

Saskatchewan Economic Development Alliance

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Fostering Trading Area Economies in Saskatchewan

Saskatchewan Economic Development Alliance (SEDA)

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Research Partnership

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Executive Summary

This report presents the results of a project initiated to identify collaborative and economic drivers for inter-community co-operation, as well as return on investment indicators that could be used in evaluating potential partnerships. Proposing a new context and scope for economic regions was a second goal. Provincial governments (including Saskatchewan) typically rely on commuter shed and labor market distribution data to determine regional economic jurisdictions. This project highlights the sub-economic zones known as ‘trading areas’ which abound throughout the province and raises the viability of smaller scope ‘trading area economic zones’.

The City of Meadow Lake trading area formed the study area for primary research. The study area has a population of approximately 18,500 people and includes:

- Rural Municipality of Loon Lake 561 (includes Village of Loon Lake)
- Rural Municipality of Frenchman Butte 501 (includes Town of St. Walburg)
- Rural Municipality of Mervin 499 (includes Town of Turtleford)
- Rural Municipality of Meadow Lake 588 (includes City of Meadow Lake)
- Rural Municipality of Beaver River 622 (includes Villages of Goodsoil and Pierceland)
- First Nations: Waterhen, Flying Dust, Makwa Sahgaiehcan, Island Lake, Big Island

The majority of communities in Saskatchewan reside within socio-economic zones, or trading areas, whereby one urban center serves as a retail and service hub, similar to what we see in the Meadow Lake trading area. Some of these trading areas may not capture a large enough economic base to be sustainable in the long term. However, many do have the potential for continued viability, if they choose to mobilize and work together to maintain and grow their regional economies.

The project draws on: i) a review of inter-community cooperation and economic development theory and literature; ii) analysis of primary and secondary documents; iii) data analysis of socio-economic and demographic indicators; and iv) informant interviews with community and industry leaders, government officials, and business owners within the Meadow Lake trading area.

The opportunity exists to pursue regional prosperity as we adapt to impacts resulting from the 2020 pandemic. Four primary recommendations form the outcome of this project.

1. Implement a Trading Area Pilot

Survey responses and interviews conducted within the Meadow Lake region indicate an interest in regional economic collaboration and reconciliation. An Indigenous workforce development strategy and affordable housing, were two priorities identified. Regional economic strengths to be leveraged include the agriculture and tourism

sectors. The region is already a destination for hunting, fishing, and camping but would benefit from a cohesive strategy to develop its collective assets and market them accordingly. The potential for an Indigenous tourism strategy and product is significant, possibly one that addresses reconciliation given the colonization history of this area.

Based on crop availability in the region, rural communities and First Nations have an opportunity to position themselves as a destination for value-added agricultural investment that supports and leads to innovative practices. A gap in the regional entrepreneurship ecosystem is apparent within the study area. Efforts to retain and expand existing businesses and stimulate new ventures should also be considered.

A regional pilot would present an opportunity to further assess the fiscal impact of sharing resources across multiple communities. This will require administrative staff to align financial reporting methods and enhance the breakdown of expenses as compared to what is currently provided.

The existence of a planning district involving six municipalities is foundational to further inter-community land use planning in the trading area. Opportunity mapping of existing and projected land use (residential, commercial, industrial, and institutional) could be undertaken, providing a platform for long term economic policies. Environmental challenges and opportunities such as hazardous lands, heritage, habitat, public safety, emergency services could also be mapped. Shared and centralized resources such as experienced economic development and planning personnel, will yield a demonstrated return on investment for all partners.

The pandemic has afforded rural areas, including the Meadow Lake market with a window of opportunity, a strategic advantage. Compared to many large urban centers, rural Saskatchewan is competitive by offering a lower cost of living and high quality of life. But the caveat is that rural residents have access to critical high-speed broadband networks as do folks in the large urban centers. Placing a focus on information and communication technologies was also deemed a priority in stakeholder interviews conducted in the trading area.

Establishing a regional foundation to land use and infrastructure would be a timely move for the municipalities and nations in this region. With the established success of the economic development corporation model by Flying Dust First Nation and Meadow Lake Tribal Council, the potential exists to consider an independent community-driven approach to broadband, to ensure no one is left behind and generate own-source revenue streams for partner nations and governments.

We recommend approaching the communities and nations within the trading area to determine their readiness to engage in a regional economic development pilot. The project would:

- 1) Engage communities in a regional reconciliation initiative;

- 2) Develop and implement a comprehensive regional economic development plan to include land use and infrastructure planning.

2. Establish a Regional Development Service Hub

In Saskatchewan, we witness a lack of capacity within planning districts as well as the inter-community coalitions that have formed to engage in economic development. Member communities have withdrawn from these groups due to a lack of demonstrated outcomes. Working partnerships that are self-funded by participating municipalities and organizations expect a return on investment. Success, therefore, is elusive as municipalities are hesitant to invest the necessary funds needed to effectively implement a joint mandate, and this lack of operating capacity inhibits the demonstration of tangible results.

Aggravating the limited financial capacity of municipalities and planning districts is a deficit of experienced economic development professionals in the province. Lack of job creation coupled with more competitive compensation levels elsewhere in Canada has created a deficit in qualified and skilled workers in this sector.

Over the past ten years, the Saskatchewan Economic Development Alliance (SEDA) has strived to overcome community resistance to the concept of regional co-operation by building greater awareness for the naturally occurring interactions within trading area communities. As the backbone organization for community and economic development in Saskatchewan, SEDA has provided community consulting and mentoring services and instituted new program delivery.

We recommend expanding our current role and service provision by establishing a formal 'regional development service hub' to accelerate inter-community development across the province. A collaboration between SEDA, the Province of Saskatchewan; and various sector partners will provide a framework to spearhead regional co-operation, economic growth, and prosperity as well as align efforts to federal and provincial strategies.

Municipalities in proximity to each other almost inevitably have to share assets. Government boundaries do not define how people live nor do they define the regional economy. Economic and social challenges are increasingly recognized as regional, rather than local. Providing communities with much-needed technical assistance in the areas of community planning, economic development, and applied research will result in stronger regional economic integration, focused investment, and longer-term viability. Utilizing the service hub to assist communities and regional organizations to develop regional connectivity plans and digital readiness is also recommended.

3. Establish a Two-Tier Municipal Restructuring Option

For at least 80 years, municipal restructuring has been an important political issue in Saskatchewan. The Province of Saskatchewan currently offers voluntary mergers of municipalities on a single-tier basis: that being rural to rural; urban to urban; rural and urban(municipal district). However, the Province of Saskatchewan does not offer a two-tier restructuring option within its current legislative toolbox.

Given the existing climate and culture within Saskatchewan municipalities and the high number of municipalities per capita, we suggest the creation of a two-tier restructuring option be considered that includes local and regional governance and decision making, as an effective ‘first step’ to regional co-operation. The existing planning district model already provides a two-tier platform for inter-community collaboration and lays a foundation for a two-tier restructuring option.

British Columbia is an example of a jurisdiction that offers a two-tier model called a ‘regional district’. To balance regional and local priorities, municipal councils appoint directors to their regional districts to represent local perspectives. The decisions as to what services a regional district provides, as well as what municipalities within the district access the service, are made by the individual regional district, allowing for significant regional and local autonomy.

The regional district model could provide region-wide services such as economic development/investment attraction and land use planning, as well as sub-regional services, such as recreation facilities where residents of a municipality and residents in areas outside the municipality benefit from the service. In places where regional districts provide infrastructure services such as landfill or water, co-ownership and maintenance is an option.

4. Develop a Cloud-Based Community Impact Tool.

Competition amongst rural communities in Saskatchewan is no longer a viable strategy. Employing benchmarking and optimization methodology can support the formation of economic regions based on self-organizing behavior and illustrate how the aggregate resources of all the communities can provide greater development capacity (Simms, 2014).

In rural areas of Saskatchewan, driving a ‘bottom-up’ approach to regional economic development is constrained by a lack of basic information on the nature of socio-economic conditions that is essential to understanding the best options for development. Even when information is available, it can be challenging for local leaders to convert data into useful information that helps them in their efforts. The majority of rural communities are relying on elected leaders and administrative staff with no formal exposure to economic development approaches or familiarity with data analysis.

In other jurisdictions, the practice of merging communities, particularly forced amalgamation, has often occurred using self-contained labor-areas as the primary determinant. In many instances, the merged communities had no significant degree of prior interaction, and both the process and outcome have been controversial.

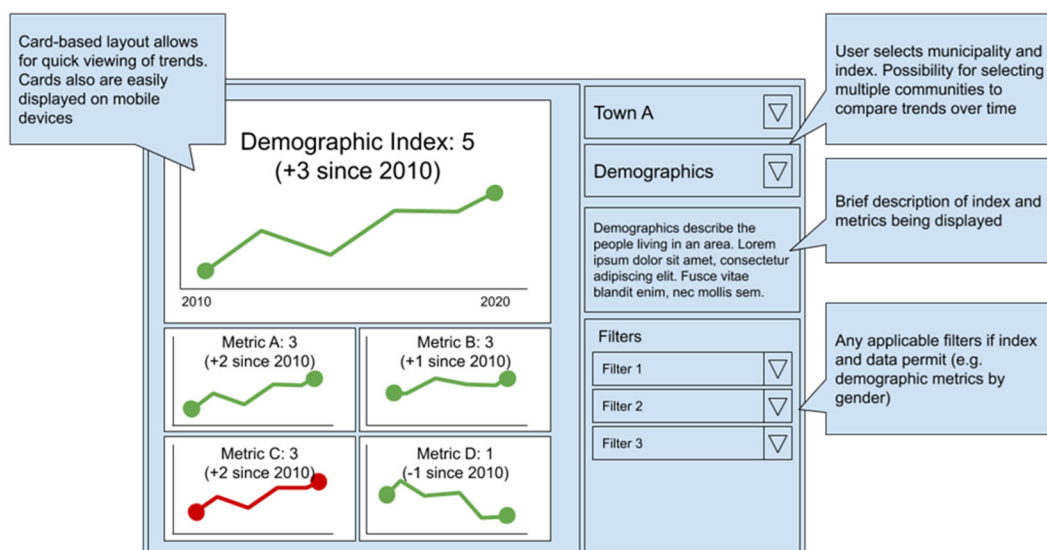
Building on the work of Memorial University in Newfoundland, we recommend the development of a cloud-based decision-making tool that helps Saskatchewan communities identify opportunities for co-operation. The tool would be enhanced significantly from Memorial University’s model to show both economic strengths and weaknesses within trading area communities to spur long-term collective action (e.g. identify the mutual need for improved services or leverage economic opportunities) and to help identify opportunities for a short-term fiscal benefit (e.g. reduce duplication of equipment to help pay for the improved services).

Required data will encompass both the micro-and macroeconomic realms. A Saskatchewan oriented tool would incorporate multiple evaluation methods (quantitative and qualitative) as well as composite and relative scores to measure the wellbeing of communities both before and after collaboration.

The tool would consist of the following:

1. *A web-based reporting component to explore high-level economic drivers in an area.*

Through Memorial University, we have identified a base set of indexes that capture these economic drivers. They encompass demographics, economic structure, income, service level, spatial location, and governance, with each index containing multiple sub-metrics that can be analyzed and used to spur action. We have expanded on the Newfoundland Index to include additional quantitative and qualitative drivers(Refer to Appendix A).



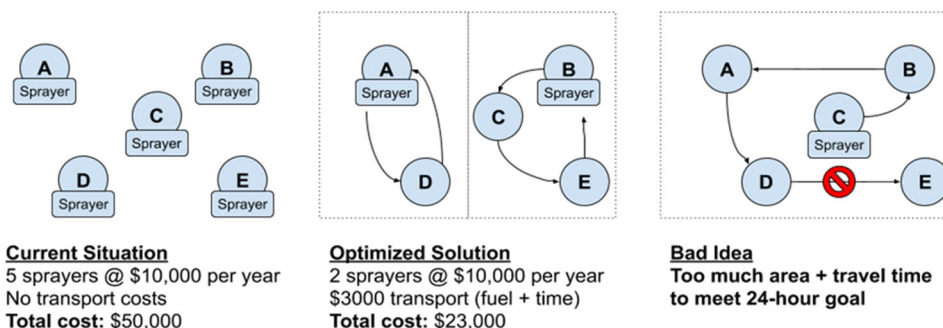
The tool would be cloud-based, making it easy to scale with more users. Users could view trends in their local communities at both the index and sub-metric level. This would help local communities track their progress and needs over time, which would suggest areas where a community could benefit from local efforts or collaboration with its neighbors.

Map-based comparisons are also useful when gauging the performance and relative strengths of neighboring areas. We, therefore, recommend building an additional map-based view of the data. This would allow planners to get a birds-eye view of the strengths and weaknesses of a region and prompt discussions about what collective needs exist and how they might be addressed. By using these visualizations communities will be able to assess their local economic health in context.

