

Ratepayer Meeting Notes 2011

Good evening and welcome to the 2011 annual ratepayer's supper and meeting. For those of you who don't know me, my name is Dan Greschuck and I'm the Reeve of the R.M. of Blucher No. 343. As I'm sure every one of you is aware, 2010 was a year full of challenges for both the R.M. ratepayers and the R.M. itself. With the huge amount of rainfall that many areas of the R.M. experienced, it made any work in the fields frustrating, tedious and expensive. As I'm sure you can appreciate, the R.M. has some of the same challenges when it comes to maintaining our own infrastructure during conditions such as these. With the extreme amount of moisture that fell on the municipality, we had a lot of difficulty maintaining the roads to the standard that we are accustomed to and spent a significant amount of time repairing many grades that were eroded due to high surface water levels and wind.

I'm sure that you also understand that putting gravel on the roads and hauling it to ratepayers was impacted by the weather. Obviously the R.M. wishes to mitigate any damage that may be done to roads especially by our own equipment and, as such, suspended our hauling operations when the roads became soft or were susceptible to damage.

Unfortunately it appears that this spring is going to cause further hardship for both our agricultural producers, commuters and the R.M. You are all aware of the significant snowfall we received over the winter and the fact that both surface and ground water levels are extremely high. This has caused concern for your council as we are keeping a close eye on the spring melt and are ready to act swiftly to mitigate any issues that may arise due to flooding of R.M. roads.

It should be noted that, because the R.M. maintains a high standard of road construction and maintenance when compared to other communities that we currently have very few grades that are under threat of a washout or flood. That said, we can't be everywhere at once and would like to ask for your co-operation this spring by advising us of potential

hazards and helping us where you can. By working together hopefully we can mitigate any significant damage this spring.

As for the reporting portion of my address, this evening, I thought we'd take a little bit of a different approach to the annual meeting than previous years and take the opportunity to share some information about the R.M. that many of you may not be aware of.

OPERATIONS:

The R.M. currently employs:

- 2 office staff
- 4 grader operators
- 3 truck drivers
- 1 scraper operator
- 2 mower operators
- 1 foreman
- 1 bylaw enforcement/pest control/sign officer

Employee Costs:

The Employees of the R.M. are divided into three different categories which are: Inside employees, outside employees and contracted employees which would include persons such as those contracted to run the waste transfer station and provide janitorial services.

The Salary and benefits that the R.M. paid for these employees in 2010 are broken down as follows:

Inside - \$164,225.00

Outside - \$521,401.00

Contracted - \$71,179.00

While these numbers may seem high, one must consider that in order to attract and retain skilled and qualified personnel, the R.M. must remain very competitive with other operations that are drawing from the same labour pool. As I'm sure all of you have noticed, it is most certainly an employee's market in Saskatchewan at this time. Due to our proximity to the city of Saskatoon and the various construction outfits located there and in the area, the draw of the oilfields, and the potash mines that are in our own back yard it is difficult to attract the type of skilled labour we are looking for. As a consequence, the R.M maintains very competitive wages and benefits in order to attract and retain the types of people we need.

A couple of other costs that you may want to note are those that are mandatory for the R.M. These cost include assessment services at \$16, 405.00, the library levy at 12, 216.00 and the RCMP levy which is \$51, 692.85. The Library and RCMP levies are based on a per capita amount so I would expect that we would see these costs increase with the release of the 2011 census data.

The R.M. also maintains an impressive fleet of equipment that is comprised of the following:

- 4 graders – which are on a 5-year rotation
- 2 mowers – Which are on a 3-year rotation
- 2 tractors – which are on a 10-year rotation
- 1scraper – which is on a 10-year rotation
- 2 semi-trucks – are on a 10-year rotation
- 1 tandem truck – which is on a 20-year rotation
- 1 backhoe – no rotation
- 2 belly-dump trailers – which are on a 15-year rotation
- 4 fire trucks – no rotation
- 2 loaders – which are on a 15-year rotation
- 4 pickup trucks – which are on a 4-year rotation

The R.M. maintains these rotations as we find that they provide an excellent balance between service and operational costs, warranty and trade value. On occasion we do extend the life of a machine if economic or operational conditions warrant it, but we do try to adhere to the schedule as closely as possible.

