

Member Services

Trading Department Report

The SARM Trading Department offered a wide variety of products during 2005, from road signs to gopher poisons to HOME maps. It was another successful year, for both our customers and our suppliers. SARM is happy to be able to provide RMs the opportunity to purchase all their supplies conveniently and cost-effectively.

Some of the advantages and benefits of ordering supplies through the SARM Trading Department are:

- printing and stationary, including custom orders, are shipped pre-paid – with the high cost of postage this is quite a savings;
- orders are shipped the same day they are received, or as soon thereafter as possible;
- we offer a toll-free number to place orders;
- though our suppliers, a discount on 13% for printing and stationary, 3.5% for rat poison, and 2% for tires is given off the purchase price.

Sales through the Trading Department grew in 2005, with printing, stationary, and sundry sales showing the largest increase. The 296 rural municipalities received a total of \$44,328.29 in discounts through ordering their supplies through us.

We wish to thank our members for the support and cooperation this past year and look forward to meeting all your supply needs in 2006.

I would personally like to take this opportunity to thank you for your patience and friendliness in 2005 as Manager of the SARM Trading Department.

Janie Metcalfe
Manager
SARM Trading Department

With our wide variety of suppliers, the SARM Trading Department is able to provide our customers with the best possible prices. Here are some of the popular items that have been purchased in 2005 from our suppliers.

Petroleum Products Buying Group (PPGB)

SARM works with Prairie Fuel Advisers to administer a fuel buying program which allows municipalities to enter into volume contracts with Imperial Oil and Petro – Canada in order to achieve better pricing from local dealers. The 78 municipalities already in the program are able to purchase gasoline, diesel and lubricants through the program. In 2005, 5,884,230 litres of diesel and 133,000 litres of gasoline were purchased at a discounted price.

Members of the PPBG program benefit from the savings that come with large volume purchasing as well as from frequent updates that provide projections of future fuel pricing enabling municipalities to plan their fuel purchases in a cost efficient manner.

The costs of joining the program are 1.2 cents/litre for fuel purchases and 10 cents/litre for lubricants. More information is available by contacting Jennie Schwartz at 761-3720.

ABC Engraving	<i>retirement gifts</i>
Acklands Grainger	<i>safety supplies</i>
Brian Shippam	<i>retirements gifts, watches</i>
*Bridgestone Tire	<i>tires</i>
Brennan Supplies	<i>stationary items and office supplies</i>
Chatterson Janitorial	<i>cleaning supplies</i>
Elfrieda Enterprises	<i>convention items</i>
*G & L Distributors	<i>rat poison</i>
*Goodyear Tire	<i>tires</i>
*Grand & Toy	<i>stationary items</i>
Guardian Traffic	<i>signage material</i>
K 9 Gopher	<i>gopher poison</i>
Kane Veterinary	<i>warble products</i>
*Maxim Chemical	<i>gopher poison</i>
McKenzie Training Centre	<i>grader flags</i>
*Michelin Tire	<i>tires</i>
Office Depot	<i>stationary items</i>
OK Marketing	<i>stamps</i>
Perkins Bindery	<i>binders</i>
*Signal Industries Ltd.	<i>road signs</i>
Staples	<i>stationary items</i>
Success Office	<i>photocopiers</i>
*Supreme Office Products	<i>stationary items</i>
United Agri	<i>rat poison</i>
Universal Bindery	<i>binders</i>
Wesclean	<i>sanitation and janitorial supplies and equipment</i>
*Western Litho	<i>printing</i>

* denotes a major supplier of the SARM Trading Department

Insurance and Benefits Programs

The following is a report on the activities of the self-insurance plans and the group benefit programs of the Saskatchewan Association of Rural Municipalities for the year 2005. The Financial Report on all programs can be found in another section of this handbook.

SARM Benefits Plan

The SARM Benefits Plan provides short-term disability benefits, death benefits, vision care benefits, and maternity benefits to participating municipalities on behalf of their employees.

