



2019 ANNUAL REPORT

DECEMBER 31, 2019



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This annual report is also available in electronic format from the SMB's website at www.smb.gov.sk.ca.

Letters of Transmittal



His Honour the Honourable Russ Mirasty, M.S.M.
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

As the Minister responsible for the Saskatchewan Municipal Board, I respectfully submit the Annual Report for the year ending December 31, 2019.

A handwritten signature in blue ink that reads "Lori Carr". The signature is fluid and cursive.

Lori Carr
Minister of Government Relations



The Honourable Lori Carr
Minister of Government Relations

It is my honour to submit the Annual Report of the Saskatchewan Municipal Board for the year ending December 31, 2019.

A handwritten signature in black ink that reads "Chad Boyko". The signature is cursive and stylized.

Chad Boyko
Acting Chair

Introduction

The Saskatchewan Municipal Board's (SMB) 2019 Annual Report (Report) outlines results and outcomes for the year ending December 31, 2019. It reports to the public and elected officials the commitments and key accomplishments of the SMB.

The Report is presented in relation to the vision and goals outlined in the SMB's 2017-2020 Strategic Plan.

The Report demonstrates progress made on government commitments as stated in the Government Direction for 2019-20: The Right Balance, the Minister's Mandate letter, throne speeches, and other commitments and activities of the SMB.

The Report also demonstrates the SMB's commitment to effective performance reporting, transparency and accountability to the public.

Alignment with Government's Direction

The SMB's activities in 2019 align with government's vision and four goals.



Together, all organizations support the achievement of Saskatchewan's four goals and work towards a secure and prosperous Saskatchewan.

In an effort to achieve the government's plan for growth, the SMB:

- Supports local authorities, ensuring fiscally sustainable growth.
 - Providing advice and regulatory approval on capital financing, debt management, sewer and water rate establishment, and other related financial matters.
- Supports local authorities in meeting the challenges of growth.
 - Adjudicating applications for alteration of municipal boundaries or amalgamation of municipalities where there is a disagreement.
 - Hearing and deciding property assessment and planning appeals.
- Delivers responsive government.
 - Providing timely decisions and approvals.

Overview of the SMB

Vision Statement

Enhancing positive stakeholder experiences, we exemplify leadership as an administrative tribunal by providing timely, reasoned, consistent decisions.

Mandate

The SMB is an administrative tribunal established for regulatory and quasi-judicial purposes in dealing with issues from local authorities. The SMB hears appeals regarding assessment, planning and development, road maintenance, municipal boundaries, fire prevention, noxious weed orders, and any other issues referred by the Minister or through legislation. The SMB also provides approval for municipalities including: establishing and setting debt limits; authorizing borrowing; approving utility rate applications; and reviewing business plans that support these activities.

As the Board of Revenue Commissioners, the SMB hears provincial tax assessment appeals and approves write-offs and cancellations of provincial debt.

Key stakeholders include local authorities, ratepayers, developers, tax agents, financial institutions, crowns and ministries.

Located in Regina, the SMB is staffed with 14 full-time equivalents, which includes four full-time board members. Additionally, the SMB has 10 part-time members located throughout the province.

The SMB fulfills the majority of its mandate through the following committees:



The SMB's organization chart is included on page 21.

Progress in 2019

The 2017-2020 Strategic Plan continues to rejuvenate the SMB by implementing recommendations from a board review, best practices for administrative tribunals and stakeholder feedback.

The Strategic Plan established five goals:

- 1) Increase efficiency in processing appeals while reducing the time from receipt to resolution.
- 2) Issue decisions within an average of 60 days from date of hearing completion.
- 3) Optimize technology that supports the work of the SMB and stakeholders.
- 4) Continue to enhance stakeholder relations to improve services.
- 5) Issue approvals for Local Government Committee applications on average 21 days from receipt of application.

Performance Measurement

1) Increase efficiency in processing appeals while reducing the time from receipt to resolution.

To address the significant increase in appeals, we have adopted case management practices to eliminate appeals or streamline issues so they will be resolved through a timely, efficient process.

- Case management conference calls with parties have resolved issues, reduced the number of hearings or created more efficient hearings.
- As a result of case management, we have been able to resolve a significant number of outstanding appeals.
- Continue to refine case management methods and supporting documents.
- Reinforce guidelines to reduce submission preparation by stakeholders and hearing preparation by SMB members.
- Train full-time board members and senior staff in alternative dispute resolution.
- Continue to hold the majority of hearings through written submission to provide efficiencies in time and travel for the SMB and stakeholders.

2) Issue decisions within an average of 60 days from date of hearing completion.

As outlined in Figure 1, the average number of days from hearing completion until the decision is issued decreased significantly from 48 in 2015 to 38 in 2019. Additionally, we issued 132 decisions, our highest number of decisions issued in a year. The following factors have contributed to our successful achievement of this goal:

- implementing case management practices to streamline hearings;
- ongoing professional development, increasing capacity in board members and staff;
- realignment and reorganization of positions and filling vacancies with professional staff;
- close monitoring of practices to ensure decision standards and release times meet our targets;
- creating and continuing to revise tools to support the efficiency and effectiveness of the hearing and decision writing processes;
- introducing written submissions as an alternative hearing method and relying on video conference hearings rather than in-person hearings where appropriate; and
- setting benchmarks, monitoring progress, and resolving issues as they arise.

