undertook in support of public safety are why our ministry's projected expenditures are \$43.6 million higher than budget. We've made necessary and critical investments to ensure the health and safety of Saskatchewan communities, to ensure the health and safety of Saskatchewan people.

Thank you, Mr. Chairman, and now we'd be happy to entertain any questions any of the committee members may have.

**The Chair:** — Thank you, Mr. Minister. Is there any questions? The Chair recognizes Mr. Wotherspoon.

**Mr. Wotherspoon:** — Thank you, Mr. Chair. Thank you, Mr. Minister, to you and your officials for being here tonight. And thank you as well to certainly the officials and the public servants and the community volunteers and the community leaders that really came together at times of stress and strain and crisis in the spring and into the early summer there at different times with different flooding experiences. So I

commend all of those public servants for their work, all of the volunteers, all of the remarkable efforts of communities that came together in face of strain and crisis.

I certainly would have a few questions. I guess the one piece, you know, we've had a bit of a discussion, we had it back at budget time where there was some concern that there wasn't anything in the budget for disaster assistance despite some pretty challenging circumstances and weather that we had experienced. Moving forward, is there some considerations to changing some practice as it relates to an allocation of some dollar amount into a budget for emergency response?

**Hon. Mr. Reiter:** — You know, as you mentioned, Mr. Wotherspoon, we've discussed this in the past. And two schools of thought there I guess is, one is that you try to do as, you know, as good a possible estimate as you can in any given year and budget, or conversely what's been the practice in Saskatchewan which is, you know, you don't. It's hard to predict emergencies. And you come back to . . . You respond, of course. People of Saskatchewan expect that and deserve that, and you come back to supplementary estimates when it's warranted such as this here.

You know, I can't give you a definitive answer to that question. It'll end up being of course through the budget process, through Treasury Board I assume it'll be discussed. But I'm not sure that, you know, it'll be a high priority to change the process that's been followed for many years in the province.

**Mr. Wotherspoon:** — Just looking at the claims themselves, you attributed a current value to I guess claims that would have occurred or from emergencies this past fiscal year, this past budget year. Could you just clarify what that amount is, and then what, I guess, what outstanding amounts or what approximations you have for the extent of other damages from this current, within this current budget year?

**Hon. Mr. Reiter:** — I'm sorry, can I just get you to clarify?

**Mr. Wotherspoon:** — Sure. So I think there was a statement around \$21 million. Was that the statement you said that was for the current budget year in response to emergency circumstances? Does that include estimates for claims that haven't been paid out at this point?

**Hon. Mr. Reiter:** — My officials say yes. It's included . . . [inaudible] . . . forecast.

**Mr. Wotherspoon:** — So if we're looking then at the breakdown of I guess claims, what do we have for outstanding claims right now and approximations that haven't yet been settled for the past few years, and then of course the current budget year?

**Hon. Mr. Reiter:** — So you're asking for number of claims or dollar amounts estimated or both?

**Mr. Wotherspoon:** — Both.

**Hon. Mr. Reiter:** — Okay, I'll ask our assistant deputy minister, Karen, to walk through those for you.

**Ms. Lautsch:** — Karen Lautsch. So in 2010 we have 67 claims left open from that particular year: 19 of those are principal residence, seven are primary ag enterprise, and 34 are municipal, five First Nation claims, one regional park authority, and one other renter. So a total of 67 available for 2010.

2011, you have 538 claims open: three of those are other; 184 are principal residence; 20 are for small businesses; 50 for primary agricultural operations; 245 for municipal claims; First Nations, 19; charitable organizations, seven; two park authorities; two displacement claims; and six renter claims for a total of 538.

For 2012 we have 132 claims outstanding. We have 49 principal residence claims, six small business claims, 20 primary ag enterprise, 53 municipal claims, two First Nations, one regional park authority, and one renter claim open.

