

PROVINCE OF SASKATCHEWAN



2011

ANNUAL REPORT

SASKATCHEWAN  
MUNICIPAL BOARD



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This annual report is also available in electronic format from the Board’s website at [www.smb.gov.sk.ca](http://www.smb.gov.sk.ca)



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## Letters of Transmittal



Her Honour the Honourable Vaughn Solomon Schofield  
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Saskatchewan Municipal Board for the year ending December 31, 2011.

A handwritten signature in black ink, appearing to read "Darryl Hickie".

Darryl Hickie,  
Minister Responsible  
for Saskatchewan Municipal Board



The Honourable Darryl Hickie  
Minister Responsible for Saskatchewan Municipal Board

It is my honour to submit the Annual Report of the Saskatchewan Municipal Board for the year ending December 31, 2011.

A handwritten signature in black ink, appearing to read "Wade Armstrong".

Wade Armstrong, Chair

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## Alignment with Government's Direction

The Saskatchewan Municipal Board's 2011 Annual Report aligns with Government's vision and three goals:

### Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing opportunity for a high quality of life for all.

### Government's Goals

- Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.
- Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.
- Keep Government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Together, all ministries and agencies support the achievement of Government's three goals, and work towards a secure and prosperous Saskatchewan.

The Board supports the Government's goals of **sustaining economic growth** and **securing Saskatchewan as a safe place to live** by:

- Providing advice and working with local authorities, primarily municipalities, on capital financing, debt management, sewer and water rate establishment and other related financial matters, to ensure financial sustainability for municipalities while assisting them in addressing critical infrastructure needs while leveraging funding and financing programs available from senior governments.
- Adjudicating applications for alteration of municipal boundaries or amalgamation of municipalities and inter-municipal disputes where there is a disagreement.

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## Board Overview

The Saskatchewan Municipal Board provides both regulatory and quasi-judicial services to local authorities, primarily municipalities, and the public. The Board also provides adjudicative and dispute resolution services for inter-municipal disputes and disputes between a municipality and the public.

*The Revenue and Financial Services Act* provides that the full-time members of the Board are the Board of Revenue Commissioners. The Board of Revenue Commissioners is responsible to hear and determine appeals respecting taxes imposed or assessed pursuant to, and by virtue of, a provincial taxing act and to approve write-off or cancellation of monies owing to the Crown.

Key stakeholders include local authorities, ratepayers, developers, tax agents, financial institutions, Crowns and Ministries.

The Board's total 2011 full-time equivalent (FTE) utilization was 12.4 FTEs. This was less than the 13 FTEs budgeted for due to vacancy. The 12.4 FTEs were located at the Regina office and included 3 full-time board members. Additionally, the Board had 20 part-time members located throughout the province.

The Board's organization chart is on page 19.

### Mandate

The Board is legislatively mandated to exercise discretion of a regulatory and quasi-judicial nature. The Board's regulatory function is to review and authorize debt and ensure financial credibility for cities, towns, villages, northern and rural municipalities. The judicial function is to hear and determine, at the provincial level, appeals from the public in municipal matters relating to property tax assessments, municipal planning and development and noxious weed orders, and to adjudicate matters relating to road maintenance and fixed farmland assessment agreements.

### Key Services

The Board fulfills the majority of its mandate through "working" committees, such as the Local Government Committee, Municipal Boundary

Committee, Assessment Appeals Committee, Planning Appeals Committee, Road Maintenance Agreement Committee and Fire Prevention Appeals Committee.

Key services of the Board are as follows:

- Hear and determine appeals at the provincial level on matters that require specialized knowledge. Common matters of appeal include planning and development, real property and local improvement assessments, tax exempt status of a property, and noxious weed orders.
- Review local authorities' long-term debt applications to ensure financial credibility and stability for the municipality, provide assurance of the local authorities' financial sustainability to lenders and the public.
- Provide advice and approvals to local authorities on capital financing, debt management, investment policy, water and sewer rates and local improvements.
- Adjudicate applications for alteration of municipal boundaries or amalgamation of municipalities where there is a disagreement over the alteration or amalgamation.
- Provide financial supervision and/or mediation and dispute resolution services as may be referred by a local authority or requested by the appropriate minister.
- Resolution of inter-municipal disputes that arise from municipalities entering into agreements for public utilities, inter-municipal sharing of taxes and grants, creation and alteration or restructuring of municipalities, and auditing for inter-municipal bodies.
- Resolution of disputes where an agreement to fix the assessed value or property taxes on farm land in an urban municipality cannot be reached.
- Determination respecting the requirement for, terms of, or issues with the matters governed by an agreement for road maintenance between a municipality and a person.

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## Progress in 2011

The Saskatchewan Municipal Board is an agency that responds to demands and expectations of the public and local authorities when legislation indicates such actions. It is not intended to be an agency that proactively seeks out its client base to deliver its services.