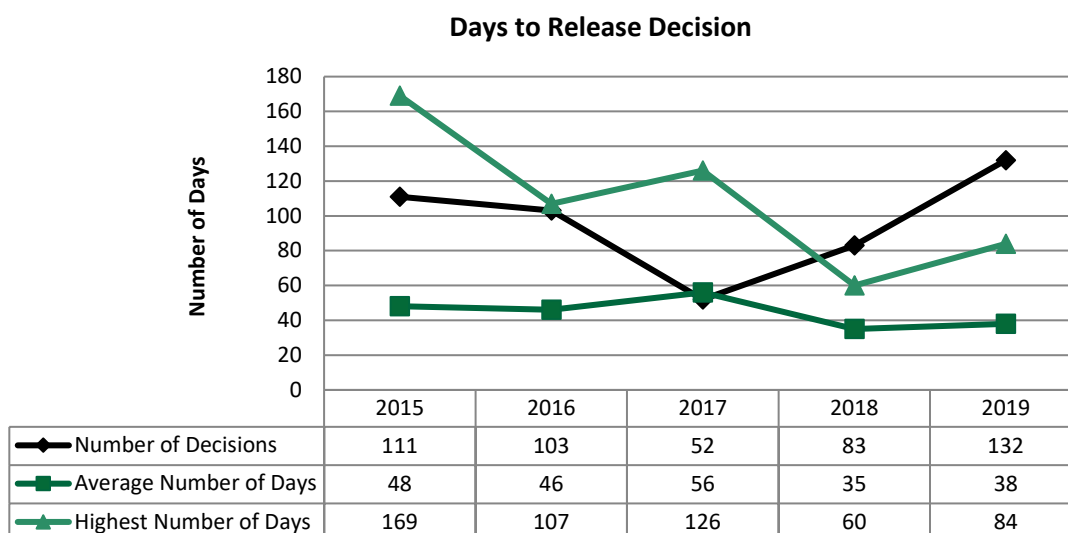


FIGURE 1

3) Optimize technology that supports the work of the SMB and stakeholders.

- The continued success in sharing BoardEffect (paperless hearing technology) with parties allowed us to enhance our stakeholder experience.
- ProLaw (case management software) was aligned with the case management initiative. Placing a priority on upgrading to the latest version, redesigning and implementing the updated system over the next year will allow us to standardize processes and enhance reporting capabilities, which will eliminate the need for manual reports and reduce duplication of effort by our administrative team.
- Through in-house development of dashboards using SmartSheet, we are able to monitor the files as they move through case management.
- We expanded the use of the video conferencing system, to save travel time and expenses for stakeholders and the SMB.

4) Continue to enhance stakeholder relations to improve services.

- Attended the following annual conferences and association meetings:
 - Urban Municipal Administrators Association of Saskatchewan;
 - Rural Municipal Administrators' Association of Saskatchewan;
 - Saskatchewan Urban Municipalities Association;
 - Saskatchewan Association of Rural Municipalities; and
 - Saskatchewan Assessment Management Agency.
- Held or attended meetings with stakeholders to discuss strategic direction, providing opportunities to share resources.
- Participated in stakeholder sessions to revamp the board of revision process.
- Provided training and information sessions as requested.
- Distributed and received customer service surveys.
- Engaged with stakeholders to design collaborative, innovative improvements to the provincial appeal process.

- Customer satisfaction surveys were distributed with approvals to Local Government Committee (LGC) applicants. As outlined in Figure 2, we consistently receive positive feedback from stakeholders.

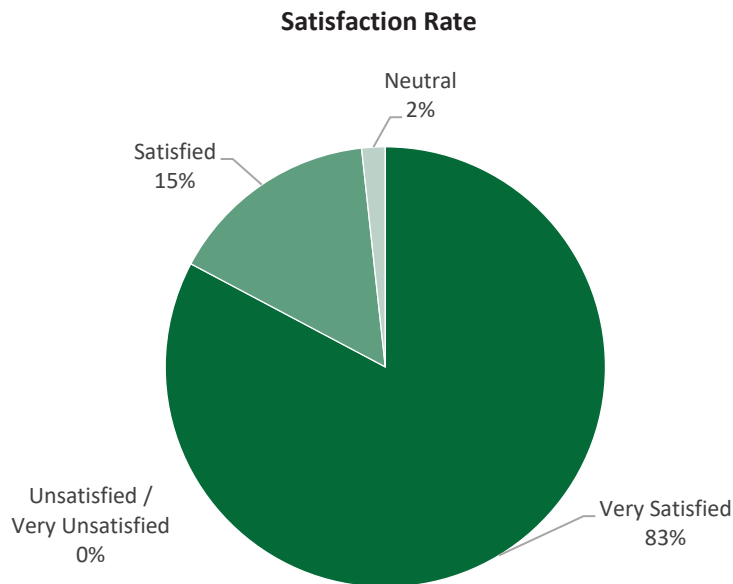


FIGURE 2

5) Issue approvals for Local Government Committee applications on average 21 days from receipt of application.

- Continued to issue approvals within an average of 21 days from receipt of application.
- Provided training and information sessions to stakeholders.
- During 2019, the LGC approved 298 applications and the average turnaround was 19 days as depicted in Figure 3.