II. *An iteratively developed optimization component to find the most effective arrangement of resources within a geographical area.*

An optimization tool takes a set of facts and scoring rules to find the optimal arrangement of resources that meet a set of constraints and goals. Optimizers are used anywhere cost-benefit analyses and resource constraints exist, allowing organizations, planners, and governments to answer questions relating to investment, resource planning, and development strategies.

Once an online optimization tool has been sufficiently developed it may be possible to use it as a general-purpose reporting tool. Communities looking to collaborate would supply information required by the tool and then receive a report about where fiscal overlaps exist, which could provide evidence for existing ideas (e.g. there is \$500,000 in excess machinery: sell some), reveal new options (e.g. development approval delays cost \$5 million per year: consolidate approval processes and hire more staff to mitigate lost opportunities), or simply provide metrics to explore further, such as costs arising from duplication of roles, facilities, or equipment and/or areas that may be lacking the resources to do their work effectively.



Section 1: Introduction

Project Goals

This project aims to identify collaborative and economic drivers for inter-community co-operation, as well as return on investment (ROI) indicators that could be used in evaluating potential partnerships. Developing a benchmarking system for communities to assess the benefits of regional co-operation is a deliverable of the work.

Proposing a new context and scope for economic regions is a second goal. Provincial governments (including Saskatchewan when creating the enterprise regions in 2008) typically rely on commuter shed and labor market distribution data to determine regional economic jurisdictions. This project highlights the sub-economic zones - trading areas¹ - which abound throughout the province. By examining collaborative and economic drivers, we aim to inform the viability of smaller scope 'trading area economic zones'.

Background of the Study

According to the C.D. Howe Institute Commentary No. 458 (Found, 2016) Canadian municipalities rarely employ inter-community co-operation despite the array and diversity of services they typically provide. As such, they miss opportunities to address their common servicing challenges in innovative and even experimental ways. Inter-community co-operation may offer municipalities and First Nations an effective means of striking a balance between their common interests and local autonomy.

While the determinants driving the decision for inter-community co-operation have been assessed academically, little is known about possible efficiency gains, fiscal impacts, and return on investments to citizens and local governments. Municipal amalgamation is often presented by provincial governments as a solution to administrative overlap and jurisdictional confusion by merging neighboring borders and creating new entities. Inter-municipal co-operation, in contrast, is based on maintaining the integrity of existing governments rather than by reducing the absolute number of operating administrations. This approach provides a governance structure where municipalities and First Nations reciprocally co-operate to provide a range of public services or organize service delivery between partners.

Municipalities in proximity to each other almost inevitably have to share assets. They may have to rely on drinking water from the same source, deposit waste in the same landfill site, move traffic over roads that connect, and leverage common economic assets. These are examples of a vast number of linkages that occur within a defined administrative area. Government boundaries do not define how people live nor do they define the regional economy. Economic and social challenges are increasingly recognized as regional, rather than local. Instead of trying

¹ In economic development, a trade area is the geographic area from which a community generates the majority of its customers. This often is the geographic area that represents 75-percent of current customers.

only to attract jobs and people on a local level, communities can focus on a more comprehensive and competitive approach by building on the opportunities, services, and assets of their municipality as well as their neighboring areas. Joint initiatives, servicing, and infrastructure allows municipalities to reduce certain costs, provide better leverage for grant applications, and create the security needed to engage in numerous initiatives for their citizens. (AAMDC)

Project Objectives and Methodology

The project draws on: i) a review of inter-municipal co-operation and economic development theory and literature; ii) analysis of primary and secondary documents; iii) data analysis of socio-economic and demographic indicators; and iv) informant interviews with community leaders, government officials, and business owners within the trading area chosen as the focus for primary research.

The Meadow Lake trading area was chosen as the geographic focal point of primary research. The study area has a population of approximately 18,500 people and includes:

- Rural Municipality of Loon Lake 561 (includes Village of Loon Lake)
- Rural Municipality of Frenchman Butte 501 (includes Town of St. Walburg)
- Rural Municipality of Mervin 499 (includes Town of Turtleford)
- Rural Municipality of Meadow Lake 588 (includes City of Meadow Lake)
- Rural Municipality of Beaver River 622 (includes Villages of Goodsoil, Pierceland)
- First Nations: Waterhen, Flying Dust, Makwa Sahgaiehcan, Island Lake, Thunderchild, Big Island

Specific research objectives:

1. To analyze the theoretical background relevant to the economic and governance effects of inter-community co-operation. A comprehensive literature review was undertaken with a review of national and international best practices and comparisons.
2. Develop a benchmarking system to identify and assess the potential impact of place and function-based collaborative drivers. Interviews were conducted with elected officials, administrators, and development staff from participating communities as well as industry leaders. A review of municipal and First Nation operating financial statements was conducted.
3. Undertake a comprehensive regional economic development analysis. This included trend analysis (labor, population, and industry); compiling an inventory of regional and local community assets; consulting with sector specialists (government; industry) to assist in evaluating opportunities based on regional assets and strategic advantages.

Structure of the Report

This report is presented in six sections.

Section 2 provides a provincial environmental scan.

Section 3 summarizes research findings within the study area.

Section 4 identifies common factors that can potentially either promote or hinder inter-jurisdictional collaboration. It provides an overview of formal community co-operation models as well as the state of inter-community co-operation in Saskatchewan.

Section 5 discusses economic development potential within the Meadow Lake trading area and evaluates the Rural Economic Capacity Index (RECI), a benchmarking tool developed by Memorial University.

Section 6 provides recommendations.



Section 2: Environmental Scan

COVID-19 is having a huge impact on Saskatchewan's leaders and local administration, and will very likely shape their organizations for years to come. The impact of COVID-19 will determine how future programs and services are delivered, and on the assets needed to support them. While most current restrictions will eventually be relaxed, it is expected that some level of physical distancing (regulated or expected) will be maintained indefinitely, to provide ongoing protection and prevent future outbreaks.

Growing costs and shrinking revenues have placed communities, along with many of their funding partners, in a difficult financial position. To reduce the immediate impact, local government leaders are under growing pressure to shed costs or defer non-urgent spending, while minimizing further impact to programs and revenue streams.

Rural municipalities in Saskatchewan are witnessing a degree of business and resident in-migration. Individuals and families are seeking smaller cities and towns for safety and a lower cost of living. The newly unemployed are exploring rural entrepreneurship opportunities. However, retention of new rural residents and businesses will be dependent on our ability to bridge the current connectivity gap and then stay ahead of the curve with competitive broadband infrastructure.

DIGITAL READINESS AND INFRASTRUCTURE

The COVID-19 pandemic has underscored the importance of broadband so consumers can stay connected for learning, working, visiting doctors, and communicating with family. In this regard, the pandemic has afforded rural Saskatchewan a window of opportunity, a strategic advantage. Compared to many large urban centers, rural Saskatchewan is competitive by offering a lower cost of living and high quality of life. But the caveat is that rural residents have access to critical high-speed broadband networks as do folks in the large urban centers.

The biggest potential for future economic impact comes from the enabling power of the internet for innovation. The Institute for the Future, non-profit identifying emerging trends and their impacts on society, states that up to 85 percent of jobs in 2030 do not exist today.

10G (10 gigabits per second or 10,000 Mbps) is the broadband technology platform of the future - ten times faster than today's networks. Currently, the predominant speed in communities outside of Saskatoon and Regina is 50 Mbps(download) and 10 Mbps(upload).

CURRENT REGULATORY TRENDS

The Tax Cuts and Jobs Act reduced the US federal corporate income tax rate from 35 percent to 21 percent, narrowing Canada's and the province's tax advantage. Our neighbor, the province of Alberta reduced its corporate income tax rate to 8 percent. The outcome of the US 2020

Presidential election could further shift policy directions, over and above the announcements already made by the Biden administration.

Recent federal decisions such as Bill C48, Bill C69, and greenhouse gas policies and regulations will make it more challenging for Saskatchewan to produce and transport resources to market at a competitive price. Saskatchewan's tax and regulatory environment need to remain competitive to attract private investment.

INTERNATIONAL TRADE

Saskatchewan's exports are commodity-focused. In 2019, crude oil (25%) and potash (22%) made up almost half of Saskatchewan's exports. Agricultural products rounded out the rest of the top-10 exports. Ten products made up 82% of Saskatchewan's total exports in 2019.

In the first eleven months of 2020, exports were up in Saskatchewan by 3.3 percent compared to a 13.0 percent decline nationally. Saskatchewan was also one of only two provinces that saw an increase rather than a decrease. Major increases in exports were led by farm and intermediate food products. In the first eleven months of 2020, manufacturing sales in Saskatchewan were down by 15.3%, compared to the same period in 2019. In this period, Saskatchewan ranked seventh in terms of percentage change among the provinces.

Canada's relationship with China has become more difficult following the arrest of Huawei's Chief Financial Officer. In 2019, China halted imports of Canadian canola seed and meat products. Trade advocacy with China, the world's second-largest economy, remains vital. China is Saskatchewan's second-largest export market, and in the last decade, Chinese companies have invested more than \$1.1 billion in Saskatchewan.

The impact of COVID-19 on international trade is still largely unknown. However, market access restrictions would harm Saskatchewan's export-dependent economy. Saskatchewan companies may have trouble participating in global supply chains and benefiting from trade agreements without dispute resolution mechanisms.

INDIGENOUS ENTERPRISE

Canada-wide, Indigenous peoples are creating businesses at nine times the rate of the average Canadian. In October 2019, the Government of Alberta launched the Alberta Indigenous Opportunities Corporation with a \$1 billion funding commitment. This initiative will support Indigenous investment in natural resource projects and infrastructure.

In October 2019, a coalition of Métis communities from northwest Saskatchewan and northeast Alberta filed a first-of-its-kind interprovincial land claim for an area of approximately 122,000 square kilometers, most of it in oil sands territory. A group of Indigenous communities from Saskatchewan, Alberta, and British Columbia came together to pursue the purchase of the Trans Mountain Pipeline and there could be further legal implications regarding land claims in the future

Increasing the ability of Indigenous groups to invest in the economy increases prosperity for the province as a whole. Recognition of and support for economic reconciliation as a shared path towards ensuring equal economic opportunity for Indigenous peoples will continue to be important for Saskatchewan's future economic health.

INTER-PROVINCIAL TRADE BARRIERS

Negotiations continue to expand coverage of the Canadian Free Trade Agreement (CFTA) and reduce barriers through processes like the Regulatory Reconciliation and Cooperation Table. Freer interprovincial trade could add an estimated \$50 billion to Canada's GDP over 10 years. Interprovincial trade barriers create costs for businesses, disproportionately impacting small and medium enterprises (SMEs).

Many of Saskatchewan's businesses are SMEs. Interprovincial trade barriers could limit their growth opportunities. Work under the CFTA will reduce regulatory barriers to trade between jurisdictions if the momentum continues.



Section 3: Study Area Assessment

Study Area

The City of Meadow Lake is the geographic focal point of the study area with a trading area radius of 120 kilometers. The study area has a population of approximately 18,500 people.

The study area includes:

- Rural Municipality of Loon Lake 561 (includes Village of Loon Lake)
- Rural Municipality of Frenchman Butte 501 (includes Town of St. Walburg)
- Rural Municipality of Mervin 499 (includes Town of Turtleford)
- Rural Municipality of Meadow Lake 588 (includes City of Meadow Lake)
- Rural Municipality of Beaver River 622 (includes Villages of Goodsoil and Pierceland)
- First Nations: Waterhen, Flying Dust, Makwa Sahgaiehcan, Island Lake, Big Island

NOTE: Data collection and analysis within this report are generally presented by Rural Municipality(RM) and First Nation. RM data includes all relevant data for the urban municipalities that fall within its boundaries.

Industry Overview

Heavy industry is dominated by the primary forestry industry and related service companies, including trucking and forestry management firms. The City of Meadow Lake acts as a business hub, providing services for the trading area.

Forestry companies include NorSask Forest Products Inc., Meadow Lake Mechanical Pulp Ltd., and the Meadow Lake OSB Limited Partnership. Support industries include Mistik Management and various privately held trucking companies. The Flying Dust First Nation via FDB Holdings has developed several business partnerships to increase its business portfolios in property development, construction, security, and oil and gas. It manages a 12,000-acre (49 km²) farming, sand, and gravel operation.

The Meadow Lake Tribal Council (MLTC) Resource Development Inc. (RDI) is the corporate holding company for all of MLTC's industrial interests which includes the following local businesses:

- NorSask Forest Products LP
- L&M Wood Products LP
- MLTC Indigenous Services Inc.
- MLTC Solar Energy Farm
- MLTC Bioenergy Centre

MLTC RDI is also a partner in the following operations:

- Ceres Industries

- La Ronge Wild Rice Corp.
- Mistik Management LTD
- MLTC Northern Trucking LP
- Polar Oils LP
- Prud'homme Gas Caverns
- Sakâw Askiy Management Inc.
- Western First Nations Hospitality LP

Within the study area, core industries include “agriculture, forestry, fishing and hunting,” and “mining, quarrying, oil, and gas extraction.” Among the First Nations, leading industries include “utilities,” “public administration,” and “educational services.”