Local authorities deliver services to their respective communities, for which borrowing must often be undertaken. They are required by legislation to apply to the Board to seek approval to borrow in most instances. Likewise, local authorities seek administrative approvals for certain activities and bylaws to ensure that matters are dealt with fairly and equitably.

Local authorities and the public also come to the Board to present appeals and other disputes. There is an expectation that all parties will be heard fully by a panel with specialized knowledge and that the Board's decision will be fair and in accordance with legislation.

In all situations the public and the local authorities expect their matters to be dealt with in a timely manner.

### Progress and Activity by Key Areas:

#### Local Government Committee

The Committee is comprised of full-time members of the Saskatchewan Municipal Board.

#### Major Activities

- Approve long-term borrowing including debenture issues.

The purpose of approving long-term borrowing is to ensure financial stability of local authorities and compliance with various statutes. Lenders and the public are provided assurance that procedures and approvals comply with statutes and related policy. The Board also reviews and establishes debt limits for cities.

- Approve local improvements.

The purpose of approving local improvements is to ensure financial stability and compliance with legislation for municipalities to undertake works or services that specially benefit particular lands. A portion or all of the cost of the benefiting work is assessed against the benefited land.

- Approve sewer and water rates for towns, villages, rural and northern municipalities.

The purpose of approving water and sewer rates, charges, tolls or rents as they relate to service is to ensure they are equitable for all users, result in the utility being self-sustaining (provide sufficient revenue to offset current operating expense and debt repayment), and provide a reserve to assist with future capital expenditures.

- Provide advisory assistance.

Provide local authorities with timely appropriate advice respecting all aspects of committee work. Participate in providing training courses.

#### Progress

- Local authority borrowing, utility rate, and local improvement requests reviewed and approved in a consistent and timely manner.

The Committee strives to review and approve requests within three weeks 75% of the time. In 2011, several factors impacted on the ability to achieve this goal: inability of the Board to attract qualified staff; increased numbers and complexity of applications; lack of municipal capacity; and delays to financial statement preparation to meet the new standards. Coupled with increases in the number of inquiries, both verbal and written, these factors resulted in the timeframe for the approval process, to extend to twelve to fourteen weeks. Additionally, 90 to 95% of the requests require further work with the local authority and/or approvals from other agencies prior to the Committee granting final approval.

Applications related to regional projects are grouped and where possible, a lead municipality is determined to provide the common information.

- Local authorities have access to support through the process.

Staff are available to assist local authorities throughout the process, with access by phone and e-mail and responses generally available on call or within a 1/2 day turnaround. A high level of administrator turnover and borrowing over longer time frames and in amounts that extend the municipality's fiscal capacity, has resulted in a higher than normal time commitment by the Committee.

The Committee meets with local authorities to provide information and/or discuss any concerns or obtain information. Website provides information on the process and frequently asked questions (FAQs).

- Financial health of local authorities reviewed to ensure long-term sustainability and provide a level of assurance to lenders.

In 2011 the Committee worked with financial institutions on the necessity to obtain Committee approvals for loan guarantees.

The financial health of municipalities with terms and conditions on borrowing authorizations is annually monitored to provide early identification and remedy of potential fiscal problems.

- Loan, Agreement and Debenture Authorizations.

All local authorities that make application to the Committee have their financial health reviewed for fiscal sustainability. Recommendations are made to assist councils where any concerns are noted. In cases where borrowing is deemed a necessity, the Committee may approve the debt and direct the authority to implement specific measures and/or the Committee may monitor the financial health of the authority until the debt is retired.

Figures 1 to 4 illustrate ongoing approvals and authorizations of the Local Government Committee for 2011. In addition, the Committee met with ten municipalities with respect to the municipality's debt requirements and/or fiscal capacity and provided on-going monitoring and review of fiscal capacity for a number of municipalities with approvals that were subject to terms and conditions.

#### Number of Miscellaneous Approvals Issued in 2011

Sewer and Water Rates			
Public Utility Boards	Towns	Villages	Rural Municipalities
1	71	74	12
Establish Debt Limit			
Cities			
6			
Approval in Principle to Borrow (Permission not Finalized in 2011)			
Towns	Rural Municipalities	Villages	
6	1	7	
Approval in Principle to Borrow (Permission Finalized in 2011)			
Towns	Rural Municipalities	Villages	
7	1	1	
Extension of Time for Authorization to Borrow			
Villages			
1			

Figure 1

**Local Improvement Projects Approved in 2011**

PROPOSED WORK AND ESTIMATED COST				
LOCAL AUTHORITY	NUMBER OF PROJECTS	WATER / SEWER MAINS	SURFACE WORKS	TOTAL
Cities	11	\$ 870,000	\$ 4,664,795	\$ 5,534,795
Towns	16	161,137	3,628,008	3,789,145
Villages	2	355,002	2,882,300	3,237,302
<b>TOTAL</b>	<b>29</b>	<b>\$ 1,386,139</b>	<b>\$ 11,175,103</b>	<b>\$ 12,561,242</b>

