

Rural Municipality of McKillop No. 220

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Notice to Ratepayers

February 28, 2018

Question & Answer Highlights from Feb. 24, 2018 Ratepayers Meeting

Agenda for the Ratepayers Meeting – The very long list of questions ratepayers sent to Council in advance of the Ratepayers Meeting were divided into 26 categories ahead of the meeting, and the largest part of the Meeting was spent in asking the Reeve to respond to these questions as the moderator went through them category-by-category.

Then questions were also invited from the floor, and all of the floor questions were responded to before the meeting closed. The Council thanks everyone for being willing to stay overtime to ensure all the questions were asked and answered.

This was the two-part agenda Council had outlined in its invitation notice for the meeting.

In this report – Listed below are highlights of the Reeve's responses in each of the 26 categories of questions.

Getting more information on the meeting – Here are other ways you can find out more from the meeting:

- An audio recording of the entire meeting, including the questions from the floor, also appears on the RM website.
- A shorter (4-page) "Takeaways from the Ratepayers Meeting" has been mailed to all ratepayers, and also appears on the RM website.

1. Communications

Council's priority is improvements to communications – especially timeliness and the amount of information that is distributed.

The communication consultant's initial report on this has been received and includes recommended changes. The report is now going before Council for review and implementation.

Public meetings and mailings are expected to continue, but will be augmented by new, less expensive and quicker means of communication.

Two early improvements already started include:

- EMAIL – Ratepayers' email addresses are being collected (including at this meeting) so that information can be sent more quickly, and so that eventually the postal costs of regular mail can be reduced.
- MINUTES – A summary of Council meeting minutes will appear on the website promptly after meetings (instead of waiting for the full minutes which can't appear until they're formally approved at the following meeting, causing a delay in their posting).

2. Street addresses

Street numbers for hamlets that don't yet have them is a legacy project left over from the previous Council. It will be completed this year.

The process for the necessary bylaw is before Council at their next meeting, and the new numbers are anticipated to be done by summer.

3. Garbage Bylaw and Surcharge

Changes to resolve longstanding garbage issues will occur in the next couple of months. The goal is a single and equal system for everyone.

- **CURRENT BYLAW** – There are serious historical challenges within the RM. In terms of waste, there are three groups – rural ratepayers, ratepayers in unorganized hamlets and ratepayers in organized hamlets – and the three have different systems of payment and service. A new bylaw is being drafted for implementation to provide one common system for everyone.

After that, the focus will be on encouraging better waste management and recycling through the Regional Landfill Authority.

- **SURCHARGE** – Garbage is managed not by the RM, but by an independent Regional Landfill Authority on which the RM is a member, but not the manager. The Authority's problem is the flooding that occurred in 2014's heavy rains and forced the landfill to close. The surcharge put on by a past Council is to cover the cost of trucking garbage to the Regina landfill since the flooding.

The surcharge will likely remain – as it is in other municipalities – to be transparent about what the costs are, and also allow people to see the benefit of reducing garbage and recycling.

4. Timeframe for decisions on proposals on Land Use Changes

Disposition of a land use proposal becomes public when a resolution gets to Council for a decision.

The timeline for an application is determined mainly by the detailed process each application has to go through, in many cases requiring the provincial government's involvement.

5. Online forms for hamlets

The RM's administration has been working on creating an online forms system for hamlets.

Hamlet budgets are the first priority. This is an old problem that the current Council is trying to resolve. We continue working on office issues of getting faster response and better time management and service delivery by staff. This will be resolved when a final resolution is made on what the staff complement will be, and that staffing resolution is a priority.

6. Boundaries and fairness among different divisions

This is a very complex issue, and its ultimate solution will be in the hands of the provincial government, which is in control of boundary issues. Our RM is working with the province for a resolution, because we want what is in the interests of all ratepayers, and the solution won't be easy.

The major issue is that we are a rural municipality that has had a large number of urban-like developments created in recent decades. This situation is not adequately anticipated in provincial legislation. In addition, many summer-property residents reside somewhere else, so they are ratepayers, but the government doesn't count them in our population statistics for determining representation.

One option is to change boundaries. Another option is for hamlets and resort villages to become urban bodies (like villages and towns) and, therefore, manage their own affairs. Resort communities could also amalgamate, or could merge with nearby urban municipalities. And there may be other options.