For 2013 we have 375 claims open: two of them are other, 179 are principal residence, 13 are small business, 57 are primary ag enterprise, 90 municipal claims, nine First Nations, three charitable organizations, one boards and co-operative, two regional park authorities, seven relocation claims or displacement claims, and 12 renter claims.

So I should also say that in 2010 we received 6,419 claims, and of those, 67 are remaining active. So we've closed 6,352 claims. In 2011 we received 8,680 claims; 530 are active and 8,142 claims are closed. In 2012 we received 963 claims; 132 are active and 831 are closed. For 2013 we've received 599 claims to date; we have 375 active and closed 224 of those claims.

So overall if we look across those years, we've closed 93 per cent of all of those claims. In 2010 that was almost 99 per cent of the claims were closed. In 2011 almost 94 per cent of the claims were closed. In 2012 we were at 86 per cent. In 2013 we're at 37 per cent of those claims being closed.

**Mr. Wotherspoon:** — And then if there's some approximations to or values that you can attribute to the value of those unsettled claims . . .

**Hon. Mr. Reiter:** — She'll just get them from the officials if you'd just wait a second . . . [inaudible interjection] . . . I apologize, Mr. Wotherspoon. My officials tell me they don't have the numbers here. Can we provide them to you?

**Mr. Wotherspoon:** — Sure.

**Hon. Mr. Reiter:** — Okay, great. Thank you.

**Mr. Wotherspoon:** — So my question would be the unresolved claims that exist, the allocation that's coming forward here today, the \$43.586 million. Is that enough money to settle the claims that are there or does that represent the total value of unsettled claims or what does that represent?

**Hon. Mr. Reiter:** — It would represent the best estimate of that, yes.

**Mr. Wotherspoon:** — And is there any timelines that you can relay back to those with unsettled claims to what your goals are

to see a claim that's unresolved either from 2011 or 2010? What sort of timeline you have as a ministry?

**Hon. Mr. Reiter:** — I'll get Karen to speak more specifically to that in just a second. I would just say that over the last months, year I guess, as you saw when she read through the number of claims that were initially filed and what's still outstanding, there's been a huge decrease in the number of outstanding claims. Officials have done a good job I believe in settling a number of them, but more specific to the ones that are still outstanding, I'll get Karen to address that.

[20:00]

**Ms. Lautsch:** — Thank you. So generally within the program you have a year from the date of application to complete your claim. That can be extended in extenuating circumstances with the approval of the minister. Those circumstances typically over the past few years have been about the complexity of the type of claim, the unique circumstances of flooding in Saskatchewan, and how it has played out.

So generally we work within a year time frame but we know that in the cases of municipalities, First Nations in some cases, where they're trying to repair infrastructure as well as do things with the growing economy, there's challenges in terms of being able to complete that work in a timely way. As well the actual flooding itself and actually having the water dry up in some instances has been a challenge for some communities.

We've also found that in some of the municipal claims, the engineering design work that's required to do those claims has been extensive, and that has taken time as well. So we're balancing between wanting to close the claims in a reasonable way. You'll note from the numbers on principal residences, they are down considerably. Generally those are more straightforward to claim. And we really encourage people to do it within the year time frame as quickly as they can so they can move on with their lives and get back into a normal operation.

The challenges are around the municipal claims. We want to make sure they get those closed but, at the same time, we want to make sure that they get the right solution for their community.

**Mr. Wotherspoon:** — Thanks for touching on something that sort of stands out and something that, you know, we hear as well from across the province, and that's the unresolved, unsettled municipal claims. And you spoke about the complexity to these claims and as well some of the facts, that the water maybe hasn't receded to allow for the actual work to occur as well as the challenge, I guess, of resources and some of the complex engineering processes. Where are your municipal partners at on this front? Are they feeling that the ministry's doing all they can to resolve these claims?

**Hon. Mr. Reiter:** — I think, as you know, my background is in municipal work, and I know many of the people in that sector. You know, I think you can probably always find somebody who has some concerns. But I think in the vast majority of those cases, our officials do their best to work with the individual municipalities to try to assist them where they can. If there's cases like Karen was referring to where . . . I mean there's cases

out there where you still have things under water. I mean you just simply can't deal with them. When that's the case, you have to wait until they're dry.