<p><b>Amend Financial Arrangements pursuant to Section 8(2)(b) of The Local Improvements Act, 1993</b></p>
<p><b>Towns: 2</b></p>

Figure 2

**Debentures Signed and Sealed in 2011**

LOCAL AUTHORITY	NUMBER OF ISSUES	TOTAL FACE VALUE	AVERAGE MONEY COST
Rural Municipalities	2	\$ 17,524,235	4.48%
Towns	8	5,856,920	3.61%
Villages	9	5,215,197	3.57%
<b>TOTAL</b>	<b>19</b>	<b>\$ 28,596,352</b>	

Figure 3

**Agreement, Debenture, Loan and Lease Authorizations in 2011**

LOCAL AUTHORITY	AGREEMENTS		DEBENTURES		LOANS		LEASES	
	AMOUNT	NUMBER	AMOUNT	NUMBER <sup>(1)</sup>	AMOUNT	NUMBER	AMOUNT	NUMBER
Conservation and Development Area Authorities	\$ -	-	\$ -	-	\$ 2,493,817	1	\$ -	-
Rural Municipalities	-	-	13,660,435	2	2,285,246	6	-	-
Towns	-	-	11,133,120	10	30,665,896	29	-	-
Villages	-	-	4,531,079	7	5,524,397	16	-	-
<b>TOTAL</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 29,324,634</b>	<b>19</b>	<b>\$ 40,969,356</b>	<b>52</b>	<b>\$ -</b>	<b>-</b>

**Note 1:** This is the number of bylaws approved. Annuity debentures are primarily issued, with one debenture issued per bylaw. In 2011, a municipality issued a serial debenture which resulted in 100 debentures being issued for a single bylaw. Due to the complexity of a serial debenture, the Local Government Committee coordinates with an externally bonded printer to produce the debentures.

Figure 4

## Local Authority Historical Overview:

### Purpose for Borrowing by Way of Debentures or Loans

CLASSIFICATION	Debentures					Loans				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
<b>INFRASTRUCTURE</b>	In 000's					In 000's				
Curbs, Gutters, Sidewalks	\$ -	\$ 27	\$ -	\$ -	\$ -	\$ -	\$ 125	\$ 153	\$ 60	\$ -
Dams & Reservoirs	300	661	-	-	608	500	159	803	2,836	180
Pavement	623	243	350	8,000	9,774	5,668	1,022	3,360	1,800	2,817
Sewage Treatment, Lagoon	46	3,063	1,483	-	11,909	544	1,271	3,309	2,674	7,842
Water Facilities	4,906	3,698	-	3,579	4,717	3,509	4,549	2,558	26,561	11,013
Sanitary Sewers, Lift Stations	-	536	1,381	175	416	-	-	-	2,021	3,523
Transit Systems	305	-	-	-	-	-	-	-	-	-
Bridges	-	-	-	-	-	-	-	67	-	-
Gravel	-	-	-	-	-	-	-	-	335	-
Landfill	-	-	-	-	-	-	-	-	-	273
Other	-	92	-	-	800	-	120	1,773	-	-
<b>Total</b>	<b>\$ 6,180</b>	<b>\$ 8,320</b>	<b>\$ 3,214</b>	<b>\$ 11,754</b>	<b>\$ 28,224</b>	<b>\$ 10,221</b>	<b>\$ 7,246</b>	<b>\$ 12,023</b>	<b>\$ 36,287</b>	<b>\$ 25,648</b>
<b>BUILDINGS &amp; LAND</b>										
Offices	\$ -	\$ -	\$ 80	\$ -	\$ -	\$ -	\$ 500	\$ 729	\$ 817	\$ 720
Workshops	-	-	-	-	-	-	-	-	-	300
Hospitals, Clinics	-	252	-	-	-	4,260	255	-	-	-
Recreation & Culture	13	675	-	1,394	47	17,923	16,358	4,970	800	11,650
Schools	-	-	-	-	-	1,942	4,406	1,005	-	-
Land	-	820	3,249	623	-	1,070	3,545	7,307	3,663	1,490
Fire Stations	-	-	-	-	200	1,125	-	800	-	-
Residential Housing	-	-	-	-	-	-	-	162	-	146
Stores	-	-	-	-	-	-	-	-	35	-
Other	-	425	-	-	853	-	-	-	-	100
<b>Total</b>	<b>\$ 13</b>	<b>\$ 2,172</b>	<b>\$ 3,329</b>	<b>\$ 2,017</b>	<b>\$ 1,100</b>	<b>\$ 26,320</b>	<b>\$ 25,064</b>	<b>\$ 14,973</b>	<b>\$ 5,315</b>	<b>\$ 14,406</b>
<b>MACHINERY &amp; EQUIPMENT</b>										
Protective	\$ -	\$ -	\$ 220	\$ -	\$ -	\$ -	\$ 315	\$ 67	\$ -	\$ -
Computers	-	-	-	-	-	-	-	67	-	-
Transportation	-	-	-	50	-	1,079	871	753	831	915
Other	-	-	-	-	-	55	-	-	75	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 220</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ 1,134</b>	<b>\$ 1,186</b>	<b>\$ 887</b>	<b>\$ 906</b>	<b>\$ 915</b>
Included in above:										
Loans for interim financing							\$ 2,230	\$ 1,333	\$ 3,252	\$ 9,919
Loans for refinancing, redeeming, and restructuring outstanding debt							\$ 446	\$ 2,460	\$ 568	\$ 1,149

Figure 5

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## Municipal Boundary Committee

The Committee is composed of full-time members of the Saskatchewan Municipal Board and part-time members representing the Saskatchewan Urban Municipalities Association and Saskatchewan Association of Rural Municipalities. Hearings are held throughout the province.