At the end of 2005, 294 rural municipalities were participating in the SARM Benefits Plan, with 1,447 employees enrolled. Group coverage for elected and appointed officials is available at three coverage levels. Coverage at \$30,000 for a premium of \$300 for the entire group was taken by 179 municipalities; 17 municipalities chose coverage at \$40,000 for a premium of \$550; and 11 municipalities opted for coverage at \$50,000 for a premium of \$800. The group coverage is limited to a disability arising out of an injury which occurred, or to death occurring, while the person is engaged in official municipal business; and is a top-up to Workers' Compensation coverage.

Municipalities can also insure any of their eligible elected officials for disability and death benefits, on an individual, 24-hour basis, for a premium rate of 2% of the annual coverage amount. Fourteen individuals were insured under this coverage in 2005.

The breakdown of claims paid for 2005 is as follows:

Disability Benefits	\$540,091
Vision Care Benefits	67,765
Maternity Benefits	6,000
Death Benefits	10,000
	\$623,856

Although the total claims paid amount is slightly lower than the previous year, it appears that increased disability claim payouts will continue to be the trend. The premium rates for 2005 remained the same as in 2004 and the SARM Benefits Plan again realized a surplus for the year 2005.

No changes were made to the Regulations for 2005 or 2006, however, the Board did decide to amend the SARM Benefits Plan beginning in 2007 by adding coverage for \$30,000 for accidental death and coverage on a sliding scale for accidental injuries such loss of limbs, vision or hearing. This enhancement is in response to a resolution passed by the delegates at the 2004 Midterm Convention. Further information regarding this new benefit will be sent to RM offices as it becomes available.

Group Benefit Programs

The following group benefit programs are currently underwritten by outside insurers. SARM is the Policyholder of each program and administers the enrollment of members. A brief description and participation numbers for each program are included in this report.

Long-Term Disability Benefits

Long-Term Disability (LTD) Benefits for all employees have been available since January 1, 1995. This program was underwritten by Great-West Life (formerly Crown Life and Canada Life) up to December 31, 2004. Premium rate renewal negotiations resulted in the decision to move the LTD Benefit Program to Standard Life beginning in 2005, with no changes to the overall benefit provisions and a reduction in the premium rates.

Coverage for the Administrator of the municipality is mandatory, with the exception of those administrators who are currently exempt under the RMAA Bylaws. Coverage for other employees is optional, however, as it is a group plan, a municipality must cover all their eligible employees and these employees must also be covered under the short term SARM Benefits Plan.

The LTD benefit is the lesser of 65% of gross monthly earnings and 85% of inflation-indexed, pre-disability net earnings. The maximum benefit is \$3,000 per month, payable to age 65,

ruralcouncillor

PUBLISHED BY THE SASKATCHEWAN ASSOCIATION OF RURAL MUNICIPALITIES



The Saskatchewan Association of Rural Municipalities (SARM) is proud to present the *Rural Councillor* a bi-monthly magazine covering timely topics for elected Officials, administrators who live and work in Saskatchewan's Rural Municipalities.

The publication is distributed every second month to over 3,000 locations throughout the province. As an advertiser your organization will be exposed to the present decision-makers of rural Saskatchewan, the people who direct the annual expenditure of nearly \$200 million in municipal goods and services for Saskatchewan's 297 RMs. When you consider that these people are involved in many other enterprises, including their own businesses, it is readily apparent that they control the expenditure of over a billion dollars each year.

SARM knows that you will find the publication a useful tool for reaching and reminding the municipalities of your products and services throughout the year. SARM has engaged the services of **Warren Nerby of Concept Media** to outline the opportunities that are now available. He will be calling you in the near future to discuss these



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provided the individual remains disabled according to the terms of that policy.

At the end of 2005, 201 rural municipalities were covering all their employees bringing the total enrollment to 1,072. The number of RMs covering all their employees for this benefit continues to increase.