Across enumerated municipalities, the workforce is concentrated in three occupations: “management,” “trades, transport, equipment” followed by “sales and service.” Among the enumerated First Nations, the leading occupations include “sales and service,” “education, law, social, community, the government” and “trades, transport, equipment” occupations.

The region’s agricultural community is sizeable, including both cereal production and ranching operations. The City of Meadow Lake boasts one stockyard and two major agricultural equipment dealers.

Statistics on new business start-ups in the trading area are unavailable. Beaver River Community Futures Corporation serves the region and has an office in the City of Meadow Lake. They did not respond to our inquiries on business start-up and service provision. However, anecdotal input from stakeholders indicates they focus on providing business loans and do not provide services aimed at nurturing new entrepreneurial development. Metis communities and businesses within the region are served by Clarence Campeau Development Corporation as well as the Sask Metis Economic Development Corporation. First Nation businesses are supported by the Saskatchewan Indian Equity Foundation.

Industry Highlights:

OIL AND GAS

Over the past ten years, a significant expansion of regional oil and gas activities with Steam Assisted Gravity Drainage (SAGD) development has brought a construction workforce to the trading area, followed by operating personnel. Serafina Energy Ltd. and Husky Oil produce thermal heavy oil at their SAGD facilities in Edam and Meota, located on the perimeter of the study area. Calgary-based Serafina Energy plans to extract 8,000 barrels of oil per day near Glenbogie, also within the study area. The Glenbogie SAGD project will require nearly five million liters of water per day from the North Saskatchewan River. Note: Serafina and Husky have currently halted industry expansion due to global economic constraints.

ENERGY

The First Nations-owned Meadow Lake Tribal Council Bioenergy Centre, currently under development, will generate carbon-neutral green power using sawmill biomass residuals. It will be the first plant of its kind in Saskatchewan and is expected to produce 6.6 megawatts of baseload electricity to power approximately 5,000 homes with greener energy. The city is also home to the Sask Power Meadow Lake Power Station. The MLTC Solar Farm also under development will consist of an 816kW AC power generation system that is fueled 100% by sunlight and is expected to produce about 1.6 million kW-hrs. of electricity per year.

FORESTRY

Tolko Industries Ltd., a partnership between local First Nations and the Province of Saskatchewan, has been awarded a contract to harvest 3100 hectares of forest within Meadow Lake Provincial Park over the next five years. Meadow Lake Tribal Council Industrial Investments LP is enhancing its NorSask Forest Products facility with necessary upgrades and innovative technologies. NorSask is a lumber manufacturer and the largest, wholly First Nations-owned sawmill in Canada.

AGRICULTURE

Table 1: Primary Agriculture Yields

RM's	Spring Wheat bu/acre	Canola bu/acre	Barley bu/acre	Pea's bu/acre	Oats bu/acre
499	69.9	50.5	92.2	43.5	122
501	64	51.8	91.1	44.1	-
561	64.3	48.8	87.3	41.3	94.1
588	63.3	48.1	83.3	36.1	98
622	63.9	46.1	73.9	33.7	106

Source: Saskatchewan Agriculture 2019

There is no evidence of licensed cannabis production at time of writing. Livestock yields and operations specific to this trading area cannot be isolated. However, Dun & Bradstreet lists four cattle companies within the region and three additional companies are located in the adjacent Lloydminster market area.

LOCATION QUOTIENT ANALYSIS

Comparing local employment to provincial average Location quotient (LQ) is a helpful way of quantifying how concentrated or dominant a particular industry is within a market area and can be used to compare an industry's share of area employment to the provincial norm.

Following the accepted economic theory: In the table below, significant industries (LQ > 1) are highlighted. For example, an LQ of 3 in "agriculture, forestry, fishing, hunting" means that three times the amount of employment activity is occurring within the enumerated municipalities than the provincial average. The immediate conclusion

drawn from the data profiled in Table 2 is that this industry is very important (in fact, 3x as important) to the study area when compared to the rest of the province.

Conversely, among the enumerated First Nations, the LQ of .65 means that the industry has a low employment concentration compared to the province as a whole. Among the enumerated First Nations, the sector is much less important to their employment activity when compared to other municipalities in the trading area and the province as a whole. The LQ for First Nations reflects a low employment concentration in all industries except “utilities, transportation/warehousing, education, and health care/social services”. This may reflect the growing investment in renewable energy projects as well as trucking.

Table 2: Location Quotient Analysis

Industries (NAICS code)	RM 561	RM 501	RM.499	RM 622	RM 588	Average. of 5 RM's	First Nations
Agriculture, forestry, fishing, hunting	3.5	3.6	2.9	2.5	2.0	3.0	.65
Mining, quarrying, oil, gas extraction	.75	2.5	1.8	2.6	.70	1.7	.30
Utilities	.75	0.0	1.6	1.4	.70	1.0	3.0
Construction	.05	2.5	1.0	2.0	1.0	1.0	.78
Manufacturing	1.2	.30	1.0	.35	.35	.60	.78
Wholesale trade	.70	0.0	.50	.50	.40	.50	.10
Retail trade	1.2	.60	.70	1.0	1.0	1.0	.80
Transportation/warehousing	.50	1.6	.80	.35	.50	.70	1.2
Information/cultural industries	2.0	0.0	0.0	0.0	.12	.05	0.0
Finance and insurance	0.0	1.3	.80	1.0	.30	.70	.50
Real estate/rental and leasing	0.0	0.0	1.5	0.0	0.0	.30	0.0
Professional/scientific/technical	0.0	.33	.80	1.0	1.1	.60	0.0
Management of companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Admin. support, water management	1.0	1.0	1.6	1.0	1.8	1.3	1.4
Educational services	.50	.66	1.0	.60	1.2	.80	2.5
Health care/social assistance	.70	.70	1.2	.35	.60	.70	.80
Arts, entertainment, recreation	2.5	1.0	0.0	2.5	1.0	1.4	0.0
Accommodation/food services	1.0	.20	1.0	.50	.50	.60	.30
Public administration	.50	1.0	.50	1.0	1.0	.80	3.0

SHIFT SHARE ANALYSIS: CITY OF MEADOW LAKE

A shift-share analysis determines what portions of economic growth or decline can be attributed to national growth trends, national industry trends, as well as local factors. Table 3 reports data for those five industries in the City of Meadow Lake which in 2016, employed the largest share of the local labor force. There was insufficient data to analyze the remaining trading area communities.

As seen below in the City of Meadow Lake, employment in the “retail trade” sector grew from 380 to 420 jobs between 2011 and 2016. Of the 40 jobs gained, 6 can be attributed to national growth (which was 14.7%). However, the local share effect (25%) implies that 10 of the 40 jobs can be explained by favorable regional trends. Growth in the manufacturing sector reflects the vibrant forestry industry.

Table 3: Shift Share Analysis

Industry (NAICS code)	Share of Local Labour Force (%) 2016	Job Growth or Decline		National Growth Effect	Industry Mix Effect	Local Share Effect
		2011	2016			
Retail trade	15.8	380	420	14.7	.15	.25
Manufacturing	12.2	140	325	1.5	7.0	.65
Health care and social assistance	12.2	370	325	14.3	18.5	(.79)
Accommodation & food services	10.5	210	280	8.1	18.9	.42
Education services	10.2	200	270	7.7	-2.0	.63

Of particular interest is the “health care and social assistance” sector because it experienced a 2011 to 2016 loss of 45 jobs. The national growth effect (14.3%) implies that had the sector followed positive national trends, the number of jobs in this sector would have risen from 380 to 422 jobs between 2011 and 2016. However, since the local effect is negative (-.79), the effect implies that about 79% of the decline can be explained by local factors as apart from national trends. In other words, about 40 of the 50 job losses can be accounted for by unfavorable local trends.

Although the factors causing the decline are unknown, in theory, the decline can be caused by a variety of regional and governmental factors that impact employment (Property Metrics, 2019).

Infrastructure and Amenities

An inventory of community resources and amenities for the trading area is found in Appendix B.

Current Projects:

Health Sector

The Saskatchewan Health Authority (SHA) has successfully tendered a new \$36.6 million, 72-bed long-term care facility in the City of Meadow Lake.

Utilities

Sask Power has recently completed a four-year installation of a high voltage (138KV) power line from Lloydminster to Spruce Lake, home of Husky Oil SAGD operations. This line is also being expanded into the eastern perimeter of the study area to upgrade existing lower voltage power lines. A new super lagoon to serve Paradise Hill, the Rural Municipality of Frenchman Butte, and St. Walburg was completed in 2020.

The MLTC Bioenergy Centre currently under development will consist of a 6.6 MW power generation system that is fueled primarily by biomass sawmill residuals. The MLTC Solar Farm also under development will consist of an 816kW AC power generation

system that is fueled 100% by sunlight and is expected to produce about 1.6 million kW-hrs. of electricity per year.

The City of Meadow Lake is currently replacing all of its common trench sewer and water pipes and will relocate its existing sewage lagoon to outside the city limits. Once completed, this work will increase the community's resilience to flooding and better protect up to 5,344 people. It will also reduce the number of residents who go without essential services during these incidents and cut long-term economic recovery costs.

A regional landfill is in place, a joint effort between the City of Meadow Lake, the RM of Meadow Lake No. 588, the Village of Goodsoil, the RM of Beaver River No. 622, and the Village of Dorintosh with a capacity to serve a population of 10,000.

Socio-Economic Profile

Detailed data on socio-demographic trends and labor force characteristics is found in Appendix C.

POPULATION

- Three of the enumerated municipalities (RMs of Loon Lake 561; Frenchman Butte 501; Mervin 499) are growing at a rate consistent with each other. The exception is the RM of Beaver River, which had a population growth increase of nearly 20% between 2011 and 2016 (765 to 918). This growth is attributed to an increase in new cottage/retirement homes. The City of Meadow Lake also showed a population increase of 7.5% from 2011 to 2016 (5,400 to 5,800).
- While the City of Meadow Lake showed a 2011/16 population increase of 7.5%, the Meadow Lake Rural Municipality No. 588 lost 6.2% of its population between 2011 and 2016 (2,667 to 2,500).

WORKFORCE

- In 2016, the percentage of the core working-age population (25 to 54 years) was similar across the enumerated municipalities and provincial norm (5.6% and 6.5% respectively).
- In 2016, the employment participation rate of four of the five enumerated municipalities is consistent with the provincial norm (68%).
- In 2016, the unemployment rates of the enumerated municipalities were consistent with the provincial norm (7.5% and 7% respectively).
- Although the participation rate of four of the five enumerated municipalities was consistent with the provincial norm (68%) in 2016, the rate of the RM of Mervin No. 499 (55%) was below the provincial norm. The enumerated First Nations reported a 2016 participation rate of 43%.
- In 2016, the unemployment rate of the enumerated First Nations (34%) was higher than both provincial and municipal rates (7% and 7.5% respectively).

EDUCATION

- In 2016, the educational attainment levels of the enumerated municipalities were consistent with provincial norms across all levels (e.g., high school, trades, university).
- Although the educational attainment levels of the enumerated municipalities are consistent with provincial norms, the relative weakness of the First Nations is greatest at the “no certificate, diploma or degree” level (54% to 21% provincial).

INCOME

- In 2015, after-tax incomes in the enumerated municipalities were similar to provincial levels (\$38,000 and \$41,000 respectively).
- In 2015, the after-tax incomes of the enumerated First Nations (\$19,336) were 47% of the provincial level (\$41,000). The enumerated First Nations include Flying Dust, Big Island, Thunderchild, Makwa Sahgaiehcan, and Waterhen.

Financial Position of Selected Municipalities

This project aimed to assess the potential fiscal impact of sharing resources across multiple communities. This objective was not realized due to differences in financial reporting methods. The broad nature of general ledger accounts (they do not reflect specific expense items) also inhibited this level of assessment.

However, we did compare the financial statements of various communities within the study area. Rising costs and declining revenues can place municipalities under financial stress because long-term financial sustainability is dependent upon ensuring that on average, over time, expenses are less than revenues. When an operating surplus is achieved, the amount is available for capital investment of future municipal spending that incentivizes economic development. The percentage of government services expense ranges from 21 to 32% in villages and towns within the study area and could be area to explore savings via co-operation.