### Major Activities

- Review applications for the alteration of municipal boundaries or the amalgamation of municipalities.

The purpose of reviewing applications is to facilitate an agreement between the affected parties or where this can not be accomplished, to hear and decide on the proposed alteration.

- Provide advisory assistance.

Provide municipalities with timely appropriate advice respecting all aspects of committee work including the facilitation and hearing processes.

### Progress

- Applications are heard and decisions rendered in a consistent and timely manner; where possible a facilitated agreement is achieved.

The Committee strives to hear and decide within the legislated time frame, four months from receipt of the application. An initiative to utilize the Dispute Resolution Office, Ministry of Justice has been successful in resolving a number of the disputes prior to a formal hearing; however, this may result in additional time requirements necessitating requests of the Minister to extend the time to complete the process.

Decisions are based on a basic framework of *The Municipal Board Act*, which specifies the matters the Board shall take into

consideration respecting boundary disputes. Stakeholders respect the decisions of the Committee.

- Applicant and affected municipalities have access to support through the process.

Staff are available to assist the applicant municipality and other affected municipalities. Communication is ongoing during the facilitated and hearing process. The website provides information on the process and FAQs.

In 2011 the Committee received one application pursuant to *The Northern Municipalities Act, 2010*. The application was approved without a hearing.

## Assessment Appeals Committee

The Committee is comprised of full-time and part-time members. Hearings are held throughout the province.

### Major Activities

- Hear and determine assessment appeals pertaining to the assessed values of real property; local improvement assessments; the tax exempt status of a property; and conservation and development area authority assessments.

The purpose is to provide a second level of appeal to applicants and municipalities or conservation and development area authorities, where they are not satisfied with decisions rendered by the local board of revision.

- Hear direct appeals with respect to industrial or commercial properties exceeding \$1 million in assessed value, where the appellant, the board of revision, and the municipality have agreed to proceed in this manner or where an application for leave to consolidate appeals has been granted.

- Provide advisory assistance.

Provide advice and guidance to the public and other client groups regarding the appeal process and related assessment matters. Participate in providing training courses.

## Progress

- Appeals are heard and decisions rendered in a consistent and timely manner; pre-hearing conferences conducted, as required, to determine the necessity of subpoenas and to clarify issues to be determined by the Committee.

The Committee endeavors to hear appeals within a reasonable time of receipt of a notice of appeal, taking into consideration the availability of internal and external resources and efficiency of scheduling appeals in various locations within a geographic proximity. Appeals with similar issues are grouped and heard at the same time, where practical.

Assuming there are no unusual circumstances the Committee strives to render appeal decisions within ninety days of the date of hearing.

Written decisions are issued, with reasons based upon arguments presented at the hearing regarding perceived errors by boards of revision, or in the case of direct appeals, based upon evidence and argument. Legislation and case law is referenced. Stakeholders respect the decisions of the Committee and the number of appeals to the Court of Appeal for Saskatchewan on questions of law or jurisdiction regarding the Committee's decisions are minimal.

- Appellants and respondents have access to support through the process.

Staff are available to assist the appellants and respondents on the appeal process. The website provides information on the process and FAQs.

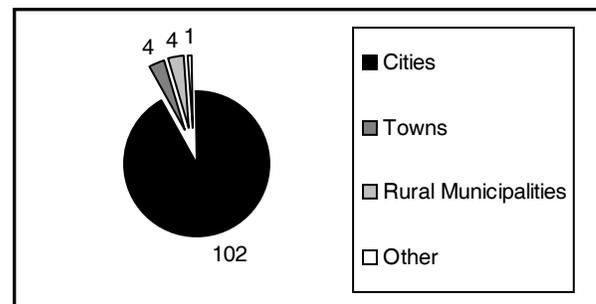
The Saskatchewan Assessment Management Agency implemented a non-regulated assessment system in 2009 which allowed assessors the discretion to use any of the three traditional valuation approaches including the income approach to determine assessed values. At the conclusion of 2010, the Committee had 45% of these appeals outstanding. In 2011, all but four have been completed, of which two remain to be heard pending a related Court of Queen's Bench challenge and two have been heard with decisions pending.