Average Turnaround Time (Days) vs. Applications Complete

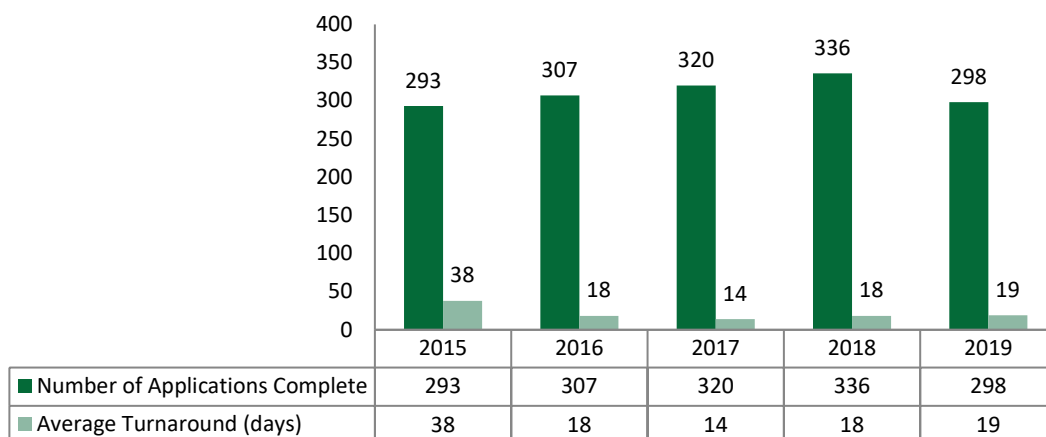


FIGURE 3

Activity by Key Area

Local Government Committee (LGC)

Major Activities

- Approve long-term borrowing including issuing debentures.
- Approve local improvements.
- Approve sewer and water rates for towns, villages, rural and northern municipalities.
- Provide advice and assistance to stakeholders.

The SMB is mandated to approve long-term borrowing and local improvements as a means to ensure financial stability of local authorities and compliance with legislation.

The purpose of approving sewer and water rates is to ensure they are equitable for users and the utility is self-sustaining or moving in that direction.

Figure 4 illustrates the percentage of applications approved in 2019 by type.

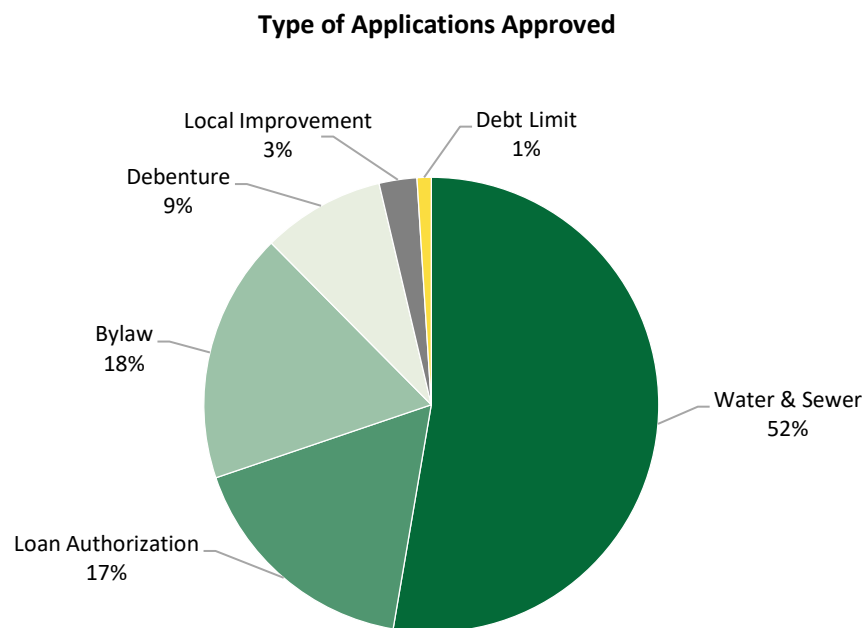


FIGURE 4

Figure 5 outlines the number for each type of application approved.