The analysis reveals that the City of Meadow Lake as well as the RMs of Frenchman Butte and Mervin show recent year-end operating profits. While the villages of Loon Lake, Pierceland, and Green Lake show recent balanced budgets, they may nevertheless require extra funds to bolster their communities as attractive investment locations. A similar conclusion applies to the five First Nations included in the analysis. Flying Dust, Big Island, Thunderchild, Makwa Sahgaiehcan, and Waterhen. While the communities have the funds to maintain their levels of service, they may have limited discretionary spending to become more investment-ready. Appendix E provides an overview of community operating ratios.

Inter-Community Cooperation

There is some evidence of shared infrastructure projects within the region. Most notably, a regional landfill is in place, a joint effort between the City of Meadow Lake, the RM of Meadow

Lake No. 588, the Village of Goodsoil, the RM of Beaver River No. 622, and the Village of Dorintosh with a capacity to serve a population of 10,000. A super lagoon to serve Paradise Hill, the Rural Municipality of Frenchman Butte and St. Walburg was completed in 2020.

Further examples of collaboration within the trading area are:

[The City of Meadow Lake and Neighbouring First Nations](#)

There is a fair degree of collaboration with Flying Dust First Nation (part of MLTC) and Eagle Lake residents (part of Canoe Lake First Nation) due to their adjacent proximity to the city. Service agreements exist for the city to provide fire protection and water services. Two urban reserves were created by Flying Dust almost twenty years ago. City recreation personnel work fairly closely with Flying Dust due to the proximity of facilities (Flying Dust has their own recreational facilities but there is an overlap in program delivery).

Flying Dust is a treaty land entitlement band with the capability of purchasing 6,788 more acres of land. Currently, a portion of land within the city limits is being transferred to Flying Dust via treaty land entitlement. Development of this land by the First Nation may provide an opportunity for further partnerships such as shared road and water/sewer services.

[The City of Meadow Lake and the RM of Meadow Lake](#)

The RM fully surrounds the city and the two communities are interdependent economically. City and rural residents share the majority of urban services including health care, recreation, and education. Employment is shared by businesses located in the city as well as the RM. There is an agreement between the two communities recognizing RM resident's use of facilities and services. The RM provides the city with an operating grant for recreational facilities.

[North of the Divide Community Association \(NODCA\)](#)

The North of the Divide Community Association (NODCA) is a regional municipal group which incorporated in 2010 as a planning district commission and development appeals board. Today, NODCA is made up of the RM of Meadow Lake No.588, the City of Meadow Lake, the Villages of Dorintosh, Goodsoil, Loon Lake, and Pierceland.

NODCA completed a Community Action Plan in August 2010 which outlined several common goals, objectives, and strategies. Objectives included the development of cohesive standards for co-operative regional planning and the creation of fair and equitable enforcement to ensure the health, safety, and welfare of citizens in their area. An Official Community Plan was completed in 2016 and member communities have benefitted from the drafting of relevant bylaws.

According to an association member, NODCA may have been hindered by a disproportionate fee structure and voting system among members, as well as a lack of human resource capacity. Partner fees varied based on population and assessment but

each community received only one vote at the governance table. Two of the original RM's left the association and today it remains an informal forum for participating municipal councils and administrators to meet and discuss concerns relevant to the broader group.

Economic Development Efforts

The need to be economically self-sufficient and to provide a sustainable livelihood for their residents has resulted in the Meadow Lake Tribal Council (MLTC) and Flying Dust First Nation driving economic development within the trading area. The arms-length 'development corporation' model utilized by both MLTC and Flying Dust has been very successful in establishing sustainable revenue streams for Indigenous communities throughout Saskatchewan.

Aside from the First Nation communities, there does not seem to be any conscious investment by communities in economic development. The City of Meadow Lake acknowledged that this is somewhat of a gap within the municipality. The City financially supports the chamber of commerce with a facility to operate out of and an annual operating grant. The chamber takes the lead on tourism initiatives.

The local forestry mills are not located within the city tax base (they fall within the RM and First Nation land base), so they don't make up part of the assessments that pay for the infrastructure and facilities located within the City of Meadow Lake. The City has no major industry within its tax base, a tax base that skews high towards residential as compared to other cities in the province. A few years ago, the City acquired a sizeable parcel of land for future commercial development which has not yet materialized. Servicing this property will require several million dollars and to date, there has been no interest (private or public sector).

A serviced residential subdivision within Meadow Lake was developed by the city in 2000 and was projected to be fully sold within five to ten years. As of 2019, it remains only 70% sold. However, the lack of affordable housing in the City of Meadow Lake is identified as a significant gap from the perspective of Flying Dust First Nation.

Expansion of four-season destination tourism (and Indigenous tourism) within the trading area was identified as an area of opportunity from stakeholder interviews. The Meadow Lake trading area is in the heart of "lake country" and has benefited from increased residential growth and associated economic spinoffs over the past ten years. However, this has been unsolicited growth with no strategic lens on what may be required to retain and/or attract further residents.

Stakeholder Surveys and Interviews

A structured survey was administered to 27 municipal representatives (mayors, reeves, town councilors) to gather their opinions about the appeal of the study area to investment attraction initiatives. A structured telephone interview was conducted with ten industry/political

representatives with specialized knowledge about issues relevant to supporting existing businesses and attracting new investment. Detailed methodology and responses to the interviews and survey are located in Appendix D. Key discussion themes follow.

Economic Development

Respondents believe that potential exists for business attraction in the study area, especially firms in the natural resources sector. Moderate job creation (10 to 24) is viewed as probable. Across the various industries, respondents are fairly confident about the ability of new economic development to positively impact the local tax base.

Stakeholders are reasonably confident in the ability of municipal authorities to draw new investments to the trading area. They believe that particular emphasis should be placed on four strategic objectives: 1) promote access to up-to-date ICT, 2) promote regional tourism, 3) upgrade public infrastructure, and 4) encourage municipalities to share services.

While it is important to support the area's core industries (through the supply of a skilled workforce and renewed infrastructure, particularly ICT), stakeholders indicated it is also important to support a more diversified economy, such as wholesale and retail trade and tourism (both Indigenous and non-Indigenous).

A community's overall "quality of life" was identified as a major factor in attracting outside workers and businesses because it directly influences the number and types of people drawn to a community and therefore the composition of the local workforce. Quality of life indicators not only include wealth and employment, but also the educational and recreational activities available to communities.

Comments from interviewees:

Governments tend to rely too heavily on the private sector for ideas about attracting private investment in an area. Governments should do more to understand unique economic zones and use their resources to fund economic growth in rural areas.

Both the public and private sectors play an essential role in fostering regional economic development. However, in many industries (e.g., retail, wholesale, import-export, property development, tourism) the private sector tends to make up a large share of the local economy. Consequently, targeted efforts (e.g., to improve job retention, infrastructure, training, organizational advice) must improve the

framework conditions in the private sector to strengthen smaller-scale economic sectors.

Economic development efforts often emphasize relatively large-scale business opportunities and should do more to encourage the growth of small locally-owned businesses.

While corporations have a large presence in urban centers, their relationship with rural areas is often at arms-length. Regional offices will improve local corporate presence. Consequently, corporations can improve their ability to communicate their needs and interests to a local population.

Workforce Development

Aligning the education and skills of the local workforce with the needs of existing and new businesses was deemed critical for the future of the area. The Indigenous people living and working in the trading area are an asset that contributes to the area's prosperity. Helping Indigenous workers gain the skills and experience they need for the jobs of today and tomorrow will help them compete and prosper in the local labor market. Across the study area's various industries, respondents are moderately confident in the ability of new jobs to generate earnings comparable to the provincial average of \$1,070/week. However, respondents recognize that earnings potential will vary across the regional economy's various industries.

The economy is diverse and ever-changing. As a result, young people require the relevant education and training that will help them compete in and adapt to an unstable labor market.

Across the various industries within the study area, stakeholders are moderately confident about whether the current education and skills of the local workforce align with the evolving needs of prospective employers. One exception is the "professional sector:" 53% of respondents consider the study area to lack a suitably trained workforce to fill the needs of the professional sector.

Rural areas often make an extra effort to recruit and retain qualified workers, many of whom are drawn from outside a region. One outcome of this strategy is less incentive to train the locally available workforce. Consequently, more investment should be made to support local education and training. Training a local workforce will help reduce the need to attract outside workers.

Comments from interviewees:

Rural communities are often challenged to recruit and retain qualified workers. Efforts must be made to retain experienced workers while simultaneously training local potential workers.

Many sectors should make more effort to increase Indigenous employment, especially in more senior positions.

The workforce wants consistent work and higher-paying jobs. Creating such jobs requires developing a local workforce with the education and skills required by local industries and businesses.

Investments must be made to improve Indigenous workforce development through the hiring, retention, and advancement of Indigenous employees across many businesses.

Infrastructure and Amenities

Respondents are moderately content with the various resources (e.g., adequate housing, available real estate, healthcare facilities, education) currently available in their communities. They are particularly satisfied with their:

- Water availability
- Development/building permit process
- Development charges and off-site levies

Stakeholders are moderately confident that current hard and soft infrastructure systems contribute favorably to the target area's appeal as an investment location.

Comments from interviewees:

The private sector is often reluctant to contribute to infrastructure improvements in rural areas because of smaller rates of investment return. Consequently, infrastructure development in rural areas often lags behind centralized locations and is dependent on public funding.

Up-to-date ICT adoption (e.g., computers, wireless, Internet) has the potential to dramatically improve the quality of firms and is an increasingly essential dimension for firms to improve their competitive edge. Inadequate ICT adoption in rural areas means that many rural firms may not be able to fully participate and thrive in increasingly volatile and dynamic markets.

Many rural residents travel to larger centers to shop and spend their money. Developing a strategy to increase the number of regional shopping centers and amenities such as motels can encourage residents to shop at home.

Inter-Community Collaboration

Inter-municipal co-operation is an effective way for municipalities to tackle issues of mutual concern and issues that cross jurisdictional boundaries. Local strategies promoting economic development can be more easily implemented and disagreements resolved when municipalities work together. Potential regional opportunities for co-operating municipalities include road maintenance, medical care, job training, schooling, affordable housing, utilities.

Comments from interviewees:

I feel our municipal leaders are open to further relationship building with the First Nations. No one has suggested a reconciliation initiative as yet, as many other communities have started.

Municipal amalgamation can be a preferred option. Amalgamation can have several benefits: reduced duplication and expenditures; the consequences of investment risk can be more widely distributed; municipalities can build on shared opportunities and assets; consistent land-use policies and zoning bylaws reduce the risk for investors.

The provincial economy is diverse with some sectors offering more opportunities than others. Encouraging economic development requires inter-municipal co-operation and a targeted approach to identify those businesses and sectors that are more likely to prosper and grow.

Improve community relations with First Nation communities. This can involve a three-pronged approach (community leaders, police, bands) to identify issues of mutual interest and concern.

The tourism industry is important for the benefits it brings and due to its role as a commercial activity that generates employment. It also plays a significant role in preserving local culture. However, convincing tourists to visit your locale requires a strategic approach that encourages community co-operation.

Section 4:

Inter-community Co-operation as a Practice

Inter-community collaboration including regional economic development is widely accepted in other North American jurisdictions, and indeed worldwide. Structures of inter-community partnerships range from memorandum of understandings to planning commissions to formal governance models. In many cases, regional collaboration among municipalities is centered on service delivery and land use planning. In several of the regional models elsewhere in North America, important and costly municipal services such as water treatment and recreational services are moved to a regional or upper-tier level while less demanding services continue to be the responsibility of the local municipality.

In most models where two-tier systems are established, taxpayers view their local municipality as accountable for local services and responsible for municipal political decisions, including taxes. Decisions by local municipal councils may also have significant impacts on regional service delivery and costs. For example, if the local municipality continues to be responsible for development approvals or service extensions, their decisions will affect regional development plans.

An inherent problem with all arbitrarily determined administrative regions of any form (education, economic, etc.) is that they do not necessarily correspond to actual behavioral patterns. Also, when provincial agencies draw boundaries they typically want to “exhaust the territory” and ensure that all people and places are included in some region, and to construct regions that are large enough to be efficient from a management perspective. Where services or programs have a minimum efficient scale or economies of scale, it is tempting to include enough people in a region to reach these scale effects. However, in a rural environment, where people are dispersed, ignoring travel time and costs, as well as factors such as historic relationships, leads to regions that are often too big to be effective in practice. (Simms, 2014)

Benefits

The Federation of Canadian Municipalities has published the following benefits of inter-community co-operation:

- **Increased capacity, professionalism, and skills within staff.** It enhances their self-confidence and job-satisfaction; recognition of expertise enhances the status of communities at the provincial, national and international level;
- **Mutual Economic Benefits through long term partnerships.** It allows communities to focus on economic development and identify the types of support needed by local businesses to expand to the international stage.