Assessment Appeals Caseload Overview	Number of Appeals
Outstanding - December 31 2010	176
Remitted back by Court of Appeal	-
Appeals Received in 2011	111
<b>Total Appeals</b>	<b>287</b>
Less: Decided	
Denied	51
Granted	72
Withdrawn	13
<b>Outstanding - December 31 2011</b>	<b>151</b>
To Be Heard (Not Yet Scheduled)	108
Scheduled to be Heard	19
Decisions Pending (Heard but not Decided)	24

**Note:** Excludes one appeal that was received and outstanding as of December 31, 2010 but deemed invalid after December 31, 2010.

Figure 6

## Assessment Appeals Received in 2011



**Note:** Other includes villages, resort villages and northern municipalities.

Figure 7

## Planning Appeals Committee

The Committee is comprised of full-time and part-time members. Hearings are held throughout the province.

### Major Activities

- Hear and determine appeals relating to municipal planning and development of the subdivision of land.

The purpose is to provide a provincial level of appeal to applicants where they are not satisfied with decisions rendered by the local development appeals board or an authorized subdivision approving authority. Also to provide an avenue for appeal where there is no local development appeals board.

- Provide advisory assistance.

Provide advice and guidance to the public regarding the appeal process.

### Progress

- Applications are heard and decisions rendered in a consistent and timely manner.

The Committee strives to hear appeals within three months of receipt of a notice to appeal and render decisions within sixty days of the appeal hearing date. The Committee is sensitive to the construction period when scheduling hearings.

Where legislation permits, the Committee endeavours to facilitate an agreement between the affected parties prior to a formal hearing.

Decisions are consistent, based on a basic framework for appeal supported by detailed analysis of the issues. Stakeholders respect the decisions of the Committee.

- Applicant and affected municipalities have access to support through the process.

Staff are available to assist the appellants and respondents on the appeal process. The website provides information on the process and FAQs.

Planning Appeals Caseload Overview	Number of Appeals	Note
Outstanding - December 31 2010	15	
Received in 2011	18	
<b>Total Appeals</b>	<b>33</b>	<b>(1)</b>
Less: Decided		
No Jurisdiction	1	
Denied	9	
Granted	8	
Withdrawn	2	
<b>Outstanding - December 31 2011</b>	<b>13</b>	<b>(2)</b>
To Be Heard (Not Yet Scheduled)	1	
Scheduled to be Heard	6	
Decisions Pending (Heard but not Decided)	6	

**Note 1:** Comprised of Cities - 9, Villages - 6, Towns - 1 and Rural Municipalities - 17

**Note 2:** Comprised of Cities - 4, Villages - 4, Towns - 1 and Rural Municipalities - 4

Figure 8

## Fire Prevention Appeals Committee

The Committee is comprised of full-time and part-time members. Hearings are held as required in Regina or Saskatoon.

### Major Activities

- Hear and determine appeals and matters concerning fire prevention arising from orders issued by a fire inspector or fire commissioner or certificate for costs incurred in carrying out an order respecting fire prevention and safety.

The purpose is to provide a second level of appeal to applicants where they are not satisfied with decisions of the local board.

- Provide advisory assistance.

Provide advice and guidance to the public regarding the appeal process.

## Progress

- Appeals are heard and decisions rendered in a consistent and timely manner.

The Committee strives to hear appeals within three months of receipt of a notice of appeal and to render decisions within sixty days of the date of hearing an appeal.

Decisions are consistent, based on a basic framework for appeal supported by detailed analysis of the issues presented at the hearing. Stakeholders respect the decisions of the Committee.

- Applicants and affected municipalities have access to support through the process.

Staff are available to assist the appellants and respondents on the appeal process. The website provides information on the process and FAQs.

No appeals have been received for a number of years. The Ministry responsible for the process is presently reviewing the jurisdiction of the fire commissioner. This may impact on the level of appeals.

## Road Maintenance Agreement Committee

The Committee is comprised of full-time and part-time members. Hearings are held as required throughout the province.

## Major Activities

- Hear and determine at a first level applications relating to road maintenance agreement issues including whether or not a proposed agreement is required or in the

case where the parties have entered into an agreement, any issue involving any matter governed by the agreement.

The purpose is to provide a determination at the provincial level where the parties cannot agree on the requirement for a road maintenance agreement and the terms thereof, or are in disagreement over the terms of an existing road maintenance agreement.

- Provide advisory assistance.

Provide advice and guidance to the municipalities and the public regarding the determination process.

## Progress

- Adjudications occur and determinations rendered in a consistent and timely manner.

The Committee is legislatively required to make a determination within ten business days of receiving a valid application.

Determinations are consistent, based on a basic framework supported by detailed analysis of the issues.

- Applicants and affected municipalities have access to support through the process.

Staff are available to assist the appellants and respondents on the determination process.

Though a number of inquiries were received regarding the determination process, no applications were brought forward in 2011.

## Board of Revenue Commissioners

The Board of Revenue Commissioners (BRC) is established pursuant to Section 13(1) of *The Revenue and Financial Services Act*. The Act appoints full-time members of the Saskatchewan Municipal Board as members of the BRC. The Minister in charge is the Minister of Finance.