Extended Health and Dental Benefits

The Extended Health and Dental Benefits program has been available to rural municipal employees, elected and appointed officials, and their families since January 1, 1997. The program was designed to give employees and councils maximum flexibility in choosing their coverage levels, while still maintaining the concept of group insurance.

From 1997 to 2003 this program was also underwritten by Canada Life. Beginning in 2004 we moved this program to Saskatchewan Blue Cross. Although we had an overall decrease in the premium rates for 2005, our claims experience for the year was higher than expected, resulting in an increase to both the Health Care premiums and Dental Care premiums for 2006.

Participation in this program again increased slightly throughout 2005, with 238 rural municipalities covering 1,331 individuals for Health and Dental Benefits.

Optional Life Insurance

Optional Term Life Insurance at group rates has been available to rural municipal employees and their spouses and elected or appointed officials and their spouses since January 1, 1997. This program was also underwritten by Great-West Life up to December 31, 2004, and was transferred to Standard Life for 2005 along with the Long-Term Disability Benefits Program.

Coverage is available in units of \$10,000 from \$50,000 to a maximum of six times annual salary or \$500,000, whichever is less. At the end of 2005, 185 individuals were insured under the SARM Optional Life Insurance program.

Critical Illness Insurance

This is a form of insurance that provides a lump sum payment in the event that a critical illness is diagnosed. It was available under the SARM Group Plan with Canada Life from May 2002 until December 31, 2004. As there was very little interest in that program, it is no longer available under our group plan, although it can be purchased on an individual basis through our benefit consultants.

Fidelity Bond Self-Insurance Plan

The Fidelity Bond Self-Insurance Plan commenced January 1, 1994. For the year 2005, there were 292 rural municipalities participating in the plan. The primary coverage is the Fidelity Bond coverage,

which protects the RM against theft or fraudulent acts by its employees. Coverage limits range from \$10,000 to \$200,000. Also included is Money & Securities coverage for \$2,500, which insures the RM for theft by someone other than an employee; and Registered Mail coverage for \$50,000, for those municipalities that send their bank deposits by Registered Mail.

Late in the year 2005 we received notice of a potential claim under the Fidelity Bond coverage. The investigation is ongoing and the amount of the loss is still unknown. In addition, partial recovery of \$9,608 on a claim that was paid out in 2002 was returned to the Plan.

Liability Self-Insurance Plan

Two rural municipalities joined the Liability Self-Insurance Plan during 2005, bringing the total number of RMs participating to 272.

There were 121 claim files opened throughout 2005, which consists of actual claims submitted and occurrences that could potentially lead to a claim. This number is consistent with previous years. At year-end there were 57 claim files still in progress, of which 34 were claims made during 2005 and 23 were from prior years.

At year end, interest totaling \$556,830, and a total surplus of \$176,698 was distributed to the Reserve Accounts of participating municipalities, bringing the total reserve for this plan to approximately \$11.2 million.

No changes were made to the premium formula, the limits of insurance, or to the policy wording during 2005.

Excess Liability Insurance, which provides coverage over and above the \$3 million limit provided by the SARM Plan, continues to be available from another carrier. Three options are available: \$1 Million, \$2 Million or \$3 Million with the premium based on the population of the municipality and the limit of excess insurance chosen. In 2005, 86 rural municipalities purchased Excess Liability Insurance.

Property Self-Insurance Program

The SARM Property Self-Insurance Program took effect on December 31, 2002. Initially 134 rural municipalities signed on and by the end of 2005 there were 201 rural municipalities participating in their own property insurance program. Two RMs joined this program in 2005 and one withdrew.

For 2005, the basic premium rate for buildings, contents and computer/media equipment remained at .225% of the insured value of the property. However, the premium rate for unlicensed mobile equipment was increased to .3% of the insured value for 2005.

Claims expense for 2005 was \$244,093. This is significantly higher than the claims expense for the previous two years, which were \$147,020 for 2004 and \$100,243 for 2003. Most of the claims for 2005 involved damage to municipal equipment and damage to buildings.