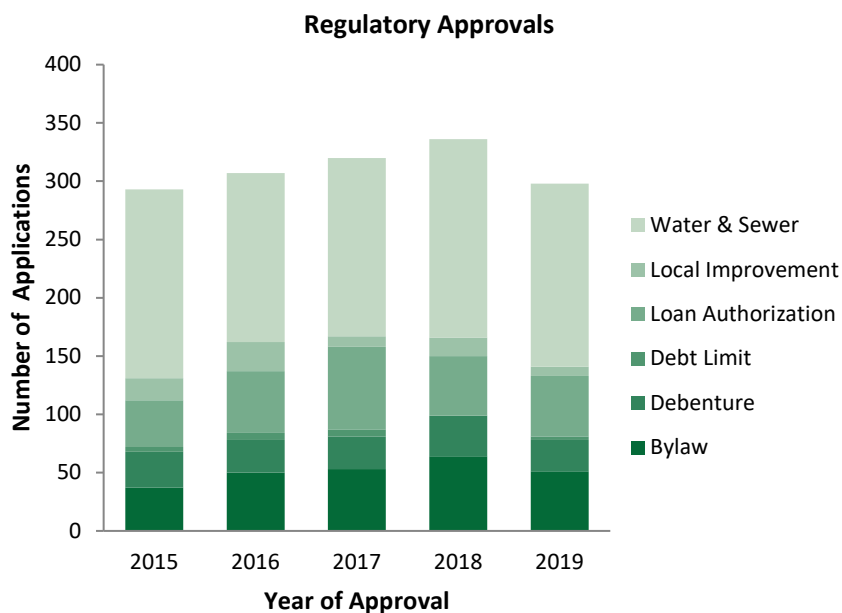
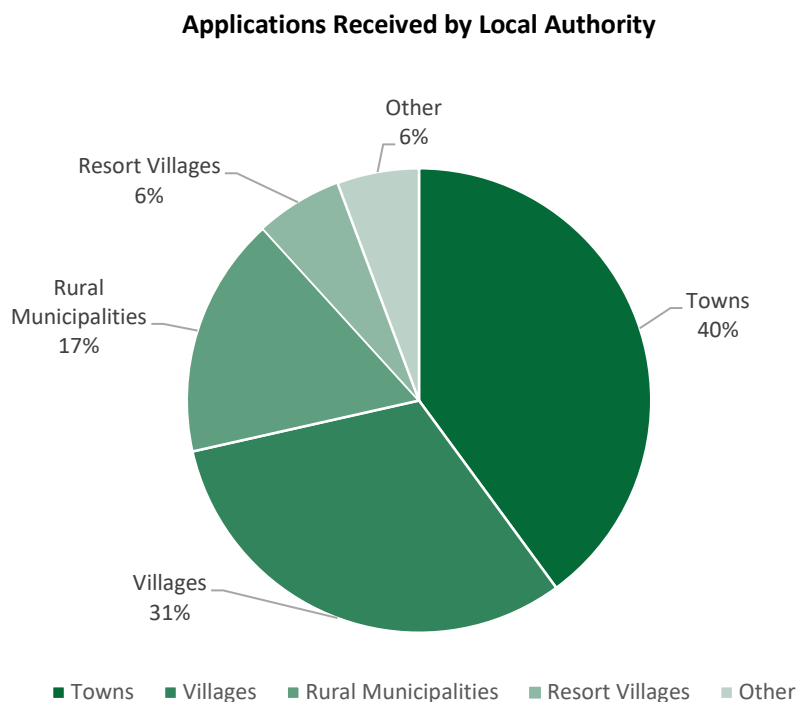


FIGURE 5

Figure 6 illustrates approvals and authorizations of the LGC by type of local authority as well as a breakdown of the type of applications approved for 2019. Towns accounted for 40% of the applications received



Note: Other includes cities, conservation and development area authorities, northern municipalities, and public utility boards.

FIGURE 6

Debt Limit

The SMB is responsible to establish the debt limit for the cities in the province. Total city debt limit for 2019 increased to \$1.55B.

Figure 7 shows the debt limit for the last five years.

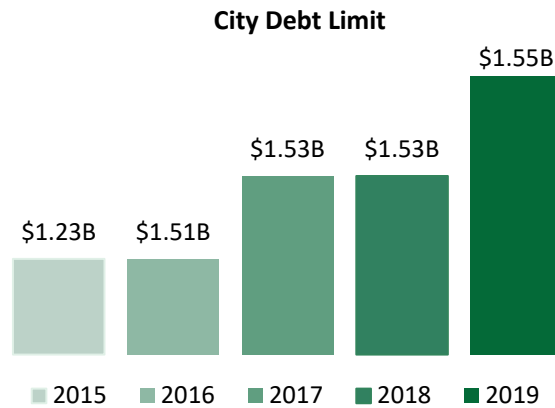


FIGURE 7

Appeals

The SMB is working to ensure appeals are processed in a timely fashion. Significant progress has been made in decision release timelines. The next milestone to achieve is to reduce the time required to resolve an appeal from receipt of the notice of appeal.

Figure 8 outlines the number of appeals received by committee.

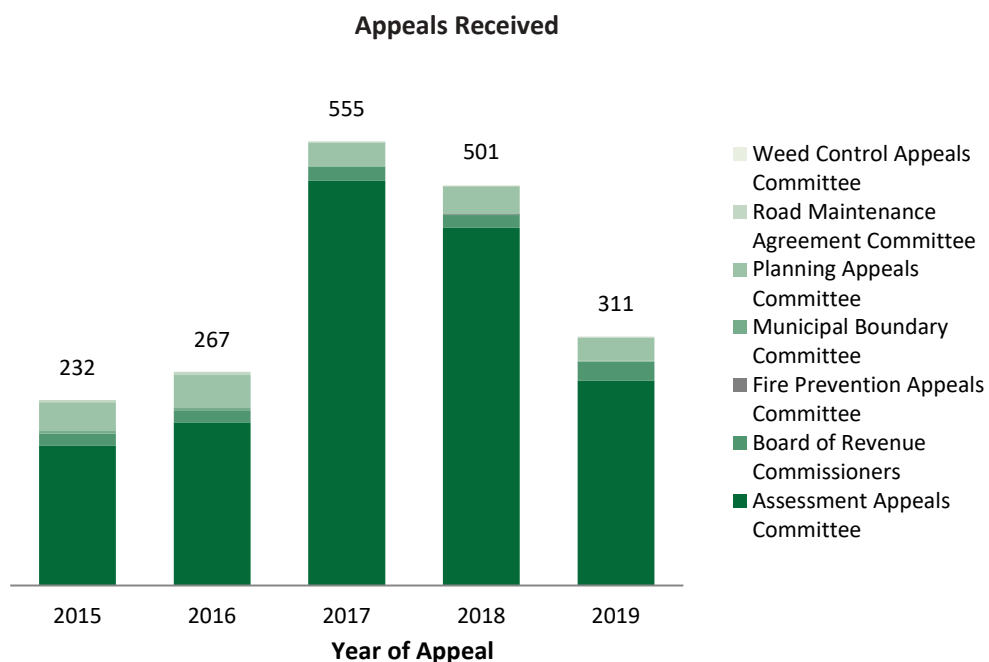


FIGURE 8

Assessment Appeals Committee (AAC)

Major Activities

- Hear and determine assessment appeals:
 - from a decision made by a board of revision (BOR);
 - that were refused, omitted or neglected to be heard by a BOR;
 - that include a commercial or industrial property with an assessed value of more than \$1M; or
 - where an owner has multiple properties in multiple municipalities.
- Provide advice and support to stakeholders with the appeal application and process.