The operating and staffing costs associated with the BRC are absorbed within the Saskatchewan Municipal Board's budget.

### Major Activities

- Hear at a first level and determine appeals respecting taxes imposed or assessed pursuant to and by virtue of any provincial taxing enactment and respecting other monies claimed to be due and payable to the Crown, where the right of taking an appeal to the BRC is given by any statute.

The purpose is to provide a first level of appeal to appellants who are not in agreement with the provincial taxes being assessed to them.

- Approval of any write-off or cancellation of monies owing to the Crown.

The purpose is to provide an independent source to approve write-off or cancellation of debt owing to the province.

### Progress

- Appeals are heard and decisions rendered in a consistent and timely manner.

The BRC strives to hear appeals as soon as possible after receipt of the notice of appeal, giving consideration to requests of the affected parties to extend time until the hearing in order for them to negotiate settlement, if possible. On average, 5% of the appeals received by the BRC proceed to a hearing stage.

Decisions are consistent, based on a basic framework for appeal supported by detailed analysis of the issues identified. Committee decisions are respected by the stakeholders.

- Requests for write-offs and cancellations are reviewed and approved in a consistent and timely manner.
- Appellants and respondents have access to support through the process.

Staff are available to assist the appellants and respondents on the appeal process.

The number of appeals filed with the BRC is dependant on the number of tax audits performed by the province respecting provincial tax legislation. Figure 9 shows the caseload analysis for appeals received and decisions rendered in 2011.

Additionally, there were twenty-three cancellation and thirty-nine write-off requests approved in 2011. A request may involve a single account or a listing including multiple accounts.

<b>Board of Revenue Commissioners Caseload Overview</b>	<b>Number of Appeals</b>
Outstanding - December 31 2010	49
Received in 2011	22
<b>Total Appeals</b>	<b>71</b>
Less: Decided	
Denied	1
Granted	2
No Jurisdiction	0
Withdrawn	16
<b>Outstanding - December 31 2011</b>	<b>52</b>
To Be Heard (Not Yet Scheduled)	50
Scheduled to be Heard	2
Decisions Pending (Heard but not Decided)	-

Figure 9

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## Other Matters Involving the Board

### Ministry of Municipal Affairs Review of the Saskatchewan Municipal Board and Board of Revenue Commissioners

The Board has been working with the Ministry of Municipal Affairs as it undertakes a review of the Saskatchewan Municipal Board and the Board of Revenue Commissioners and their programs.

In early 2011 an interim review was completed that did not identify a need for major structural or governance changes. A multi-year review of the business processes of the Board's working committees is underway in order to identify areas for legislative and other improvements.

### Establishment of a Saskatchewan Administrative Tribunal Association

The Board is actively involved with other tribunal agencies in establishing a Saskatchewan Administrative Tribunal Association. The purpose of the Association is to provide a forum for discussion, education, and research in the administrative justice system of the Government of Saskatchewan. The Board sees this as an opportunity to advance its implementation of some of the Provincial Ombudsman's best practice recommendations for administrative tribunals from the 2007 report: "*Hearing Back*."

### Goals for 2012

The Saskatchewan Municipal Board considers it important to focus on the following activities in 2012:

- Conduct hearings, render decisions, and review local authorities' borrowing and utility rate approval requests in a consistent and timely manner.
- Continue implementation of a human

resource plan initiated in 2010, to meet future staffing and workload needs and to dynamically respond to changes in the roles the SMB plays.

- Develop formal strategic plan for the Board. Consider any recommendations resulting from the Board review undertaken by the Ministry of Municipal Affairs. Ensure operations are in alignment with the plan and provide for the mandate of the Board to be efficiently and effectively carried out.
- Continue the Board's review and implementation, where appropriate, of recommendations in the Ombudsman Report on Tribunals "*Hearing Back: Piecing Together Timeliness in Saskatchewan's Administrative Tribunals*" which provided 27 recommendations for tribunals in the administrative justice system in the province. This includes evaluating the use of alternatives to face-to-face hearings and continued effort in the establishment of the Saskatchewan Administrative Tribunal Association.
- Initiate a review and potential rebuild of the SMB website, including a section for the Board of Revenue Commissioners (BRC), to ensure it reflects Government of Saskatchewan visual identity guidelines and the strategic direction of the Board, that all information is up to date and accurate, educational needs of Board clients are met, and the site is easy to use and migrate through.
- Develop a policy with respect to publication of the Board and the BRC decisions online, giving consideration to the recommendations of the Office of the Information Privacy Commissioner and the Ombudsman, requirements of the Ministry of Finance (BRC decisions only), and the need of the public for a secure source for access to the decisions.
- Preparation for the 2013 assessment revaluation cycle including recruiting and training of part-time members, participation in external training sessions, consideration of "paper on demand" system for receipt of appeals and supporting documents.