As with the Liability Insurance Plan, each municipality has its own ledger account for the Property Insurance Program. At the end of each year a portion of the profit or loss from operations for the year is allocated to each municipality's ledger account, along with interest earned in that year. At the end of 2005, a surplus of \$206,241 and interest of \$32,522 was distributed to the Individual Ledger Accounts of participating municipalities, bringing the total reserve for the SARM Property Self-Insurance Program to \$577,348.

For further information on the SARM Insurance Plans and Group Benefits, contact:

Kathie Caleval
Manager, SARM Insurance and Benefit Programs

Legal Services

In 2005, SARM Legal Services' primary task continued to be providing advice and representation to the SARM Liability Self-Insurance Plan, accounting for 44 per cent of our time. At the end of the year, a

total of 36 claims files remained open, of which 17 were opened in 2005.

Good progress was made in the past year resolving some long outstanding claims. A total of 9 claims files predating the year 2000 were closed, leaving only 5 such claims outstanding.

The number of requests for advice from RMs continued to increase and a total of 518 requests for advice were received throughout the year. Responding to these requests accounted for 43 per cent of our time in 2005.

It has now been six years since the Legal Department was established and we have, over that period of time, compiled a number of precedents that may be of value to all RMs. These include sample bylaws, sample agreements and standard opinions. As time permits over the next year, it is our hope to post some of these on the SARM website, so that the website will become a place RMs can look for quick answers to some of the more frequently asked questions. Any suggestions which you have for content on the site would be most appreciated.

We look forward to continuing to work with all rural municipalities in 2006.

Michael Morris and Teresa Edwards
SARM Legal Services Department

Events

Annual Convention

March 7–10, 2005

A record crowd of 2,268, representing 292 of the 296 rural municipalities, attended the 100th Anniversary Convention of SARM in Saskatoon in March. The results of the convention survey indicated that most rated the convention in the good to excellent range. This Centennial Convention featured a number of highlights, including keynote speaker David Broadfoot, addresses by Provincial Minister Len Taylor, Premier Lorne Calvert, Federal Cabinet Minister Wayne Easter, SaskParty Leader Brad Wall, Liberal Party Leader David Karwacki, and Federal Minister John Godfrey.

The convention had the annual events, such as the presentation of the Lieutenant Governor's Award, and the "Bear-Pit" session with the provincial cabinet, but incorporated centennial celebrations throughout. An anniversary museum was set up that chronicled SARM's history from its inception in 1905 until its convention in 2005. The museum had over 500 visitors and the SARM 100 year history book, *A Century of Success*, sold over 1500 copies. On the Wednesday night of the convention, there was a special banquet honouring the past presidents and directors of SARM.

See page 52 for a complete report on the 2005 Annual Convention.



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SARM Risk Management Seminars

February 18, 22, 23, and 24, 2005

236 people from 116 rural municipalities attended the SARM Risk Management meetings, which were held in Regina, Melfort, Battleford, and Swift Current. Attendees heard from presentations on decision making, SARM's property and liability insurance plans, SARM's benefits plans, and water issues. Those in attendance reported that the day was well worth the time spent.

June District Meetings

June 14, 15, 16, 21, 22, and 23, 2005

Held in each of SARM's six divisions, the June district meetings centered around the topics of education tax, *The Municipalities Act*, and the Clearing the Path initiative. The meetings were generally well attended with the discussion on the education tax, as expected, being the liveliest debated issue. The resolutions from the meetings on the education issue were distributed to rural municipalities. Generally, the direction given from the district meetings on the education tax issue was that the Board should work with other associations (SUMA, APAS, PARCS, SSBA) towards a reduction of education tax on all property. The minutes from these meetings were posted on the SARM website in the Member's Only section. The Clearing the Path (CTP) gave a presentation on the committee's plans to move the program out into the communities.

