

## Municipal Revenue Sharing (MRS) Eligibility Criteria

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|---------------------|-----------------------|
| <b>Date</b>         | January 29, 2020      |
| <b>To</b>           | City Council          |
| <b>From</b>         |                       |
| <b>Service Area</b> | City Manager's Office |
| <b>Item No.</b>     | CM20-2                |

### RECOMMENDATION

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City Council approve the resolution below outlining the eligibility requirements municipalities must adhere to in order to receive Municipal Revenue Sharing (MRS).

Council confirms the City of Regina meets the following eligibility requirements to receive the MRS:

- Submission of the annual Audited Financial Statement to the Ministry of Government Relations
- Submission of the Public Report on Municipal Waterworks to the Ministry of Government Relations
- In good standing with respect to the reporting and remittance of Education Property Tax
- Adoption of a Council Procedures Bylaw
- Adoption of an Employee Code of Conduct
- All members of Council have filed and annually updated their Public Disclosure Statement Annual Declaration, as required

That the City of Regina understands that if any of the above requirements are not met, the MRS grant may be withheld until all requirements are met.

### ISSUE

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The Ministry of Government Relations completed a review of the Municipal Revenue Sharing (MRS) program in 2018-2019. One of the main objectives of the review was to provide recommendations on how MRS grants can be used to encourage effective local governance. To support this objective, the Ministry of Government Relations is implementing annual eligibility requirements for municipalities to receive their MRS grants. A Council resolution or Declaration of Eligibility is required to demonstrate that the municipality has fully complied with the outlined

conditions for receiving MRS.

The Administration confirms that all the conditions noted in the resolution have been complied with.

## **IMPACTS**

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Municipalities are being asked to complete a Declaration of Eligibility in 2019 as a test of the electronic system. There will be no disruption to the 2020 MRS grants unless the Ministry has not received the municipality's Audited Financial Statements. In November 2020, municipalities will be asked to complete the annual declaration. Based on the compliance, a disruption to the 2021 MRS grants may occur.

## **OTHER OPTIONS**

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For Saskatchewan municipalities to receive MRS funding in 2021 and beyond, a Declaration of Eligibility approved by Council must be submitted by January 15 of any given year.

## **COMMUNICATIONS**

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A communications strategy is not required for this report.

## **DISCUSSION**

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A Council resolution must be approved and submitted to the Ministry of Government Relations by January 15 of any given year, confirming the following:

- Submission of the annual Audited Financial Statement to the Ministry of Government Relations
- Submission of the Public Report on Municipal Waterworks to the Ministry of Government Relations
- In good standing with respect to the reporting and remittance of Education Property Tax
- Adoption of a Council Procedures Bylaw
- Adoption of an Employee Code of Conduct
- All members of Council have filed and annually updated their Public Disclosure Statement Annual Declaration, as required

By submitting the resolution, the City Administration certifies that all information disclosed is truthful and honest. It is also understood that eligibility requirements are subject to an audit as determined by the Government of Saskatchewan. If it is determined through the audit that any of the eligibility requirements have not been met, the MRS grant may be immediately withheld until all requirements are met. City Administration has complied with all requirements set out by the Ministry of Government Relations.

## **DECISION HISTORY**

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In 2018-19, the Government of Saskatchewan undertook a review of the MRS program. Changes to the program include:

- Funding will be based on the value of .75 of one point of the Provincial Sales Tax (PST) from the second preceding year
- Funding percentages to the four pools (1. cities; 2. towns, villages and resort villages; 3.

rural municipalities; and 4. northern communities) will remain substantially the same, but will be rounded to one decimal point

- Beginning in 2019-2020, Targeted Sector Support of \$1.5 million from the MRS will be allocated to support programs, projects and initiatives directed at good governance, legislative compliance and increased inter-municipal and regional cooperation
- After a test year for additional eligibility criteria in 2019-2020, municipalities will attest to their compliance with a set of key legislative provisions in order to remain eligible. Full implementation is intended for 2020-2021.

Respectfully Submitted,



Barry Lacey,  
Executive Director, Financial Strategy &  
Sustainability

Respectfully Submitted,



Chris Holden  
City Manager

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