In our recent meeting with the provincial government, we discussed different options, but the government would not indicate that they favoured or would act on any one specific option. Instead, they asked for more research, and so that is what we are working on now.

A recent petition was submitted to Council about changing boundaries in a certain way. The petition is being reviewed by the RM Administrator to determine whether it has met all the requirements as stipulated under the Municipalities Act. If the petition meets all the requirements then there will be a referendum question included at the time of the municipal election this fall to determine if the majority of those voting agree with the proposed new boundaries. Should the referendum be successful, then the provincial government will have to review the proposed division boundary change to determine whether the new boundaries are appropriate.

In the meantime, council will continue to explore other boundary options as well as options that could include the potential to consolidate hamlets to form a resort village or the option for some or all of the hamlets to merge with existing resort villages.

7. Road maintenance

Maintenance costs are high (\$10,000 per mile on heavily traveled roads), and they rise as the traffic on roads increases. Continuing population increases in the RM create more traffic and therefore more road maintenance. In addition, provincial work on highways in recent years, which will continue this year, pushes extra traffic onto municipal roads.

The RM will continue to maintain roads as needed, as best as can be done.

8. Sundale

The RM is working with Sundale to assist as much as we can, but this is another of the old legacy issues that the current Council has to deal with.

Sundale's water and sewage issues are totally within the agreement between residents and the Sundale developer. The RM is not part of that agreement and does not own the infrastructure there.

The developer ran into financial difficulties, and gave notice to the residents of Sundale and the RM it would no longer employ a plant operator. Because Sundale's water and sewage system was at immediate risk, the RM agreed to assist by providing an operator to keep the water system running so that water and sewage aren't cut off.

This is a short-term situation until the developer and residents work out their financial future. Until then, the RM has no ownership or liability in the water/sewage system, and can't determine how the water from the plant is being used.

In the meantime, the RM did order an engineering study to determine what shape the plant is in. The RM also brought in a new lawyer for this project – a lawyer who is a specialist in property ownership matters (our regular lawyers are specialists in municipal government).

9. Closed meetings

Closed meetings represent a minority of Council time (one hour out of every eight-hour meeting), and they are an essential and standard process for municipalities.

Closed matters handle private and confidential information related to personnel matters which are required by law to be confidential. They handle personal issues among ratepayers, confidential financial information related to suppliers and other similar matters. Closed meetings also allow for open, candid discussions without Councillors' free expression being taken out of context in a public forum.

All decisions and business activities occur through the much longer meeting that is open to the public and whose minutes are made public.

10. Financial statements and audits

The most recent auditor's report was handled in the appropriate process. Council found that the report was in good order, and did not require a face-to-face meeting with the auditor.

On a related matter, a petition was submitted asking for an additional financial audit. Legal advice has identified problems with the petition. A risk was that a non-specific review could be open-ended, and therefore be like writing a blank cheque to an auditing firm. This is particularly important because the provincial government's definition of a financial audit under this section of the Municipalities Act is different from that of the auditors' governing body.

Council has asked the people who submitted the petition to define the scope of work that they are asking for. In the meantime, Council has also approved a search for an auditor qualified to perform the requested audits.

11. Legal services

A lawyer is at Council meetings for several reasons, all of which are related to ensuring the RM runs well and Council performs its duties properly.

One reason is to ensure that the Act under which we serve is being followed properly. Another is to ensure that decisions are being made correctly and wisely – for example, how we act on the complex Sundale or landfill issues. A third is to ensure that Council meeting protocols and management are being done correctly. A fourth is to provide ready access to legal information or advice Council needs when discussing an issue.

And since the lawyer is present, the lawyer also gets the task of taking minutes, which we think is just an appropriate and wise use of time since the lawyer would be taking notes anyway.

The largest legal expenditures in the past year have been:

- Number one, a court case around a Councillor who was charged with conflict of interest. That issue began under the previous Council, and continued through to the court case in 2017. We're waiting for the judge's decision now.
- Number two is the cost of the general legal services we use.
- Number three is the costs related to Sundale issues.
- As a follow-up, the other areas of legal expenditures in descending order are:
 - development appeals;
 - lagoon construction;
 - organized hamlet operations;
 - management and financial audit petition review;
 - bylaw enforcement; and
 - an ethics complaint investigation.

12. Tax rates

The next annual tax rates have not yet been set, but Council doesn't anticipate that they would increase over the level that they have been at in the most recent years.

Last year was a provincial re-assessment year for property, so individuals may have seen an individual change for that reason.