## Financial Overview

### Financial Results

Total 2010-11 expenses for the Saskatchewan Municipal Board were \$1.38 million, representing a variance of \$9 thousand above the approved appropriation, primarily as a result of higher than anticipated salary related payments and a lesser than anticipated number of appeals.

The total 2010-11 revenues were \$51.8 thousand, representing a variance of \$12.2 thousand below budget. The variance is primarily attributable to a lesser than anticipated number of appeals filed and a greater than normal level of appellants successful in their appeal.

### Statement of Expenditure

Subvote/Subprogram	Actual 2010-11	Budget / Estimate 2010-11	Variance Over/(Under)	Note
<b>Administration/Local Government Committee</b>				
Salaries	\$ 828,079	\$ 732,000	\$ 96,079	(1)
Operating Expenses	234,977	229,000	5,977	(2)
Subtotal	\$ 1,063,056	\$ 961,000	\$ 102,056	
<b>Planning Appeals Committee</b>				
Salaries	\$ 78,615	\$ 101,000	\$ (22,385)	(3)
Operating Expenses	3,242	6,000	(2,758)	(4)
Subtotal	\$ 81,857	\$ 107,000	\$ (25,143)	
<b>Assessment Appeals Committee</b>				
Salaries	\$ 210,432	\$ 262,000	\$ (51,568)	(3)
Operating Expenses	23,069	39,000	(15,931)	(4)
Subtotal	\$ 233,501	\$ 301,000	\$ (67,499)	
<b>TOTAL</b>	<b>\$ 1,378,414</b>	<b>\$ 1,369,000</b>	<b>\$ 9,414</b>	

#### Explanations of Variances - Notes

- 1 - Higher than anticipated salary related payments.
- 2 - Higher than anticipated information technology costs.
- 3 - Less than anticipated caseload level for appeals.
- 4 - Less travel costs required as the result of less than anticipated caseload level and delays in hearings outside Regina.

Figure 10

## Statement of Revenue

Description of Revenue	Actual 2010-11	Budget / Estimate 2010-11	Variance Over/(Under)	Note
Filing Fees	\$ 18,853	\$ 30,000	\$ (11,147)	(1)
Debenture Authorizations	30,768	30,000	768	
Debenture Forms	2,200	4,000	(1,800)	
<b>TOTAL</b>	<b>\$ 51,821</b>	<b>\$ 64,000</b>	<b>\$ (12,179)</b>	

### Explanations of Variances - Notes

- 1 - Filing fees are treated as conditional receipts until the finalization of the appeal, which may take up to three years. Appellants that are successful in their appeal or withdraw their appeal have the fee refunded to them. Where the appellant is unsuccessful, the filing fee is transferred from conditional receipts to revenue. The Board has traditionally refunded approximately 50% of the revenue received for filing fees. There was a greater than anticipated percentage of appellants successful in their appeal and a less than anticipated number of appeals filed.

Figure 11

## Financial Accountability Statement

The Saskatchewan Municipal Board is responsible for ensuring:

- Public accountability for Government finances entrusted to the Board;
- Fiscally responsible management of its resources and financial affairs;
- Compliance with existing legislation and regulations;
- Systems and controls are in place to safeguard public assets; and,
- Appropriate results are reported to the public and the legislature.

There are a number of external controls in place to monitor these responsibilities. These include:

*Audited Results* - The Provincial Auditor's Office has legislative responsibility to audit the Board in conjunction with the Ministry of Municipal Affairs audit. Audit conclusions are published in a report to the Legislative Assembly of Saskatchewan. If a deficiency is reported by the Provincial Auditor, the Board may be called to appear before the Public Accounts Committee of the Legislature.

*Accountable to Legislature* - The Board's annual budget is detailed in the Saskatchewan Provincial Budget Estimates. The Board is called to appear before a Legislative Committee to defend the Board's budget estimates.

*Public Reporting* - Expense and revenue details as they pertain to the Board are published in the Board's Annual Report, and included with the Ministry of Municipal Affairs in the Public Accounts Volumes 1 and 2.

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## For More Information

Additional information about the Saskatchewan Municipal Board is available at:

**[www.smb.gov.sk.ca](http://www.smb.gov.sk.ca)**

and the Board of Revenue Commissioners is available at:

**[www.gov.sk.ca/BRC](http://www.gov.sk.ca/BRC)**

The website includes general and detailed information about the Board, its key services and legislation for which the Board is responsible.