So I think in most cases municipalities are understanding, and they realize the program and the people running the program are doing the best they can.

**Mr. Wotherspoon:** — As far as those municipal claims, are many of those in a circumstance where there's a significant dispute between what PDAP or the government is willing to provide and what the municipality sees as the cost, the requirement?

**Hon. Mr. Reiter:** — Our officials, as you can tell, are trying to remember, trying to find if there's any that are in dispute. They don't know of any. I don't know of any sort of major disputes that have been brought to my attention. Certainly if there are some, you know, the municipal people should contact our folks. They'll be happy to work with them and try to work through them.

**Mr. Wotherspoon:** — Could you describe the scope of some of those claims, the type of work, the type of rebuilding that's required?

**Hon. Mr. Reiter:** — Our officials tell me that the majority of the claims are . . . They tend to be rural municipalities. They tend to be roadwork, either roads to be rebuilt or damage to be repaired. In some instances I believe there still is some bridgework as well, but I think the majority probably from what the folks here tell me is probably roadwork.

**Mr. Wotherspoon:** — The delays are significant as well not just for municipalities but also for many First Nations, as you've highlighted. Is it many of the same challenges and pressures that are causing the delay of settlement for those claims?

**Hon. Mr. Reiter:** — Much of the damage would be similar. You know, I mentioned in a municipality often it's roadwork that needs to be done. It can be the same situation with First Nations. Probably the big difference on-reserve is that in most instances housing is owned by the band. So our officials are dealing with the band and the band council on housing issues, where if it's in a municipality, it's strictly the municipal infrastructure and the housing is dealt with the individual property owners.

**Mr. Wotherspoon:** — Thank you. Certainly it's important for all of these to be resolved, and I'm sure the minister appreciates and knows that. And certainly we appreciate the work of officials. It seems in some ways that, I mean there's many municipalities that are unresolved. It does seem that possibly if you just look at the numbers that there's maybe a disproportionate number of First Nations that haven't been resolved.

When you're looking at the businesses and primary residences, of course those are also very important. I've been in contact with your office, Mr. Minister, as it relates to an individual, Mr. John Carriere out of Cumberland. And I just wanted to follow up on that piece I'd contacted a couple weeks back and then

again at the end of last week. And someone who's described I guess a frustrating process from his end and is looking for at least some certainty as to the process moving forward.

**Hon. Mr. Reiter:** — I've been briefed just very recently I believe since your last call last week with that, Mr. Wotherspoon. We appreciate you bringing that to our attention. That unfortunately for a couple different reasons wasn't handled as well and as promptly as it could've been, and we'll certainly attempt to rectify that. I'll ask Karen in a minute to speak to the specifics of that one, but officials have been in contact with Mr. Carriere and we do believe that it's being expedited now. But I'll get Karen to speak to the specifics of that claim.

**Ms. Lautsch:** — So we received the application from the applicant within the appropriate time under the guidelines so it was an eligible application. There has been an adjuster out to review the property recently, I think in November, and we have received his adjuster's report as of Friday I believe. And we're working through it; we're committed to getting him an advance this week.

**Mr. Wotherspoon:** — That's important. That's important and it's appreciated. I know any time you're dealing with these, I mean it's his life. It's his livelihood. It's his business. There's significant damage, and I know he's certainly engaged in the process in good faith and just feeling frustrated. I think he had been dealing with one individual who then had to leave the file, and then there was an entry of someone new and the process seemed to sort of change along the way.

He relates to me I guess the one question I put to your office last week as well or that I shared was the concern he had raised where apparently he'd been phoning in to follow up on the matter. And phoning all he knew was a 1-800 number that was there for PDAP. And when the person phoned him back, as he tells me, he was told, he was asked, you know, why are you, why are you continuing to call me? Why are you, why are you bugging me, in essence. Did the minister follow up to verify if that was sort of the response that was received?