- **Enhanced service delivery** can be an outcome of inter-community co-operation and potentially help to lower these costs for citizens by achieving economies of scale and allowing for the delivery of more efficient or enhanced utilities and services.
- Community co-operation **pools solutions and resources** to resolve local area issues, solve area-wide problems, and collectively meet the needs of citizens in the region. It can increase morale and enable communities to better understand the problems that they and their neighbors are facing to develop collective solutions. Citizens will also have access to expanded service choices.

Collaborative Factors

A literature review suggests that eight broad types of factors can affect the collaborative environment and ability for communities to co-operate to achieve common or compatible goals. These factors can be described as “push or pull” factors in the sense that they can either promote or hinder collaborative efforts. The factors can be social, economic, political, or environmental. Every region is unique, both in the driving forces that foster regional awareness and action and in terms of the capacities for addressing those challenges. This uniqueness works against drawing generalizations or promoting generic solutions.

These eight factors are:

1. ANTICIPATED BENEFITS AND COSTS

Feiock’s (2007) Institutional Collective Action Model is framed around the idea that territorial stakeholders are rational actors who will take into account available information, probability of events, and potential costs and benefits in deciding upon a preference for co-operation. While the perceived costs of entering into a partnership (e.g., concerns about unequal benefits or loss of autonomy) can discourage collaboration, when the anticipated benefits of co-operation are seen to substantially outweigh the risks and costs associated with possible collaboration, stakeholders are more likely to favor economic collaboration (Feiock, 2007; Ansell & Gash, 2008).

Some investments make a differential contribution to the economic viability of the community in which they are situated, vis à vis other nearby communities, while others are less site-specific in the way their benefits are conveyed. Partnering is more likely in those instances where the investment (eg: infrastructure) enhances the viability of all the partners more or less equally (or in proportion to their contribution) (Stabler).

2. INTERNAL AND EXTERNAL INFLUENCES

Inter-municipal collaborations are often initiated by external or internal pressures that prompt local governments to consider the need to collaborate. External

influences might include remote issues such as a changing provincial/national economy or increased urban pressure (Andersen & Pierre, 2010). On the other hand, mounting pressures to reduce out-migration, increase employment, or the desire to pool services and resources may be internal factors prompting regional co-operation (Bell, 2017). However, it is important to remember that since individual municipalities are unique, varying external and internal influences can place municipalities in different starting positions, which affects their ability to equally embrace collaboration; that is, those municipalities that are better positioned to benefit from co-operation may be more receptive to the idea of economic collaboration with other municipalities (Dahl & Hansen, 2006).

3. GOVERNANCE NETWORKS

When communities collaborate, they sacrifice a piece of autonomy and must take into account the increasing importance of other actors across the public and private sectors. Consequently, “strategic” governance is required, based upon fostering network relations among a new community of diverse actors with varying interests. Fostering communication and agreement across public and private sectors can be an ongoing challenge requiring strong political leadership (Andersen & Pierre, 2010).

The size of a governance network (e.g., a town will have a much smaller governance structure than a city), its organizational structure and established norms can be as important as the need for strong leadership (Bryson, Crosby, & Stone, 2006). A city may require multiple networks, which are distinguished by their costs and the involvement of a larger number of interdependent actors functioning within self-constituted rules and norms. Governance networks come in all shapes and sizes which can make it challenging for smaller communities to define their place and status within a larger network.

Two-tier governance models that split regional and local governance or service delivery can assist in maintaining an equitable distribution of political influence among various areas within the partnering communities. When pursuing a tiered regional approach, partners must consider the most effective way to balance decision-making power between the two tiers to ensure both remain viable and have clear responsibilities (John Burke, 2015).

4. ATTITUDES OF STAKEHOLDERS

The mindset that stakeholders bring into an evolving relationship can also be important. Stakeholders with a less individualistic, competitive mindset are typically more receptive to the idea of collaboration, even when the benefits of working together are ambiguous and uncertain (Anderson & Pierre, 2010).

Potential partnerships among communities that see themselves as competitors -- for retail dominance, for regional infrastructure, for economic development -- are more likely to be viewed by local administrators (and some residents) as representing the possibility of a zero-sum outcome (Stabler).

External actors can help quell the concerns of those stakeholders who value self-reliance and resist the idea of forging a collaborative governance cluster (Ansell & Gash, 2008). Organizations such as SEDA and the Saskatchewan Indigenous Economic Development Network (SIEDN), can play a critical role in quelling the concerns of stakeholders and championing collaboration.

5. GEOGRAPHICAL CONTEXT

Communities within a proposed collaborative framework may be near to each other or separated by distance. Neighboring nations, towns, villages, and hamlets may be receptive to the idea of collaboration because they share many of the same challenges and influences.

For example, the City of Meadow Lake is the main business center for the study area and serves several First Nations, towns, and villages that surround it. To the extent that the City's surrounding communities depend on the assorted services provided by the City and share its interests, these communities may be particularly receptive to the idea of entering into shared service arrangements and finding ways to share their economies and strategic advantages. However, it is important to keep in mind that Meadow Lake's dominant position can also foster a concern among smaller, less influential communities that they may lose control of regional issues and that larger municipalities will benefit over smaller ones (McCaffey, Faerman, & Hart 1995).

6. LEGAL, POLITICAL ENVIRONMENT

The legal and regulatory environment can constrain the ability of municipalities to easily interact with each other, particularly when First Nation partners are included. For example, land-use planning, the adoption of particular ordinances, property-taxation, or capacity to receive federal/provincial funding can affect a community's willingness and ability to easily co-operate with other administrative divisions for the shared use of resources. The political powers exercised by one municipality as well as its policies -- for example, environmental, land-use, and fiscal policies (e.g., ability to invest) -- created to meet its own needs might not match with the unique administrative powers and interests of another municipality.

The smallest places in the province face major governance challenges. Not only do they have small populations, but they also tend to have a very large share of elderly residents who may not have a strong focus on future economic conditions. Many of

these places tend to have difficulty in finding candidates for public office or volunteer roles, and local tax capacity is so small that there are few resources for any sort of investment.

7. ROLE OF INDUSTRY

Within rural economies, the importance of small business is frequently amplified. For example, the opening or closure of a café or automotive repair shop can have a significant impact on the community through infrastructure, employment generation, local wealth distribution, and provision of services. In Canada and throughout the developing world these micro-businesses offer an alternative to the lack of employment opportunities provided by the public sector or large firms.

Overall, the capacity of businesses to interact with the national or global economy will be constrained by a lack of skills development, yet there appears to be a reticence to improve the skills base among many smaller enterprises in rural communities. This can range from a low value being placed on training and development, and anxiety about being able to successfully compete with other areas, to a level of complacency or comfort from those who are running businesses for lifestyle rather than profit.

8. COMMUNITY IDENTITY

There are three primary observations related to the link between community identity and new inter-municipal structures. First, some sustainable level of community identity will typically survive based on the vibrancy of organizations such as faith congregations and service clubs within the community. It is not especially important to preserve local identity using municipal structure unless there is some reason beyond nostalgia. It is important, however, to preserve voluntarism and public participation in the local community, and the new co-operative structure should make this a priority.

Second, preserving individual community identities may be essential to achieving land-use planning goals within localized geographic areas. In that case, some institutional decision-making capacity may need to be maintained, even if the scope of decision-making authority is modest and does not extend to significant municipal services and infrastructure (a two-tier governance model).

Third, changing municipal structures may attempt to create a stronger sense of identity for the broader community. Under those circumstances, several measures can protect the interests of the local community while still allowing them to participate in the new co-operative structure. This can include localizing the cost and level of services and allowing for localized planning bodies that contribute to broader municipal planning processes (two-tier governance model).

Approaches

There are several broad types of structures predominantly used across North America to facilitate inter-community co-operation (John Burke, 2015).

Model	Description	Example
Rural-Rural Merger	<ul style="list-style-type: none"> Local rural municipalities combine Results in a reduced number of municipalities within a geographic area May lead to a single-tier rural municipality surrounding an urban center 	This is a voluntary option in many jurisdictions including Saskatchewan and Alberta.
Rural-Urban Merger	<ul style="list-style-type: none"> All municipalities within a regional area merged into a single urban-rural municipality It may be designated County or municipal district Most often single-tier governance unit 	This is a voluntary option in many jurisdictions including Saskatchewan and Alberta.
Urban – Urban Merger	<ul style="list-style-type: none"> Local urban communities combine Successful outcomes may be limited without the participation of the adjacent rural municipality or county if such exists. Most often single-tier governance unit 	This is a voluntary option in many jurisdictions including Saskatchewan and Alberta.
Amalgamation based on self-contained labor-areas(SLA)	<ul style="list-style-type: none"> Municipality boundaries aligned with SLAs, work, and residence patterns of citizens. Intended to rationalize link between taxpayers and services/infrastructure Looks at municipal government from “top-down” based on pre-existing SLAs. May overlook local concerns, differences, etc. when combining municipalities. 	<p>In 2012, the Government of Manitoba required amalgamation of all communities under a municipal population threshold of 1,000. 99 of Manitoba’s 197 municipalities had a population under 1,000 when the amalgamation process began and included 52 rural municipalities, 24 towns, and 18 villages.</p> <p>The amalgamation followed recommendations from Brandon University’s Rural Development Institute (RDI) to better align municipal boundaries with Manitoba’s eighteen self-contained labor areas². A suggested municipal taxable assessment threshold of \$130 million or more was also made by RDI. Four amalgamations resulted in municipalities that exactly matched SLAs, while 36 amalgamations were within SLAs and nine involved municipalities from different SLAs.</p>
Regional Planning and Service Boards	<ul style="list-style-type: none"> A regional authority with community representation Usually concentrates on providing a single service to citizens 	Over 250 Alberta communities are voluntarily engaged in 13 Regional Economic Development Alliances (REDAs) located throughout the province. The self-determined membership of these not for profit organizations includes local

² A self-contained labour area is a territorial unit where most of the residents with jobs are working in the area and most of the jobs in the area are filled by workers residing in the area.

		government, community, and business leaders who have agreed to work together with a shared vision to address a broad range of issues relating to long-term economic viability for their self-defined region.
Regional Contract	<ul style="list-style-type: none"> • A variation on the above ‘regional planning board’. Used when there is limited capacity amongst the partners • Municipalities contract for specific or general-purpose services from private suppliers; or, larger neighboring municipalities 	<p>In Saskatchewan, regional planning districts are an example of regional contract as well as the above regional planning board model</p> <p>Regional planning can come in a variety of forms such as planning districts, through inter-municipal agreements, or by co-operating with each other to engage in economic development such as the Prince Albert Regional Economic Development Alliance.</p>
Municipal Confederation	<ul style="list-style-type: none"> • Limited upper-tier or regional functions • May be urban/rural federation or federation of rural municipalities • May transfer local functions to the region (upper-tier) • Land-use planning approvals largely local • Most service-delivery local, not regional 	<p>In British Columbia, a ‘regional district’ structure was created by provincial legislation in the 1960s and has grown to provide a platform for a variety of planning and servicing functions. To balance regional and local priorities, municipal councils appoint directors to the districts to represent their local perspectives.</p> <p>Regional districts not only provide regional services, they often provide community-specific services, especially for rural communities that cannot otherwise organize, finance, and deliver a required service. The decisions as to what services a regional district provides, as well as what municipalities within the district access the service, are made by the individual regional district, allowing for significant regional and local autonomy.</p>
Municipal Federation	<ul style="list-style-type: none"> • Many municipal functions at upper-tier • May be urban/rural or rural only • Approvals for development and servicing regional • Costly services at upper-tier • Exclusive authority over long-term debt • Local municipalities may merge within the federation • May take on former provincial services (human services, etc.) 	<p>Quebec established county-based boards grouped into 104 regions. These boards provide venues for the municipal officials to meet, debate, and decide on issues including regional planning, economic development, and workforce development. The emphasis is on regional development across all sectors.</p>
Urban-First Nation	<ul style="list-style-type: none"> • When a First Nation establishes a reserve in or adjacent to an urban area it is considered an urban reserve. • When lands are purchased in an urban area the federal government requires that First Nations negotiate agreements with the 	<p>Saskatchewan is a leader in the development of urban reserves in Canada with over 50 created including two in the City of Meadow Lake.</p>

relevant municipal government to address land-use planning, bylaw harmonization, compensation for tax loss, compensation for basic municipal services, and a dispute resolution.

Rural – First Nation

- A First Nation - municipal service agreement is an agreement (either formal or informal) between a First Nation and a municipality where one level of government purchases municipal services from the other.
- First Nation - municipal service agreements may also refer to jointly funded and operated services.

Muskoday First Nation has an agreement with Prince Albert Rural Water Utility for piped water to its homes and buildings. The nation also has a Mutual Aid Agreement with the Birch Hills Volunteer Fire department.

Muskoday has completed a land exchange with the RM of Birch Hills and plans are underway to include this property in the North Central Lakeland Planning District.