The purpose is to provide a second level of appeal to applicants, municipalities, as well as conservation and development area authorities when they are not satisfied with decisions of the local BOR or court of revision.

The AAC strives to hear appeals within a reasonable time of receipt of a notice of appeal, taking into consideration the availability of the parties. Where practical, appeals with similar issues are grouped and heard at the same time.

Revaluation cycles are four years, with 2019 being the third year of the current cycle.

We project the 2017 revaluation cycle to be 50% greater than the 2013 cycle, a 350% increase when compared to the 2009 cycle as depicted in Figure 9.

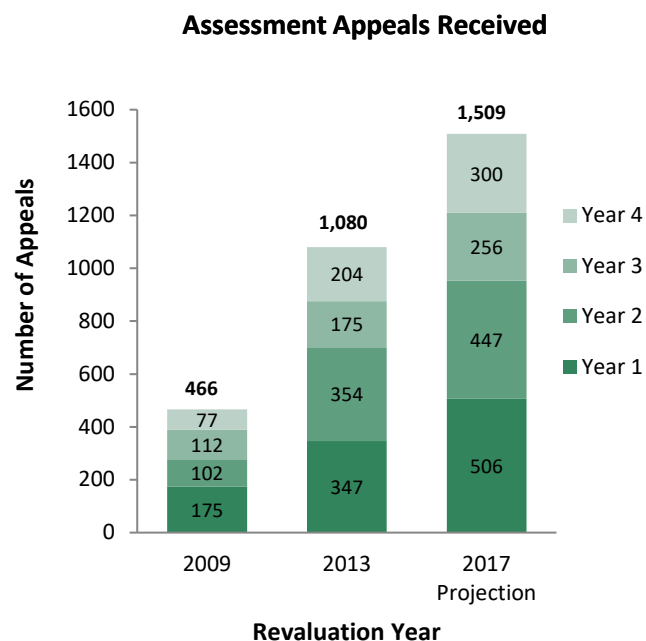


FIGURE 9

Appeal Receipt Times

Historically, the SMB has held the majority of AAC hearings the year following receipt of an appeal. The primary reason for the timing of hearings is the receipt of the appeals by the SMB and the requirement to schedule hearings a minimum of 60 days in advance.

Appeals are numbered based on their assessment year, rather than the year received. Figure 10 outlines the timing of receipt of AAC appeals.

AAC Appeals: Period Received

Appeal Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Following Year(s)	Total of Appeals
2015		48	90	32	5	175
2016		18	123	56	7	204
2017		9	54	277	166	506
2018		19	247	144	37	447
2019		57	82	117		256

FIGURE 10

During 2018, we introduced case management practices in order to process appeals in a timely fashion and enhance services to stakeholders. In 2019, our focus was to case manage all appeals resulting in efficiencies to the appeal process. By the end of 2019, we case managed almost 1,000 appeals.

Figure 11 shows the status of outstanding assessment appeals. There is a cumulative total of 121 or 18% waiting for higher courts and cannot be scheduled. A total of 52 waiting for an AAC decision to be released within the first two months of 2020 and 47 appeals awaiting information. A total of 53 or 8% have already been scheduled for 2020. Depending on higher court decisions, and the outcome of the AAC decisions, the number of hearings required may be reduced.

AAC Appeals

Caseload Overview	2015	2016	2017	2018	2019
Received	175	204	506	447	256
Invalid		3	5	1	1
Withdrawn	25	44	59	53	58
Decided	150	157	438	291	3
To be heard:					
- Awaiting information			1	1	45
- Held by a higher court			1	21	99
- Held for Committee decision			2	32	18
- To be scheduled					2
- Hearing scheduled				40	13
Heard - decision pending				8	17

FIGURE 11

Figure 12 shows the breakdown of the 2019 appeals. Of the 256 assessment appeals received in 2019, 82% were from cities, 8% from rural municipalities, 10% from towns and less than 1% from villages.