**Hon. Mr. Reiter:** — You, as you mentioned, Mr. Wotherspoon, you'd mentioned that to the person in my office who relayed it to me. Those kind of concerns raised trouble me greatly. That certainly should not be the case. If it is the case, I've asked my deputy and my assistant deputy to look into this. And certainly if that is the case, that shouldn't happen and we'll rectify it.

**Mr. Wotherspoon:** — And I know from — and I appreciate your commitment there — and I know from his perspective, certainly he was just wanting to relay that he wasn't phoning to bug anyone. He's not meaning to hassle anyone. He just has his livelihood, his business. He runs an outfitter business up in Cumberland and wants, you know, simply wants to have some commitments. There was a fair amount of damage to gear and equipment.

So thank you for your commitments here tonight and ensuring to get the, I guess it . . . What's the proper terminology? What are you going to get to him this week?

**Hon. Mr. Reiter:** — It'll be the initial, the advance payment.

And I would just add as well that Tamie from the PDAP office just mentioned she spoke to him this morning again. So again I apologize that it wasn't handled as well as it could have been certainly. But you know, thank you for bringing it to the attention of my office, and I believe it's being dealt with quickly now.

**Mr. Wotherspoon:** — Mr. Minister, I really appreciate your approach on this matter and certainly that of your officials as well to deal with Mr. Carriere. And I know there's a community that my colleague, Mr. McCall, wanted to raise.

**The Chair:** — The Chair recognizes Mr. McCall.

**Mr. McCall:** — Thank you very much, Mr. Chair. Just waiting for my light to go on as, you know, the minister can imagine. Anyway, thank you, Minister, officials.

The community in question I'm asking about is White Bear. I've had a constituent raise with me some concerns about where things are at concerning some outstanding claims on White Bear First Nations. So again in terms of the outlay provided by the assistant deputy minister, there are a number of First Nations over the years in question. Is White Bear included in amongst those years and, I guess, are there any sort of problems with both the adjudication of the White Bear claim and any sort of follow-up that stands out?

**Hon. Mr. Reiter:** — I'm not aware of that specific case, but Karen is just checking with officials now if you'll just bear with us a couple minutes.

[20:15]

**Ms. Lautsch:** — I'm not aware of a specific issue at White Bear. They have had some engagement with the program in the past but I'm not aware of anything specific. So if you have some particular information or a particular inquiry, we could happily follow up on it and see if we can resolve it for you.

**Mr. McCall:** — I thank the assistant of the minister for that undertaking and will follow up. I turn it back over to my colleague.

**The Chair:** — Mr. Wotherspoon.

**Mr. Wotherspoon:** — A question to the minister just about how the federal coverage on these claims will work. So if we're looking at this spend right now, these dollars, how much of that will be offset by transfers federally? And what's the timing and how does that work?

**Hon. Mr. Reiter:** — It will depend on the amount of the overall claim for the disaster. Incrementally it increases depending on the dollar amount. I can . . . Would you like those dollar amounts where the tiers are?

**Mr. Wotherspoon:** — Sure. A few thresholds.

**Hon. Mr. Reiter:** — Okay. To the specifics of the question, the tiers, the first \$1 million of damage is 100 per cent provincial share. The next \$2 million the government of Canada covers 50 per cent. The next 2 million beyond that the federal government

covers 75 per cent, and on the remainder above that the federal government covers 90 per cent. So you can see the federal share increases depending on the value of the overall damage.

**Mr. Wotherspoon:** — What's the minister expecting on the \$43 million that we're speaking about today? How much of that will be recovered?

**Hon. Mr. Reiter:** — I don't know if we have an estimate or not. I don't think the folks do. It'll depend again because on some of the claims, like for instance for this year, they don't know the total damage amount yet.

**Mr. Wotherspoon:** — Those dollars then, are those revenues marked then as revenues from the federal government within the mid-year adjustment? Or when do those get booked?