Section 5: Harnessing Trading Area Potential

State of Inter-Community Co-operation in Saskatchewan

Efforts to encourage inter-community co-operation (regionalism) have failed to gain traction in Saskatchewan. The province stands apart in Canada and North America for having the highest number of municipalities (773) when judged on a population basis. This compares to 426 municipalities in Alberta (including districts) and 137 in Manitoba.

Per capita municipal governance ratios:

Saskatchewan	1552 citizens per governance entity
Manitoba	10,219 citizens per governance entity
Alberta	9,859 citizens per governance entity

Inter-municipal co-operation and municipal amalgamation have captured considerable attention over the past 80 years. Recurring themes include concerns about the ability of smaller governments to perform their functions, an interest in improving governmental efficiency, and the most effective organization to attract economic development. Despite repeated efforts to promote inter-community collaboration, proposals for mandatory amalgamations have failed to become either provincial law or policy, even though they have been recommended in reports by government-appointed commissions, task forces, and study committees appointed by the provincial government. The governing provincial policy requires amalgamations – or any form of intercommunity co-operation - to be voluntary and is not to be imposed by the provincial government. (He, 2017)

Saskatchewan experimented with voluntary self-organized rural development corporations during the 1980s. These were followed, in 1992, by 28 formal Regional Economic Development Authorities (REDA's) funded by the Province of Saskatchewan. In 2008, funding for REDAs was re-allocated to thirteen economic regions. These geographic areas, called enterprise regions, were determined by the Province based on commuting patterns and labor distribution. In 2012, the enterprise region program was dissolved and provincial funding for regional economic development was terminated.

The Province of Saskatchewan currently offers voluntary mergers of municipalities on a rural to rural or urban to urban basis. Rural and urban municipalities may also come together to form one governance entity called a municipal district. Since 2012, some communities have self-organized to work co-operatively propelled by the joint drivers of land use and economic development, and based on existing 'trading areas'. There are approximately twenty planning districts in Saskatchewan, although a number of them appear to be dormant.

Also, the following inter-community groups are currently operational:

- Saskatoon Regional Economic Development Authority has engaged Indigenous and non-Indigenous communities surrounding Saskatoon on a 'pay to play' basis in support of economic development and land use planning;
- MSMA Region, founded in 2012 as a district planning commission, was initially comprised of 14 rural municipalities, towns, and one city. The MSMA operates within a 'pay to play' framework and in recent years has prioritized economic development.
- In 2019, the Prince Albert Regional Economic Development Alliance was formed with founding members the City of Prince Albert, Rural Municipality of Prince Albert, Muskoday First Nation, Peter Ballantyne Developments, Town of Shellbrook, and the Rural Municipality of Buckland.
- The cross-border FDC Regional Economic Development Commission was created in 2016 encompassing the City of Flin Flon Manitoba, the Town of Creighton Saskatchewan, and the Northern Village of Denare Beach Saskatchewan.
- In 2020, four towns and five rural municipalities in the Coronach region signed an MOU to work together to pursue economic development opportunities and are now operating as the Southern Saskatchewan Regional Economic Development Partnership.

Several of these inter-community groups and planning districts are facing challenges in capacity and retention of member municipalities, similar to what was observed at NODCA within our study area. Working partnerships that are self-funded by participating municipalities/organizations by their very nature expect a return on investment. Success, therefore, is elusive as municipalities are hesitant to invest the funds needed to effectively implement a joint mandate, and this lack of operating capacity inhibits the demonstration of tangible results.

From the perspective of business and investment attraction, without direct consideration of related issues such as public service delivery and other impacts of multiple governance structures, the presence of over 700 communities in Saskatchewan inhibits their ability to survive. In the vast majority of cases, these communities operate without sufficient economies of scale and leveraging of regional competitive advantages. The majority of these communities will continue to be marginalized within the mainstream economy, largely unable to generate incremental secondary and tertiary growth in their local constituencies.

In Saskatchewan, we witness several long-standing "soft barriers" to collaboration and better development outcomes. These include:

- The transition of local leadership every four years (or less). This volatility inhibits relationship building and comprehension of the benefits and impacts of inter-community co-operation.
- Concern over loss of jurisdictional decision making.

- Fear of losing local place-based identities.
- High turnover of municipal administrative staff leads to a short term versus strategic lens at the local level.

Assessing the financial feasibility and ‘return on co-operation’ is challenged by the lack of consistent protocols in financial reporting. Allocation of expenses to the general ledger differs from community to community in Saskatchewan. As was observed in the study area, alignment in financial reporting by all administrative staff in a trading area must first be established, to explore fiscal impacts. Also, establishing a method of monitoring specific budget/expense lines within the general ledger is required to effectively assess the fiscal impacts of potential collaboration.

Saskatchewan has hundreds of communities and each one is unique. However, the socio-economic drivers that will shape their futures can be divided into three categories: a) how many people live there; b) the kind of work that these people do and c) the distance to major cities from these places.

Using a the Regional Foundations of Australia (Institute, 2014) as a model, we suggest that the following four groups of communities captures the diversity of rural Saskatchewan:

1. Regional Cities, which have populations of over 15,000 persons. They have diverse economies and the chance to use their size and diversity to shape their own future.
2. Connected Lifestyle communities/regions, do not have city population size, but are close to our major urban centres. They will be influenced by their connection with these cities.
3. Industry and Service Hubs are regional centres with between 2,000 to 10,000 residents, located further from the larger cities. Their performance is linked to industry outcomes, but their population size means they could be resilient to change.
4. Heartland Regions are smaller regional areas that are not close to either the major or regional cities. Industry trends and local ingenuity will shape their future.

Regional Economic Development Meadow Lake Trading Area

A bottom-up approach to regional development and inter-community co-operation begins with the trading area in which residents go about their day to day lives. Stakeholder responses and interviews from the study area indicate that the region may be open to further collaboration within the neighboring municipalities and First Nations. The City of Meadow Lake acknowledged a lack of focus on economic development. Rural municipalities within the trading area are not engaged in proactive economic development and yet they have identified the need for business development to retain and expand their communities.

The existence of NODCA lays a foundation to grow inter-community land use planning elsewhere in the trading area. Opportunity mapping of existing, and future land use (residential, commercial, industrial, institutional) could be addressed for the broader serving area. Environmental challenges and opportunities such as hazardous lands, heritage, habitat,

public safety, emergency services could also be mapped. Centralizing resources such as experienced economic development and planning personnel for the region could support NODCA and expand its return on investment to members with the inclusion of economic development outcomes.

The pandemic has afforded rural areas, including the Meadow Lake trading region with a window of opportunity, a strategic advantage. Compared to many large urban centers, rural Saskatchewan is competitive by offering a lower cost of living and high quality of life. But the caveat is that rural residents have access to critical high-speed broadband networks as do folks in the large urban centers.

Placing a focus on ICT was deemed a priority in stakeholder interviews within the study area. The Institute for the Future, a non-profit organization identifying emerging trends and their impacts on society, states that up to 85 percent of jobs in 2030 do not exist today. The 10 GB (gbps) network is rapidly becoming the basic broadband standard for connectivity to support industry and education.

A regional partnership within the trading area could establish state of the art broadband, laying the foundation for an economic ecosystem that spawns job creation, investment attraction, and innovation. With the success of the development corporation model evident in Flying Dust First Nation and MLTC, there is certainly potential for a community ownership approach to connectivity.

Flying Dust First Nation is a treaty land entitlement band with the capability of purchasing 6,788 more acres of land. Given the city of Meadow Lake has little to no land for development, there is potential to develop within the city and/or rural region linked to specific sector development as well as affordable housing development.

Underlying the potential for a regional economic development focus is the lack of formal reconciliation initiatives within the region. The opportunity to strengthen formal and informal relationships between the First Nations, the City of Meadow Lake and other municipalities via economic reconciliation exists.

POTENTIAL SECTOR STRATEGIES

Agriculture

Increasing global demand for food, feed, and fuel will require a growing value-added agriculture industry within Saskatchewan that supports primary production, uses innovative processing technologies, and builds partnerships with private and public players committed to the same goals. Based on crop availability in the trading area, rural communities and First Nations have an opportunity to position themselves as a destination for value-added agricultural investment that supports and leads to innovative practices.

It should be noted that there is little Indigenous value-added agriculture production (associated with crops and food ingredients) in Canada. There is an opportunity for Flying Dust First Nation to diversify agricultural operations, moving into agri-value, and capitalize on growing consumer trends.

Given consumer consumption trends with respect to plant-based diets it would be prudent to establish strategies to diversify via value-added processing as well as greenhouse business development. New greenhouse technologies offer significantly reduced start-up and operating costs. With regards to developing a self-sufficient trading area, food security should be considered as a strategic priority.

Tourism

The region is already a destination for hunting, fishing, and camping but would benefit from a cohesive strategy to develop its collective assets and market them accordingly. The potential for an Indigenous tourism strategy and product is significant, possibly one that addresses reconciliation given the colonization history of this area.

The trading area is home to significant tourism assets such as Meadow Lake Provincial Park; Frenchman Butte National Historic Site; Steele Narrows Provincial Historical Park; Big Bear Trail Museum; Makawa Lake Provincial Park; and Bronson Recreational Site. The more diverse experience offered, regionally, the further from which people will come and the longer they will stay (which increases spending).

REGIONAL ENTREPRENEURSHIP ECOSYSTEM

Regional economic development strategies designed to stimulate new venture creation and increase employment frequently fail to deliver successful outcomes due to a lack of co-operation and coordination between the three levels of government, the public and private sector, and the academic community. Each group has its sub-culture, objectives, and self-interest. This results in a reduction in the overall effectiveness of all the programs and money spent to improve the economic conditions of a region. Developing a formal entrepreneurship ecosystem to include industry and the variety of actors in this sector is recommended.

BUSINESS RETENTION & EXPANSION

A formal business retention and expansion (BRE) program is recommended given the 2020 pandemic and likely incidence of pending business succession in the region. Most new jobs are created by existing firms. Keeping and facilitating the growth of an existing business is often easier than recruiting new industry. A properly executed BRE program should aim to:

- Listen to and address business concerns
- Learn about business growth or relocation plans, issues, and opportunities
- Learn about potential “spin-off” opportunities that may be created to increase new business start-ups and/or attract new entrepreneurs

- Identify perceptions of the community as a place to do business
- Identify barriers to growth and expansion

Increased interest in rural migration and particularly business acquisition and/or start-up has been an outcome of the 2020 pandemic. Business succession brokers such as Succession Matching³ are witnessing significant interest in rural business acquisition from unemployed individuals and/or those seeking a lifestyle outside of larger urban centers.

RESIDENTIAL ATTRACTION

The Meadow Lake trading area is in the heart of “lake country” and has benefited from increased residential growth and associated economic spinoffs over the past ten years. However, this has been unsolicited growth with no strategic lens on the attraction of developers and what may be required to retain and/or attract further residents (e.g future broadband bandwidth) . Communities that incorporate broader, longer-term, community development goals stand to gain more than those that take a piecemeal approach.

Affordable housing has been identified as a gap for residents in the proximity of the City of Meadow Lake. An inventory of housing stock in the rural areas may provide options and inform a regional housing strategy.

SUPPLY CHAIN DEVELOPMENT

While planned oil and gas expansion is currently on hold, this sector should not be discounted. Supply chain development could also be explored in the areas of renewable energy, forestry, and biomass.

WORKFORCE DEVELOPMENT

Businesses and organizations need access to talent regardless of location. Business growth and investment attraction are increasingly being driven by the skills and education of the market’s workforce. The high unemployment identified within First Nation communities points to the importance of skills development in the region. Consequently, it would be prudent to undertake a workforce development strategy to further a better understanding of the region’s labor market and develop strategies to close gaps and address challenges.

INVESTMENT READINESS & MARKETING

For a community or region to increase its ability to meet the needs of its residents and businesses, it will need to attract inward investment. Investment attraction can benefit communities with opportunities in new industries, bringing in new or advanced technologies, and enhancing the local workforce with additional skills and knowledge. It is recommended that the region, first of all, assess investment readiness so they truly understand their assets and competitive advantages and disadvantages to strategically target investment attraction.

³ <https://successionmatching.com/>

Secondly, it is critically important to develop a prospectus for the region to attract potential investors and residents. The prospectus should be targeted for investment attraction and include information that is important to industry. This includes labor force, land-availability, utility capacity and costs, successful business operations, and regional collaborations, partnerships, and players.

Regional marketing is the next step in promoting the region. A regional marketing plan could be developed as part of the economic development strategy.

The Rural Economic Capacity Index

The Rural Economic Capacity Index (RECI), developed by Memorial University is an interactive benchmarking tool that helps define the capacity for functional regions in Newfoundland and Labrador.