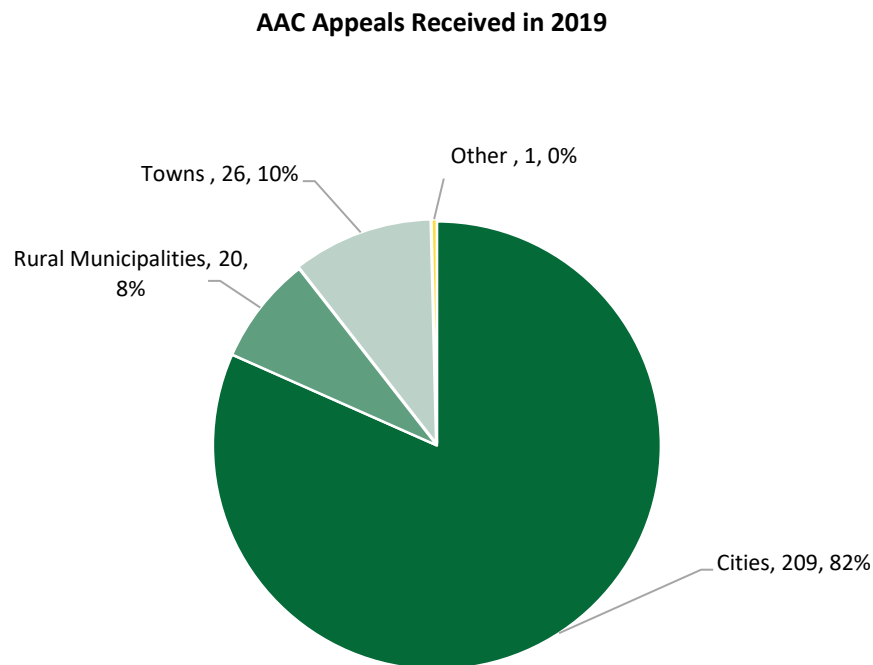


FIGURE 12

Planning Appeals Committee (PAC)

Major Activities

- Hear and determine appeals relating to municipal planning and development, and the subdivision of land.
- Provide advice and support to stakeholders.

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

The PAC strives to hear appeals as soon as practical upon receipt of a complete application, giving consideration to the construction season.

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

Figure 13 shows the status of the outstanding appeals and a historic review of the caseload of the PAC.

PAC Appeals

Caseload Overview	2015	2016	2017	2018	2019
Received	36	41	30	35	29
Invalid	2	1	4	2	2
Withdrawn	10	9	6	7	2
Decided	23	30	20	22	11
To be heard:					
- Awaiting information		1			11
- To be scheduled				1	
- Postponed / Adjourned	1			3	1
Heard - decision pending					2

FIGURE 13

Municipal Boundary Committee (MBC)

Major Activities

- Review applications for the alteration of municipal boundaries or the amalgamation of municipalities.
- Provide advice and support to stakeholders with the application and process.

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

The full-time board members and one part-time member appointed by each of the Saskatchewan Urban Municipalities Association and the Saskatchewan Association of Rural Municipalities make up the MBC.

Following receipt of a complete application and proof mediation occurred, the MBC hears and decides within a legislated four month timeframe.

Decisions are based on *The Municipal Board Act*, which outlines the matters the MBC shall take into consideration respecting boundary disputes. During 2019, we received one application.

Road Maintenance Agreement Committee (RMAC)

Major Activities

- At a first level, hear and determine applications relating to road maintenance agreements including the terms of the proposed agreement as well as whether or not an agreement is required.
- Where the parties have entered into an agreement, any issue involving any matter governed by the agreement.
- Provide advice and guidance to the municipalities and any affected party regarding the determination process.

In 2019, the RMAC received one application that was later withdrawn.

Figure 14 shows the status of the historic review of the past five years of the caseload of the RMAC.

RMAC Agreements

Caseload Overview	2015	2016	2017	2018	2019
Received	3	4	1	1	1
Invalid	1	2		1	
No Jurisdiction					
Withdrawn	1		1		1
Awaiting information					
Decided	1	2			

FIGURE 14

Fire Prevention Appeals Committee (FPAC)

Major Activities

- Hear and determine appeals and matters concerning fire prevention arising from orders issued by a fire inspector or 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 an order or decision from the Fire Commissioner.

No appeals were received during 2019.

Weed Control Appeals Committee (WCAC)

Major Activities

- Hear and decide appeals from decisions made by a municipality about weed control orders.

No appeals were received during 2019.

Board of Revenue Commissioners (BRC)

The BRC is established pursuant to subsection 13(1) of *The Revenue and Financial Services Act*. Full-time members of the SMB act as members of the BRC and are responsible to the Minister of Finance.

Major Activities

- At a first level, hear and determine appeals regarding taxes due or assessed in accordance with any provincial taxing authority as well as any other money claimed to be due and payable to the province.
- Approval of write-off and/or cancellation of money owed to the province.

Figure 15 shows the status of outstanding BRC appeals.

BRC Appeals

Caseload Overview	2015	2016	2017	2018	2019
Received	15	15	18	16	24
Invalid - No Jurisdiction	1	2	3	1	
Withdrawn	8	10	11	11	8
Decided	6	2	3	1	
To be heard:					
- Awaiting information				2	12
- Postponed / Adjourned		1	1	1	
- Hearing scheduled					4

Note: These appeals are generally in the process of negotiations with the Ministry of Finance.

FIGURE 15

Figure 16 shows the write-offs and cancellations approved by the BRC.

Write-offs and Cancellations

Year	Cancellations		Write-Off's		Totals	
	No.	\$'s	No.	\$'s	No.	\$'s
2015	12	151,670	40	11,059,022	52	11,210,693
2016	14	265,313	35	7,301,739	49	7,567,052
2017	16	3,690,517	44	9,053,384	60	12,743,901
2018	13	4,544,458	30	4,674,934	43	9,219,392
2019	6	194,502	20	4,016,186	26	4,210,688

FIGURE 16

Summary of Hearings and Decisions Issued in 2019

Appeals with the same issues may be grouped for the purpose of hearing and issuing a decision. Figure 17 summarizes the number of hearings held and decisions issued in 2019. During 2019, the SMB had the highest number of hearings held, totaling 133. A total of 610 appeals were decided resulting in a 227% increase when compared to 2018.