Compared to some other rural municipalities, our tax rates can be higher because – with our greater lakeshore population – we bear higher costs of road maintenance, landfill and lagoon services, boat launches and so on.

13. Zoning bylaw

Bylaw issues were raised many years ago and never dealt with. This Council has determined to resolve them. We started public consultation in the summer of 2017, in parallel with our work on the new Official Community Plan. More consultation will occur in the spring when residents who are away for the winter return.

14. Expenditures

- LEGAL – Legal costs are high, but once the major legacy issues (lagoon, landfill, Sundale, Councillor court case, and so on) are behind us, these costs should drop.
- MAILING – Mailing costs can be reduced as we do more communications through email. That's why it's important for people to give us their email address.
- CONSULTANTS – Consultants and legal services will not increase the budget. Taxes won't go up as a result of those services. In many ways this is short term pain for long term gain. Once we have corrected the errors of the past the need for these specialized services will be reduced.
- CONFLICTS OF INTEREST – Members of Council have to recuse themselves from discussions and decisions on any financial matter that may create a benefit to them. We follow this policy rigorously, and our lawyer provides advice on interpreting and applying the law on these matters.
- COMPUTER-RELATED PURCHASE – Council asked the administrator to arrange improvements to the computer system, and in doing so the Administrator approved an expenditure beyond her level of personal approval. We caught this and reviewed it. This was an oversight, and did not cause a financial issue because what we were committed to purchase was at an appropriate price for the work we wanted done, so the Council approved the expenditure.
- PROPER PROCESSES – The expenditure process requires that every expenditure eventually comes before Council for approval, so all expenditures are seen by Council. Council members as individuals make few, if any, expenditures – that is done by administrative staff.
- SALARY – The Administrator's salary is set by Council and is on a par with what is being paid elsewhere for personnel with that kind of experience and qualifications, engaged in that kind and level of work.
- GRAVEL PURCHASE – A large purchase of gravel last year was a bargain at a time when aggregate is very expensive and sometimes hard to get. It was surplus from a Highway's project nearby, so it was a great opportunity and a wise expenditure. Once we were in the process, we found that rock that we also use was available as well, so we increased the purchase to take advantage of that material as well. Council sent our Manager of Public Works to scope out the material with the authorization to negotiate a deal. Our Manager locked in the favourable deal right away without specific Council approval, so Council approved it subsequently, after reviewing what had occurred.

- MAINTENANCE SHOP – Council made the decision to construct a new maintenance shop as the shop we jointly own with the Town of Strasbourg can no longer adequately provide for the needs of the two municipalities. We plan to sell our 50% share of the facility and are talking with the Town of Strasbourg about purchasing it.

We are also following a careful due process for acquiring the best location and property for the new shop, likely in the general vicinity of Bulyea. This process is underway now. We've not yet explored all the properties of potential sellers, and therefore no decisions have been made. Our goal is to find the best overall option, based on cost and access to required services.

- YANCOAL STUDY – The site of the Yancoal project is in RM 119, and Yancoal reimbursed for costs of a study that RM did about impacts of the project. However, Yancoal refuses to reimburse such costs for our RM, which will be impacted by the project, especially in terms of impacts on our roads through which mine-related traffic will flow. This Yancoal decision is contrary to past practices by other mining companies, but they continue to refuse to follow the industry precedent.

15. Personnel

- STAFF – The current administrator is on a short-term contract. The amount we pay in total fees is consistent with what our total costs of salary and benefits would be for a full-time employee in that position.

Information on any staff members that are let go is governed by privacy laws and therefore can't be made public.

- OFFICE – The reduced hours that the office has been closed to walk-in traffic has allowed us to work on many of the legacy issues that this Council has decided to clean up. Those issues include personnel matters and matters relating to past developments such as Sundale. The work is proceeding well, and will result in better planning, the resolution of certain issues, and a final allocation of staff over the course of the year.

16. Behaviour

Council and staff have been subject to a very high level of insults over the past year. Rumours are spread without evidence, and a recent one is that a Reeve's email called ratepayers idiots. There never was such an email, but people continue to ask about it. If there are real instances of such matters, please send the material evidence to the RM for action.

There have been seven formal complaints made against two members of council. These complaints are currently in front of a third party to investigate and determine if they are valid.

17. Voting

Voting dates are not in the RM's control. Dates are spelled out in provincial legislation.