RECI provides a basic assessment of the current strengths and weaknesses of individual communities in terms of factors that are important for its economic vitality and also assesses the competitive position of the community relative to its peers. This latter function is particularly useful given the potential for cannibalization in rural communities. Within a specific market area, communities can be substitutes or complements. Some communities may serve a specialized function, such as natural resource extraction, while others may be more oriented to the provision of retail or public services. As such, nearby communities would have different strengths and probably different development strategies, especially if individual strategies recognized the larger regional context. On the other hand, some communities may be competing for similar functions within a region, because they have similar structures.

In practice, RECI employs a set of indicators that measure aspects of importance to the economic structure of a community. Values for each indicator are rescaled over the +1 to -1 range with the provincial average set as 0. An algorithm is then used to compare the level of each of these indicators across communities located in geographic units. The tool reports a reliable score that varies for the community depending on the set of other communities it is measured within. A community can see how it compares to communities within a defined geographic area.

Although rural communities typically place a high value on their independence, the RECI can help reveal a basic degree of congruence that may exist between communities. The underlying assumption is that separate municipalities that have a high degree of congruence will, all things being equal, be more motivated to share resources and co-operate to further their economic and social development.

EVALUATION OF RECI

RECI filled a gap in the provision of basic socio-economic indicators for local leaders in Newfoundland and Labrador. It lays a foundation for a more comprehensive method of

assessing inter-community collaboration capacity which is discussed in the next section under Recommendations.

Inputs

RECI is restricted to narrow measures of economic wellbeing and does not include the broader indicators linked to personal welfare that are now well accepted as an attraction/retention indicator for residents and businesses. Examples of other key predictors missing from RECI are:

1. Regional land use and infrastructure.
2. Qualitative and primary data inputs to inform the business climate and culture within a community or trading area.
3. Grant and funding opportunities that could be leveraged for communities.

Scoring

Major input groups represent composite scores based on multiple variables combined into a single relative score. The scoring is a combination of pluses (e.g: at or above regional average) and minuses (e.g: below regional averages) and in some cases, the inverse score is reported. However, communities need to be able to see why they get +’s and –’s: a perfect score by exceeding regional averages by 1% might be misleading. A region could also get a neutral score if it exceeded regional averages by 50% on two measures and was below regional averages by 1% on two measures (Simms, 2014).

Assigned Weight of Inputs

The way the model is constructed involves a decision tree linked with variables and indicators and how they are aggregated into index numbers. This leads to the question of the appropriate weights RECI is using for composite indexes.

Index weighted overlay models are used where weight indicates importance. The demographic structure, location, economic structure, governance, and service characteristics of a community are assessed and assigned a relative score to reflect its economic capacity as well as assessing its labor market. However, the RECI has arbitrarily weighted these predictors will impact the overall results. (Simms, 2014)

Functional Integration Principle

RECI is linked to daily commutes (work-related), not weekly or monthly commutes (for services). Although the model acknowledges the potential impact of a broad regional labor market, it is the assessment of the intra-regional labor market and other economic indicators that ultimately reveals the long-term viability of a region and its ability to sustain an intra-regional labor market (Simms, 2014).

Section 6: Summary & Recommendations

There seems to be little support in Saskatchewan for either forced consolidation of communities or creation of a new universal tier of government, like counties. However, few small communities have the capability to survive autonomously in the long term. Without collaboration, the two most likely options are 1) cannibalization where one community absorbs the main economic activities in the area to the detriment of other communities, and 2) forced amalgamation or absorption at some point in the future.

Pro-active land use planning is foundational to successful economic development and the retention and attraction of residents and businesses. It is inter-jurisdictional by nature. Few communities exist as a geographical island without being impacted by the land base and natural assets within their trading area. Long-range land-use strategies linked to zoning and infrastructure yield robust economic development policies. Infrastructure mapping sets the stage for partnership building and investment attraction.

Over the past ten years, SEDA has strived to overcome community resistance to the concept of regional co-operation by building greater awareness for the naturally occurring interactions within trading area communities.

The reality is all communities in Saskatchewan have socio-economic zones – or trading areas - whereby there is a somewhat larger place that serves as a retail and public service hub, similar to what we see in the Meadow Lake trading area. Convenience⁴ or destination⁵ trading areas often encompass a geographic area of 100 km, or greater. Some of these trading areas may not capture a large enough economic base to be sustainable in the long term. However, many of these community clusters do have the potential for long-term viability, in our view, if they can overcome longstanding suspicions of the motives of their neighbors.

Furthering a voluntary bottom-up collaborative approach based on trading areas or ‘economic zones’ reflects the actual behavior of people in our province, where the opportunity for successful inter-community co-operation is much higher. Other approaches may be more likely to come up against the long-standing suspicion of coercive top-down approaches.

The opportunity now exists to pursue regional prosperity locally and provincially as we adapt to impacts resulting from the 2020 pandemic. Four primary recommendations form the outcome of this project.

⁴ A convenience trade area is based on the purchase of products and services needed on a regular basis, such as gasoline, groceries, and hair care. Because these purchases are relatively frequent, people usually find it more convenient to buy these products and services from businesses located close to their home or workplace.

⁵ A destination trade area is based on the purchase of “major” products and services, such as appliances or furniture, or of products and services that are distinctive or deeply discounted. People are willing to travel longer distances to do comparison shopping and purchase these kinds of items.

1. Implement a Trading Area Pilot

Survey responses and interviews within the region demonstrated interest in economic collaboration and reconciliation. An Indigenous workforce development strategy, as well as affordable housing, were two priorities identified. Regional economic strengths to be leveraged include the agriculture and tourism sectors. The region is already a destination for hunting, fishing, and camping but would benefit from a cohesive strategy to develop its collective assets and market them accordingly. The potential for an Indigenous tourism strategy and product is significant, possibly one that addresses reconciliation given the colonization history of this area. Based on crop availability in the trading area, rural communities and First Nations have an opportunity to position themselves as a destination for value-added agricultural investment that supports and leads to innovative practices. A gap in the regional entrepreneurship ecosystem is apparent within the study area. Efforts to retain and expand existing businesses and stimulate new ventures should also be considered.

A regional pilot would present an opportunity to further assess the fiscal impact of sharing resources across multiple communities. This will require administrative staff to align financial reporting methods and enhance the breakdown of expenses as compared to what is currently provided.

The existence of a planning district involving six municipalities is foundational to further inter-community land use planning in the trading area. Opportunity mapping of existing and projected land use (residential, commercial, industrial, and institutional) could be instituted on a trading area basis. Environmental challenges and opportunities such as hazardous lands, heritage, habitat, public safety, emergency services could also be mapped. Shared and centralized resources such as experienced economic development and planning personnel, will yield return a demonstrated return on investment for all partners.

The pandemic has afforded rural areas, including the Meadow Lake market with a window of opportunity, a strategic advantage. Compared to many large urban centers, rural Saskatchewan is competitive by offering a lower cost of living and high quality of life. But the caveat is that rural residents have access to critical high-speed broadband networks as do folks in the large urban centers. Placing a focus on information and communication technologies was also deemed a priority in stakeholder interviews conducted in the trading area.

Establishing a regional foundation to land use and infrastructure would be a timely move for the municipalities and nations in this region. With the established success of the economic development corporation model by Flying Dust First Nation and Meadow Lake Tribal Council, the potential exists to consider an independent community-driven approach to broadband, to ensure no one is left behind and generate own-source revenue streams for partner nations and governments.

We recommend that communities and nations within the trading area be approached to determine their readiness to engage in a regional economic initiative to:

- I. Focus on reconciliation, and build political and working relationships among elected officials, staff, and business leaders;
- II. Develop and implement a regional economic development plan. Such an initiative would function as a pilot for using a trading area approach to regional co-operation in Saskatchewan.

Proposed pilot deliverables could include:

- A “shared vision document” and friendship accord to include agreed-upon principles.
- An “agreement to move forward”. Participating communities and First Nations commit to generating Resolutions of Council to proceed within a regional partnership.
- A regional economic development plan with potential outcomes in the areas of land use planning; sector strategies; job creation and retention; regional entrepreneurship ecosystem; housing and workforce development.

2. Establish a Regional Development Service Hub

In Saskatchewan, we see a lack of capacity within planning districts as well as the inter-community groups which have formed to engage in regional economic development. Member communities have withdrawn from these groups due to a lack of demonstrated outcomes. Working partnerships that are self-funded by participating municipalities and organizations expect a return on investment. Success, therefore, is elusive as municipalities are hesitant to invest the funds needed to effectively implement a joint mandate, and this lack of operating capacity inhibits the demonstration of tangible results.

Aggravating the limited financial capacity of municipalities and planning districts is a deficit of experienced economic development professionals in the province. Lack of job creation coupled with more competitive compensation levels elsewhere in Canada has created a deficit in qualified and skilled workers in this sector.

As the backbone organization for community and economic development in Saskatchewan, SEDA has expanded community consulting along with program delivery over the past ten years. Leading action planning and providing mentorship to community leaders and staff has been a focus of our work since 2012. We recommend expanding our current role and service provision by establishing a formal ‘regional development service hub’ to pursue trading area partnership development across the province. A collaboration between SEDA, the Province of Saskatchewan; and various sector partners will provide a framework to spearhead regional co-operation, economic growth, and prosperity as well as align efforts to federal and provincial strategies.

Providing communities with much-needed capacity in the areas of community planning, economic development, and applied research will result in stronger regional economic integration, focused investment, and longer-term viability.

Utilizing the service hub to assist local communities and regional organizations to develop regional connectivity plans and digital readiness is also recommended.

3. Establish a Two-Tier Municipal Restructuring Option

For at least 80 years, municipal restructuring has been an important political issue in Saskatchewan. The Province of Saskatchewan currently offers voluntary mergers of municipalities on a single-tier basis: that being rural to rural; urban to urban; rural and urban. The Province of Saskatchewan does not offer a two-tier restructuring option within its current legislative toolbox.

Given the existing climate and culture within our municipal governance system and the high number of municipalities per capita, we suggest the creation of a two-tier model that includes local and regional governance and decision making, as an effective ‘first step’ to municipal restructuring. The existing planning district model already provides a two-tier platform for inter-community collaboration and lays a foundation for a two-tier restructuring option.

British Columbia is an example of a jurisdiction that offers a two-tier model entitled called a regional district. To balance regional and local priorities, municipal councils appoint directors to their regional districts to represent local perspectives. The decisions as to what services a regional district provides, as well as what municipalities within the district access the service, are made by the individual regional district, allowing for significant regional and local autonomy.

The regional district model could provide region-wide services such as economic development, investment attraction, and land use planning, as well as sub-regional services, such as recreation facilities where residents of a municipality and residents in areas outside the municipality benefit from the service. In places where regional districts provide infrastructure services such as landfill or water, a co-ownership and maintenance can be considered.

4. Develop a Cloud-Based Community Impact Tool

In rural areas of Saskatchewan, driving a ‘bottom-up’ approach to regional economic development is constrained by a lack of basic information on the nature of socio-economic conditions that is essential to understanding the best options for development. Even when information is available, it can be challenging for local leaders to convert data into useful information that helps them in their efforts. The majority of rural communities are relying on elected leaders and administrative staff with no formal exposure to economic development approaches or familiarity with data analysis.

In other jurisdictions, the practice of merging communities, particularly forced amalgamation, has often occurred using self-contained labor-areas as the primary determinant. In many instances, the merged communities had no significant degree of prior interaction, and both the process and outcome have been controversial.

Memorial University's RECI has assisted in addressing both of the aforementioned problems by providing communities with a package of socio-economic information about economic development potential that can provide leaders with a lens by which to assess their community as well as their peers. RECI aims to help define intergovernmental co-operation by isolating retail and service trading zones and the flow of workers.

Competition amongst rural communities in Saskatchewan is no longer a viable strategy. Employing benchmarking and optimization methodology can support the formation of economic regions based on self-organizing behavior and illustrate how the aggregate resources of all the communities can provide greater development capacity (Simms, 2014).

Building on the work of Memorial University, we recommend the development of a cloud-based decision-making tool that helps Saskatchewan communities identify opportunities for co-operation. The tool would be enhanced significantly from the RECI model to show both economic strengths and weaknesses within trading area communities to spur long-term collective action (e.g. identify the mutual need for improved services or leverage economic opportunities) and to help identify opportunities for a short-term fiscal benefit (e.g. reduce duplication of equipment to help pay for the improved services).

Required data will encompass both the micro-and macroeconomic realms. A Saskatchewan oriented tool would incorporate multiple evaluation methods (quantitative and qualitative) as well as composite and relative scores to evaluate the wellbeing of communities both before and after collaboration.

The tool would contain two components:

1. A general-purpose, web-based reporting tool to help explore high-level economic drivers in an area (e.g. economic structure and advantages) and;
2. An iteratively developed optimization tool to find the optimal arrangement of local resources (e.g. where to place the new facility to maximize community access and minimize maintenance cost). These pieces will be designed to help communities identify where they could work together to address areas of common need.