2019 Hearings and Decisions

	Hearings		Decisions Issued	
	No.	No. of Appeals	No.	No. of Appeals
Heard and issued in 2019*	126	558	126	558
Heard in 2019; to be issued in 2020	7	33		
Heard prior to 2019; issued in 2019			6	52
Total	133	591	132	610

FIGURE 17

Summary of Matters Appealed to Court of Appeal or Court of Queen's Bench

In 2019, 24 or 18% of the AAC and PAC decisions were appealed to the Court of Appeal. No BRC decisions were appealed to the Court of Queen's Bench. In addition, there were three decisions appealed prior to 2019 that were still outstanding at the Court of Appeal as of December 31, 2019. Since 2013, only 14% of the decisions appealed to a higher court have been successful.

Figure 18 shows the status of AAC and PAC appeals that were before the Court of Appeal by December 31, 2019.

Appeals at Court of Appeal

Status	AAC	PAC
Awaiting Leave to Appeal Hearing	3	
Awaiting Leave to Appeal Decision	3	
Adjourned		1
Leave Granted, Awaiting Appeal Hearing	8	
Leave Granted, Awaiting Appeal Decision	2	
Total	16	1

FIGURE 18

Figure 19 shows the status of BRC appeals that were before the Court of Queen's Bench by December 31, 2019.

Appeals at Court of Queen's Bench

Status	BRC
Awaiting Hearing	1
Total	1

FIGURE 19

Goals for 2020

While continuing to maintain the results achieved with timelines of decisions and approvals, the SMB's focus for 2020 will be to continue to address and resolve appeals earlier in the process by case managing the appeals while pursuing innovation in appeal resolution. Key actions to complete in 2020 include:

1) Increase efficiency in processing appeals while reducing the time from receipt to resolution.

- Advance the case management process to reduce the time from receipt of appeal to resolution.
- Mandate conference calls with parties early in the process to streamline issues and identify and resolve preliminary matters where possible.
- Reinforce submission requirements to reduce and provide shorter more focused hearings.
- Continue to hold hearings through written submission or video conferencing rather than traditional in-person hearings.
- Revise online application forms to provide specific and meaningful information.
- Continue professional development to support progress.
- Continue collaboration with stakeholders to discuss issues, proposed changes, and provide opportunity for input.

2) Issue decisions within an average of 60 days from date of hearing completion.

- Continue to place emphasis and importance on meeting the 60-day average for decisions.
- Reinforce decision writing protocol with board members and staff annually.

3) Optimize technology that supports the work of the SMB and stakeholders.

- Partnership with the Ministry of Justice to develop a proposal and business plan for an online appeal system pilot project.
- Enhance SMB website with value-added features.
- Investigate a new cloud based video conferencing system to support hearings and SMB activities.

4) Continue to enhance stakeholder relations to improve services.

- Continue to attend conferences and annual meetings of stakeholder organizations.
- Provide presentations and training to stakeholders as requested.
- Increase usage of video conference and other technologies.
- Continue dialogue with stakeholders to explore enhancements to appeal processes.
- Continue to distribute and collect customer service surveys.

5) Issue approvals for LGC applications on average 21 days from receipt of application.

- Provide timely service to stakeholders by meeting the 21-day turnaround for approvals.
- Create webinars and value-added features for the website.
- Provide training and presentations to organizations or municipalities as required.

2019 Financial Overview

Financial Results

Total 2018-19 expenses for the SMB were \$1.66 million, representing a positive variance of \$127 thousand to the approved appropriation. The variance resulted from lower than anticipated system consulting costs, and lower than anticipated salaries due to vacancies.

The total 2018-19 revenues were \$131 thousand, above budget by \$71 thousand. The variance resulted from higher volume and dollar value of appeals received.

Expenses

	Actual 2018-19	Budget / Estimate 2018-19	Variance Over/(Under)	Note
	(thousands of dollars)			
Salaries	\$1,295	\$1,319	(\$24)	[1]
Operating Expenses	364	467	(\$103)	[2]
TOTAL	\$1,659	\$1,786	(\$127)	

Explanations of Variances – Notes

[1] - Lower than anticipated salaries due to vacancies.

[2] - Lower than budgeted system consulting costs and rent of other building spaces.

Revenue

	Actual 2018-19	Budget / Estimate 2018-19	Variance Over/(Under)	Note
	(thousands of dollars)			
Filing Fees	\$88	\$21	\$67	[1]
Debenture Authorizations	40	35	\$5	
Debenture Forms	3	4	(\$1)	
TOTAL	\$131	\$60	\$71	

Explanations of Receipts

[1] - Higher than anticipated number and dollar value of appeals received.

Financial Accountability Statement

The SMB is responsible for ensuring:

- public accountability for government finances entrusted to it;
- 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
- results are reported to the public and the legislature.

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

- *Audited Results* - The Office of the Provincial Auditor of Saskatchewan has legislative responsibility to audit the SMB in conjunction with the Ministry of Government Relations. Audit conclusions are published in a report to the Legislative Assembly of Saskatchewan. If a deficiency is reported by the Provincial Auditor, the SMB may be called to appear before the Public Accounts Committee of the Legislature.
- *Accountable to Legislature* - The SMB's annual budget is detailed in the Saskatchewan Provincial Budget Estimates.
- *Public Reporting* - Expense and revenue details as they pertain to the SMB are published in the SMB's Annual Report and included with the Ministry of Government Relations in the Public Accounts volumes 1 and 2.