For more information about the Board, or to provide feedback about our 2011 Annual Report, please contact us at:

Phone: (306) 787-6227

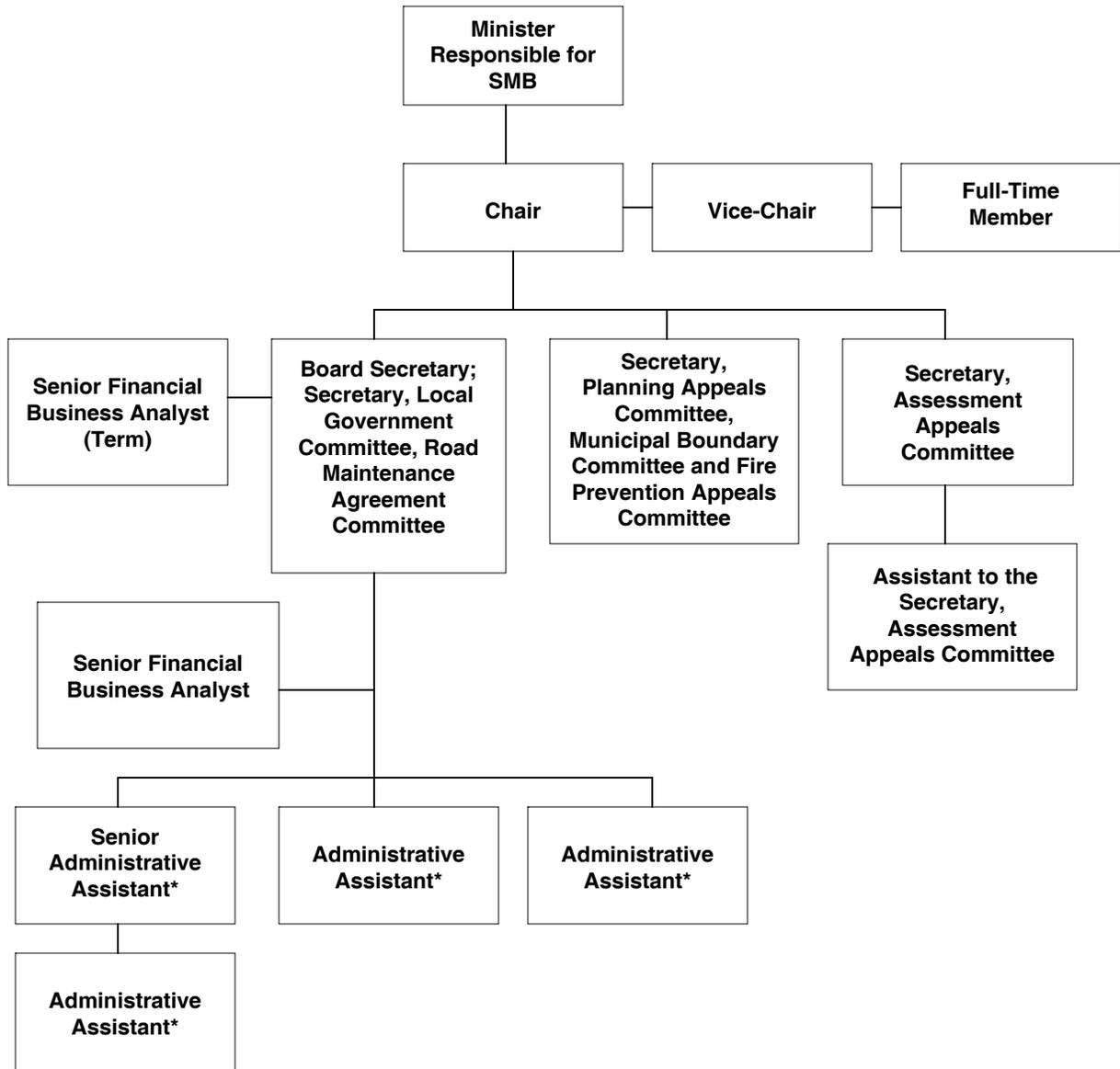
E-mail: **[info@smb.gov.sk.ca](mailto:info@smb.gov.sk.ca)**

Mailing address:

Secretary, Saskatchewan Municipal Board  
480 - 2151 Scarth Street  
REGINA, SK S4P 2H8

# Appendices

## Organizational Chart as at December 31 2011



\* These individuals provide centralized administrative support services to the Board and its Committees.

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## Legislation

The Board fulfills its mandate through a number of Acts and their associated regulations.

Enabling legislation is listed below:

*The Assessment Management Agency Act*

*The Cities Act*

*The Conservation and Development Act*

*The Education Act, 1995*

*The Fire Prevention Act, 1992*

*The Local Improvements Act, 1993*

*The Municipal Board Act*

*The Municipalities Act*

*The Northern Municipalities Act, 2010*

*The Planning and Development Act, 2007*

*The Weed Control Act*

The Board has authority to approve or determine matters under several other Acts. However, applications and/or appeals under these Acts are not often received.

The Board fulfills its mandate as the Board of Revenue Commissioners through the following enabling legislation:

*The Corporation Capital Tax Act*

*The Crown Minerals Act*

*The Provincial Sales Tax Act*

*The Fire Prevention Act, 1992*

*The Freehold Oil and Gas Production Tax Act*

*The Fuel Tax Act, 2000*

*The Liquor Consumption Tax Act*

*The Mineral Taxation Act, 1983*

*The Revenue and Financial Services Act*

*The Tobacco Tax Act, 1998*

There are eight other Acts the Board of Revenue Commissioners has authority to approve or determine matters under. However, appeals pursuant to these Acts are not often received.