Roads:

Div 1

9 miles Grid	16 miles gravel
13.5 miles MFA	27.5 miles seasonal

Div 2

9 miles grid	14 miles gravel
20 miles MFA	14 miles seasonal

Div 3

12.5 miles Grid	27 miles gravel
14 miles MFA	11.5 miles seasonal

Div 4

9 miles Grid	21 miles gravel
12 miles MFA	32.5 miles seasonal

Div 5

14 miles Grid	18.5 miles Gravel
13 miles MFA	17 miles seasonal

Div 6

4 miles grid	23.5 miles gravel
8 miles MFA	14 miles seasonal

R.M. Totals:

58.5 miles Grid	120 miles gravel
80.5 miles MFA	116.5 miles seasonal
60 miles highway	46 miles railway

In total there are 375.5 miles of road that receive some sort of servicing from the R.M.

Transportation costs average \$1,585,904 per year. This essentially means that for every mile of road in the R.M. we spend \$4,229.00. If we consider only graveled roads, of course, the cost is much higher.

Crushing averages \$340,300 for an approximately two-year supply for gravel.

Over the past five years the R.M. has put on an average of 28,633 cu. Yards of gravel on roads and delivered an average of 18, 396 cu. Yards to ratepayers. (does not include new PCS Allan roads)

The cost of gravel that only goes on R.M. roads over the past five years is in excess of one million dollars.

Ratepayers pay less than half the rate for gravel when compared to commercial outfits.

Population and Housing:

Division 1 - 27

Division 2 – 37

Division 3 – 142

Division 4 – 48

Division 5 – 65

Division 6 – 399 (225 of which are sunset estates)

Total residences – 718

According to the 2006 census, the R.M. of Blucher has a population of 1593. Given the extensive development over the past five years, it is not unreasonable to expect that the population will be closer to 2000 people for the 2011 census.

Since 2003 the R.M. has issued 145 building permits for new homes - 96 for the R.M. and 49 for Sunset Estates. These numbers are for new homes only and do not include extensive additions, garages, shops or re-models.

Since 2004 the R.M. has approved or is in the process of considering 283 residential parcels that would be zoned Intensive Country Residential or Medium Density Country Residential. This does not include the many Ag-residential and existing homestead subdivisions.

Taxation:

To give you an idea of how the R.M. has taxed agricultural lands over the years, we thought we'd give you a few examples of the differences between the last year we have on record (1987) and last year's levy. Please note that these figures have NOT been adjusted for inflation. The assessment figure is from 2010 as back in 1987, assessments we're derived very differently from now. Needless to say, there wasn't much of a physical change on these three quarters. We sampled from the high, low and average assessments.

2010 Assessment	1987 Mun. Levy	2010 Mun. Levy	Difference
78,600	360.57	273.34	87.23
49,300	206.55	171.45	35.10
25,100	89.25	87.29	1.96

As can be seen by these figures, the R.M. of Blucher has actually reduced the taxes on agricultural land over the past twenty-odd years.

To give you an idea of how the different sectors in the R.M. contribute to the overall financial picture of the municipality we would like to provide you with the following information regarding the 2010 levy which is on the back of your handouts.

		MUNC ASSESSMENT	MILL RATE FACTOR	MUNICIPAL 8.4872	Mill Rate	Percentage of Levy
AG	A	37,761,235	0.745	238,762.93	6.3230	23.374
RES	R	38,984,655	0.608	201,169.30	5.1602	19.694
COMM	C	52,706,876	1.300	581,533.94	11.0334	56.931
TOTAL		129,452,766		1,021,466		100

As can be seen, out of a one million and twenty thousand dollar levy, the commercial and agricultural portions make up slightly more than 80% with commercial leading at almost 57%. This picture changes significantly when we factor in the municipality's Potash Tax Share

		MUNC ASSESSMENT	MILL RATE FACTOR	MUNICIPAL 8.4872	Mill Rate	Percentage of Levy
AG	A	37,761,235	0.745	238,762.93	6.3230	14.96%
RES	R	38,984,655	0.608	201,169.30	5.1602	12.61%
COMM	C	52,706,876	1.300	581,533.94	11.0334	36.45%
POTASH	C	111,299,100	1.300	573,850.00	set by board	35.97%
Total		240,751,866		1,595,316		100%

In this instance we can clearly see the effect that a solid commercial and industrial base has on our municipality. Over 70% of our tax base comes strictly from commercial and mining interests. To put it in another fashion, if the municipality were to maintain the level of service and assets that it has from just a residential and agricultural tax base, we would have to more than double your municipal taxes.

That concludes my address for this evening. I would like to thank you all for coming and wish you the best of luck with the upcoming seeding season. I would also welcome any questions that you may have for administrator, the council or myself.