For More Information

Additional information about the SMB and the BRC is available at www.smb.gov.sk.ca.

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

For more information about the SMB, or to provide feedback about our 2019 Annual Report, please contact us at:

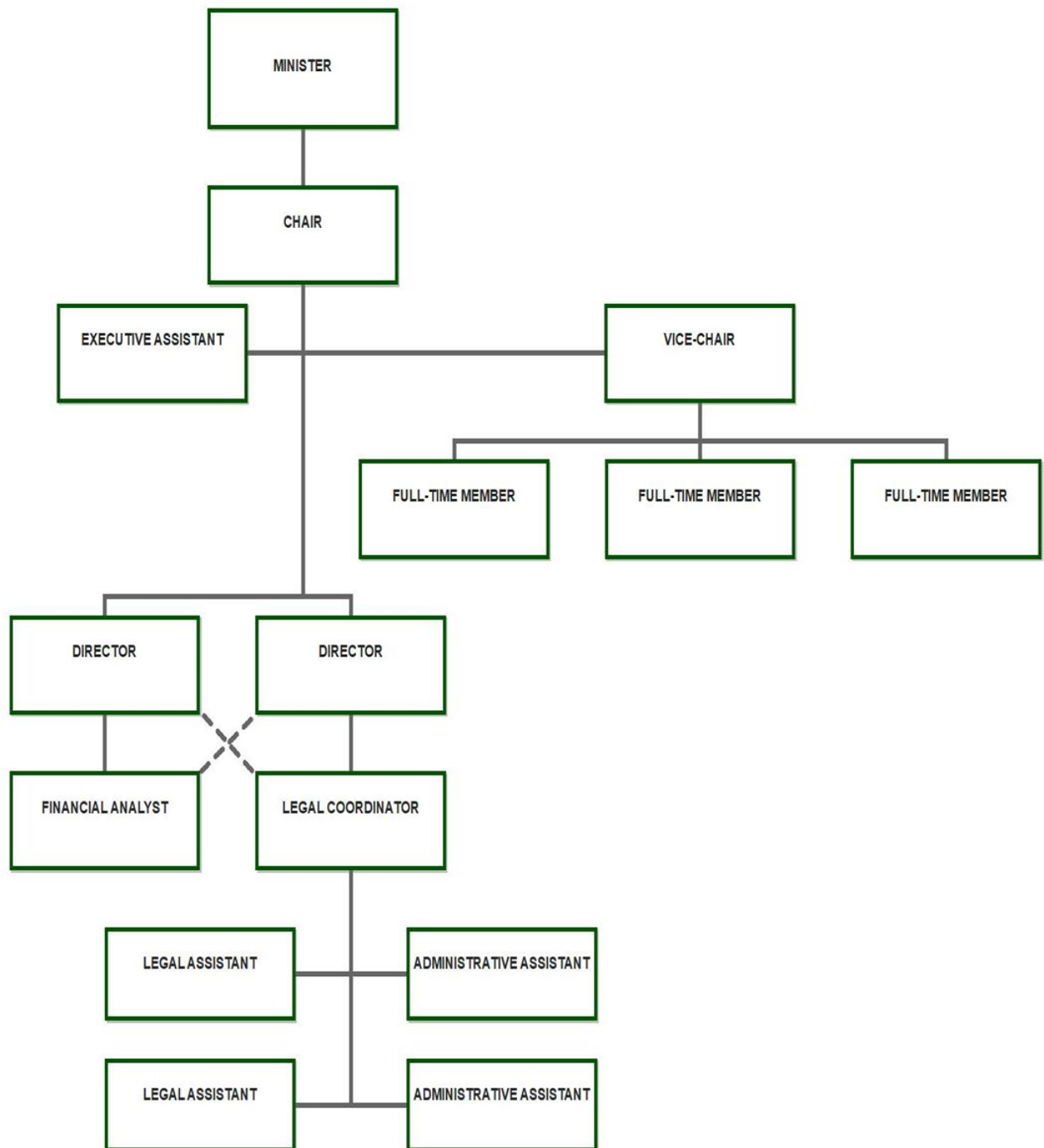
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480 - 2151 Scarth Street
REGINA SK S4P 2H8

Appendices

Appendix 1 - Organizational Chart



* In addition to the full-time staff, the Saskatchewan Municipal Board has 10 part-time members who assist with appeals.

Appendix 2 – Legislation

The SMB 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 Safety Act
The Global Transportation Hub Authority Act
The Local Improvements Act, 1993
The Meewasin Valley Authority Act
The Municipal Board Act
The Municipalities Act
The Northern Municipalities Act, 2010
The Planning and Development Act, 2007
The Public Libraries Act, 1996
The Saskatchewan Housing Corporation Act
The Weed Control Act

The SMB has authority to approve or determine matters under several other acts; however, applications and/or appeals under these acts are not often received.

The SMB fulfills its mandate as the BRC through the following enabling legislation:

The Corporation Capital Tax Act
The Crown Minerals Act
The Fire Safety Act
The Freehold Oil and Gas Production Tax Act, 2010
The Fuel Tax Act, 2000
The Liquor Consumption Tax Act
The Mineral Taxation Act, 1983
The Provincial Sales Tax Act
The Revenue and Financial Services Act
The Tobacco Tax Act, 1998

There are seven other acts the BRC has authority to approve or determine matters under; however, appeals pursuant to these acts are not often received.