**Hon. Mr. Reiter:** — Just to clarify, so your question is, are the revenues, the federal share, when they're returned to the GRF, when are they booked?

**Mr. Wotherspoon:** — Right now, I mean there has to be . . . I mean it defies a bit of belief that there's not an estimate right now on the 43 million in the claims that are there, how much will be recouped from the federal government. And then there must be a reflection of that because that's an account payable of sorts. So those are revenues to the province. So I'm wondering where those are reflected in any budgetary document then.

**Hon. Mr. Reiter:** — Two points. The first one, I'm sorry if there's a misunderstanding there. I didn't mean that they wouldn't have an estimate. Our folks I think could probably provide one. They just don't have one right now.

The second part about the booking of the revenue, that's a fair question. I apologize, I'm just not sure. That would be probably a better question put to Finance but, you know, if you like, I could certainly have our officials check with Finance officials and follow up with you.

**Mr. Wotherspoon:** — The question that maybe if they could just relay then, what's estimated for this year? What's budgeted to flow back in from the federal government and the timing on that? Because some of, you know, maybe you know, I guess it's dependent as well on when those dollars will flow from the federal government. So if that could be described, that would be helpful.

**Hon. Mr. Reiter:** — If you're okay with that, we can follow up with you.

**Mr. Wotherspoon:** — Sure.

**Hon. Mr. Reiter:** — Yes.

**Mr. Wotherspoon:** — So I don't think I have many other questions at this point. I simply again I'd like to thank the minister for his time here tonight, his attention to the matters that we've raised here. And certainly to officials and to Duane McKay and all the good leadership that we have within the province, I'd like to say thank you.

I know when a community's hit with a weather-related crisis,

it's a major stress for a community. I know I chatted with many of these communities in the spring and into the summer, whether it was Cumberland or whether it was Rhein or whether it was Wilton, St. Louis, Maidstone, Borden, so many of these communities. And it's really remarkable listening to those community leaders and how they come together. And certainly there's an important role for government and the public servants that play a very important role.

So to those that are a part of that here tonight, I say thank you. And certainly we'll continue to track the resolution of outstanding claims. It's certainly important for personal residences that haven't been settled — that's families, that's people, the businesses. Those need to be resolved as do all the other claims, whether it's First Nations or municipalities, and we appreciate efforts on that front. We'll continue to track that progress.

And certainly we invite any of the municipalities, any of the outstanding claims, the businesses, the First Nations to connect, certainly to the minister of course, and also through myself with the opposition if we can be helpful in moving forward some of these claims. So thanks for the time here tonight.

**Hon. Mr. Reiter:** — I also would like to thank . . . Excuse me. My throat's not working tonight. I also would like to thank the officials for their time here tonight and also the committee members for fair and respectful questions. And, as I mentioned earlier, I'll ask our officials to follow up on the questions that we didn't have the information here tonight. I'll ask them to provide that information, which will in turn be provided to you. So thank you very much, Mr. Chair.

**The Chair:** — Thank you, Mr. Minister. Thank you, Mr. Wotherspoon. Is there any other questions or comments for the minister at this time?

Seeing none, in regards to supplementary estimates for November 2013, vote 30 Government Relations, public safety subvote (GR11) in the amount of 43,586,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Government Relations, vote 30 in the amount of 43,586,000. I will now ask a member to move the following resolution:

Resolve that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sum for Government Relations in the amount of \$43,586,000.

Mr. Huyghebaert. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That is carried. Committee members, you have before you a draft of the fifth report of the Standing Committee on Intergovernmental Affairs and Justice. We require a member to move the following motion:

That the fifth report of the Standing Committee on Intergovernmental Affairs and Justice be adopted and presented to the Assembly.

Mr. Steinley. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That is carried. Mr. Minister and officials, thank you very much for the information provided tonight. Committee members, thank you for your attendance here. And we'll ask for a motion to adjourn. Mr. Steinley.

Thank you, ladies and gentlemen, and good night.

[The committee adjourned at 20:25.]