Mailing of ballots is also done according to the requirements of the provincial Act.

18. Landfill

The landfill is on RM land, but it is run by an independent Authority, of which RM is one member. Control and daily management is in the hands of the Authority.

The landfill was closed following the heavy rains in 2014. It hopes to open this year. The Authority completed repairs and improvements to bring the landfill back into compliance with provincial government regulations. Compacting equipment has been purchased to reduce the amount of space taken up in the landfill.

The next major challenge in the future will be the fact that when the landfill does re-open, it will probably be reaching its capacity within a very few years.

19. Fox's Point

The Reeve asked the meeting if there was any opposition to protecting Fox's Point, and there was none. Council's position is that if everyone agrees to protection, then the RM should seek the best, most permanent protection possible, without giving the land away.

The arrangement Council has approved will make the Saskatchewan Wildlife Federation (SWF) a party on the title. This ensures protection as well as Council's continued ownership. A related agreement with Nature Saskatchewan will also ensure the property is well managed for purposes of protecting this nature preserve in the RM.

Council is convinced this is the best protection – the current protection allows a future council, albeit with difficulty, the ability to sell or develop the property in a way not in keeping with the desired preservation of this priceless gem. Previous information sent to ratepayers referred to past consultations, and to past strong support that has been shown.

While some are spreading rumours that the Fox family is opposed, the Reeve has spoken directly with the family and has their full support, telling the Reeve that this is exactly the kind of protection Mr. Fox himself would have wanted. Members of the Fox family attended the ratepayers meeting to confirm that support.

Opposition rumours have been spread saying two Councillors have a conflict of interest because of involvement in the SWF. The rumours are false. When making the decision, Council sought legal advice and determined there is no conflict of interest, but the Councillors recused themselves from the vote anyway just to remove any suggestion of conflict.

20. Bylaw enforcement

Council takes a strong position that bylaws must be enforced, and will pursue consistent enforcement.

Opinions come to Council from both sides. Some ratepayers ask for strong enforcement, and others say enforcement is a waste of money. Council has decided that enforcement of bylaws is the way to go.

21. Agriculture versus development

The RM is redoing the zoning bylaw and is developing an Official Community Plan to modernize how development decisions are made.

However, ratepayers are strongly split into two groups – the farming base for which RMs were created, and the urban base that forms especially around those lakefront developments that don't become urban municipalities and are therefore within the RM's administration. Issues arising from this will continue to be a major source of challenge in the years ahead.

Council is elected by all ratepayers, and therefore is frequently caught between the two competing interests. Council has to act in a balanced and fair way, in the best interests of the whole RM.

22. Property Re-assessment

Property assessment is conducted independently by the Saskatchewan Assessment Management Agency (SAMA), and is entirely separate from municipalities. Ratepayers unhappy with their recent re-assessment have to appeal directly to SAMA.

23. Petitions

The status of the six petitions submitted in 2017 is that all are being handled and processed. None are being delayed.

24. Infrastructure

- DOCKS – RM docks are not locked. Resort villages may lock theirs.

The deterioration around the Shore Acres dock comes from having a dock designed for very local use and now being used by many others.

The issue of docks and boat launches is another legacy issue which this council hopes to correct through the new Official Community Plan.

- SHOP BUDGET – The new maintenance shop is included in the capital budget.
- OFFICE RENOVATIONS – The RM office renovations were budgeted for, and came in within the budget.

25. Sewage lagoon

This is a major legacy issue that has fallen to the current Council, and will require a long time to resolve.

The lagoon was built approximately three times larger than its actual use requires. As a result, there is not enough liquid in the cells to keep their clay bottoms and side walls properly moist, and the cells therefore deteriorate, causing costly repairs.

The lagoon cost about \$3.5 million, of which the RM borrowed approximately \$1.4 million, and about \$1.2 million remains to be paid back. There is a reserve fund for this project that will soon allow the \$1.2 million to be reduced to approximately \$800,000.

We don't yet know what the resolution can be to this longstanding issue. Much more work and planning will be required.

26. Miscellaneous

The Duthie proposed subdivision was properly managed, following the correct Council procedures.

The new water well proposed site was explored by an engineer and it was found not to have sufficient water. Council will continue to search for an appropriate well site in the vicinity.

Spending guidelines for organized hamlets were put together in the spring of 2017. This project is behind and has to be completed. However, hamlets can use the numbers in that document as they do their current budgeting.