Midterm Convention

November 8 and 9, 2005

Over 900 people, representing 256 rural municipalities registered at the SARM Midterm Convention, held on November 8 and 9, in Regina. Honourable Wayne Easter, Parliamentary Secretary to the Minister of Agriculture and Agri-Food Canada addressed the delegates as did Honourable Len Taylor, Minister of Government Relations. Update presentations were given by members of the Education Tax Coalition and the Clearing the Path Committee. Other presentations were made on the New Deal for Cities and Communities funding program, Action Southwest, municipal legislative changes, the Primary Weight Study and the Farm Stress Line.

See page 76 for a complete report on the 2005 Annual Convention.

Municipal Leaders' Roles and Responsibilities

November 23 and 24, 2005

The annual MLDP Municipal Leaders' Roles and Responsibilities seminars (formally called the Newly Elected Officials Seminars) were held in Regina and Saskatoon. seminars were well attended and the highlight, once again, was the mock council meeting of the RM of Crank Case. This year's council meeting incorporated *The Municipalities Act* into the skit.

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Municipal Leadership Development Program

The Municipal Leadership Development Program (MLDP) once again enjoyed success in its second year of modules, offering 26 sessions throughout the province. Since its inception in the fall of 2003, there have been over 1000 registrants, and at the end of 2005, 16 members of SUMA and 32 SARM members had completed all five modules in the program.

Administered by SARM on behalf of the partner organizations, the MLDP will continue to run in 2006, and the committee is developing advanced modules to add to its current offerings. Information on the MLDP can be found at its website at www.mldp.ca.

Communications

In 2005, SARM dedicated 1.5 staff members to communications with the goal of improving the quality of communications and continue high quality member relations. SARM employs a number of tools to keep our members informed.

E-mail and Fax

The SARM communications department offers its members and other parties the opportunity to e-mail information to all of our members. E-mail service is both efficient and cost-effective and

allows us to get information to our members almost instantaneously.

Monthly Update

Each month, SARM distributes an update to all RM offices via e-mail or fax. The update contains timely information, relevant to both elected officials and administrators. It highlights recent SARM activities and other important information for RM offices. The update is also archived on the SARM website in the 'Member's Only' section.

Rural Councillor

SARM sends out the *Rural Councillor* to all reeves, councillors and RM offices six times per year. The magazine is also sent out to MLAs, government departments, as well as paid subscribers with a total of over 3000 copies being mailed. The magazine provides an opportunity to give a more in-depth look at some of the issues the Association works on, and offers themed feature articles in each issue.

In 2005, the *Rural Councillor* profiled SARM's 100th anniversary, water management, tourism, economic development, the mining industry, and mapping. It also featured a centerfold photograph that was taken at the annual convention of all the delegates as a tribute to SARM's centennial year. In 2006, the magazine will be undergoing some changes, both in the design, and improving the timeliness of the content.

PRAIRIE STEEL

Established in 1976

Prairie Steel Products would like to welcome you to your 101st annual convention. We would like to thank those delegates who supported us in 2005. With major changes to the culvert industry, we certainly appreciate your loyalty and continued patronage to the only 100% Saskatchewan owned Culvert Company.

We look forward to seeing those who attend the convention, and wish everyone the best in 2006.



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Web Site

The communications department took an in depth look at how to improve the SARM web site. The site has a wealth of information available to our members, but the efficiency could be improved. In 2006, SARM will be working to redesign the site to improve the download time for our members with dial-up service, as well as improving the ease of use.

Events

A large portion of SARM communications is done at the events that the association holds annually. Between its Annual Convention, June District Meetings, Midterm Conventions, as well as various seminars, SARM has the opportunity to meet members face-to-face and have real dialogue on issues and concerns and communicate timely information. SARM Board members and staff are also available to meet with councils upon request.

Media Relations

The creation of a communications department has also afforded SARM the opportunity to monitor media relations more thoroughly and get real information on the coverage they receive. In 2005, SARM or President Neal Hardy was mentioned over 150 times in the province's major newspapers. Most of the coverage centered around education tax, SARM conventions, resolutions, and agriculture. In 2006, SARM subscribed to a media monitoring service and will be able to obtain more concrete media statistics. SARM sent out 15 news releases in 2005.

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