Economic Driver Component

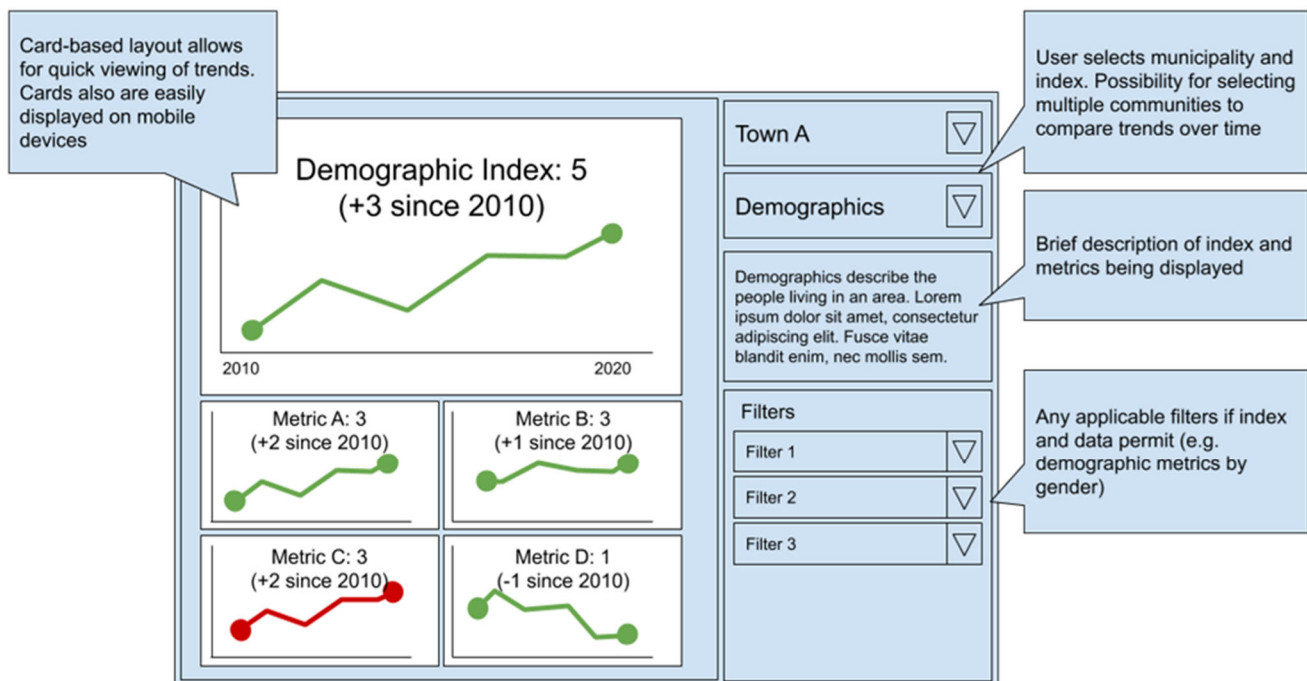
The long-term viability and wellbeing of communities are dependent on factors such as demographics, local economic structure and advantages, and the services, governance, and business environment communities provide to local organizations. These drivers form the foundation on which all other local activity is based. It is therefore important for communities to understand and monitor these economic drivers alongside those of nearby communities: if

neighboring regions can identify common needs or ways to pool their strengths, more effective long-term planning can result.

Through the Memorial University of Newfoundland, we have identified a base set of indexes that capture these economic drivers. They encompass demographics, economic structure, income, service level, spatial location, and governance, with each index containing multiple sub-metrics that can be analyzed and used to spur action. We have expanded on the Newfoundland Index to include additional relevant quantitative and qualitative drivers.

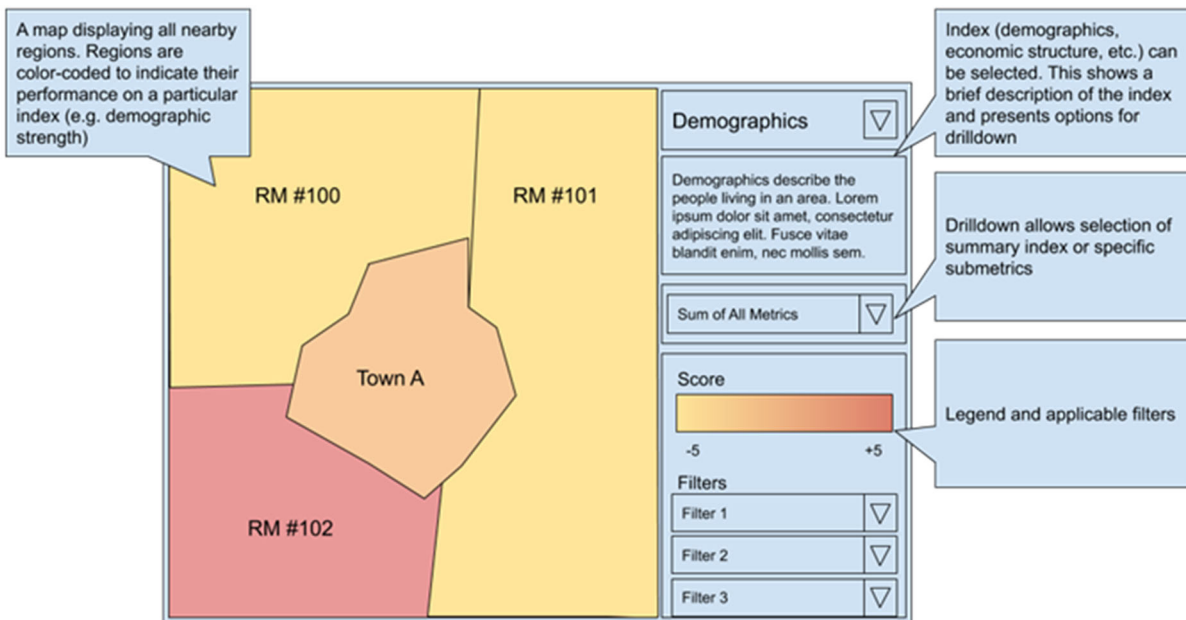
The tool would be cloud-based, making it easy to scale with more users. Users will be able to view trends in their local communities at both the index and sub-metric level. This would help local communities track their progress and needs over time, which would suggest areas where a community would benefit from local efforts or collaboration with its neighbors (see diagram 1).

Diagram 1



Map-based comparisons are also useful when gauging the performance and relative strengths of neighboring areas. We, therefore, recommend building an additional map-based view of the data. This would allow planners to get a birds-eye view of the strengths and weaknesses of a region and prompt discussions about what collective needs exist and how they might be addressed. By using these visualizations communities will be able to assess their local economic health in context (see diagram 2).

Diagram 2

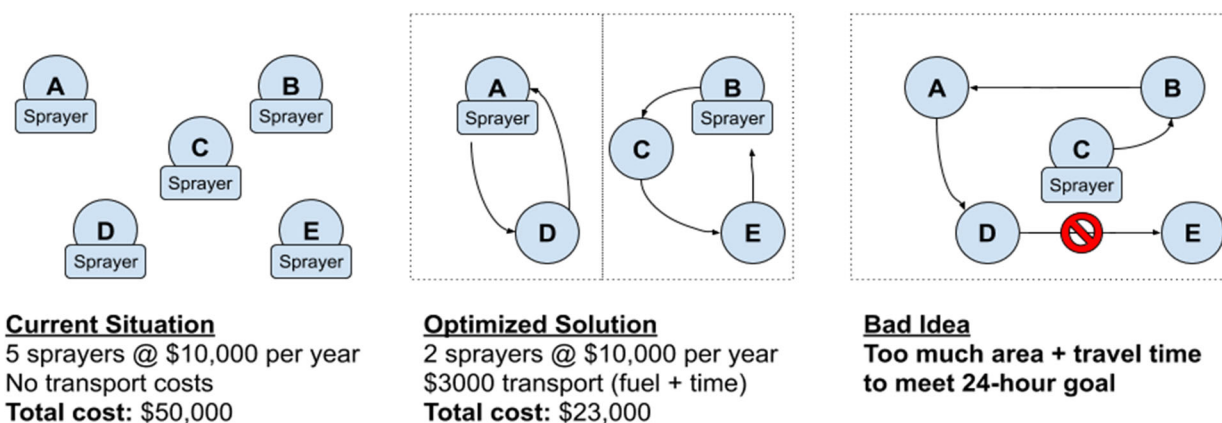


Fiscal Driver Optimization Component

Fiscal drivers are unique from regional economic drivers. Economic drivers are the foundation on which local organizations are built: they may not be directly within a community’s control (e.g. Demographics), the time horizon for change is long (e.g. dependence on a single industry), and their performance may only be meaningful to evaluate relative to other communities (e.g. number of amenities). More immediate fiscal drivers, which include things like local staff, equipment, and facilities consuming municipal budgets, *are* often within a community’s direct control. They can be increased or decreased through policy or purchase with immediate to medium turnaround times. Dependencies between the drivers (e.g. fuel for equipment) can be identified and, unlike economic drivers, it is often possible to quantify exactly how many a community or communities require to operate. This makes local fiscal drivers amenable to a technique known as *optimization*.

An *optimization tool* (or optimizer) takes a set of facts and scoring rules to find the optimal arrangement of resources that meet a set of constraints and goals. Optimizers are used anywhere cost-benefit analyses and resource constraints exist, allowing organizations, planners, and governments to answer questions relating to investment, resource planning, and development strategies. Optimizers are known to frequently identify non-intuitive problem solutions and can reveal how organizations can collaborate to reduce their collective workload and maximize their collective benefit. Optimizers almost always rely on well-established *optimization engines* to perform the core computational operations (e.g. OptaPlanner) leaving the project team to focus on the problem’s facts, scoring rules, goals, and constraints.

As a practical example, imagine a cluster of five communities needs to control mosquito populations. Each town currently has its own spraying machinery that is expensive to maintain and operate but sits largely idle each year. The communities want to reduce their individual costs and so decide to share equipment, but a question quickly appears: how many are needed to ensure everyone can spray within 24 hours of finding standing water? An optimizer can be used to answer both concerns. By presenting it with a set of relevant facts (the area to be sprayed per town, the travel time between them, the required operators and transport equipment), the scoring rules (cost of travel, equipment, and people), the facts that can change (which machinery to keep and what areas they will service), and the goal and its constraints (find the least cost way to ensure a maximum 24-hour turnaround time), more effective solutions can be identified.



The list of local fiscal drivers that could benefit from community collaboration is ever-growing. Like most software, optimization tools are best built incrementally (if a holistic view is needed) and/or as a suite of smaller tools used where appropriate (if specific questions are the norm). Early users of the tool or toolset would therefore identify their key set of fiscal drivers to optimize (e.g. facilities & equipment, shared staff, etc.), the data that would be required or need to be estimated to optimize those drivers (e.g. facility maintenance costs per year, staff numbers and wages, etc.), and the tool or toolset would grow with need. Some examples of the fiscal drivers that could be included can be found in the Inputs Inventory in Appendix A.

Once an optimization tool has been sufficiently developed it may be possible to use it as a general-purpose reporting tool. Communities looking to collaborate would supply information required by the tool and then receive a report about where fiscal overlaps exist, which could provide evidence for existing ideas (e.g. there is \$500,000 in excess machinery: sell some), reveal new options (e.g. development approval delays cost \$5 million per year: consolidate approval processes and hire more staff to mitigate lost opportunities), or simply provide metrics to explore further, such as costs arising from duplication of roles, facilities, or equipment and/or areas that may be lacking the resources to do their work effectively. Refer to Appendix A for a list of identified economic and fiscal data inputs.

Appendix A: Community Impact Tool Data Inputs

Economic Drivers

These major groups of inputs represent composite scores based on multiple variables combined into a single relative score. The scoring is a combination of pluses (i.e. at or above regional average) and minuses (i.e. below regional averages) and in some cases, the inverse score is reported. Expanding on the basic framework and indicators used by RECI, a rationale will be provided to users as to why they are receiving plus or minus scores.

ECONOMIC INPUTS (Source: SEDA modified from RECI Memorial University)	
Variable	Indicator (raw data)
Demographics	<ul style="list-style-type: none"> • Age structure measures the sizes of different age groups • Participation rate measures the percentage of eligible residents in the workforce • High school completion measures percentage of workforce with a high school diploma • Total population. A community's size represents labor market capacity as well as the ability of the local labor market to support local services • Working-age population. A larger working-age population suggests more immediate employment potential for the workforce • Education level refers to the degree of educational diversity within the labor force. A diversified workforce indicates a well-balanced and trained labor market • Non-university but postsecondary refers to the percentage of the workforce that has a college or trades diploma
Economic structure	<ul style="list-style-type: none"> • Percentage of primary versus secondary industries. This factor refers to the percentage of the workforce employed in resource extraction and manufacturing industries. A large percentage of the workforce employed in primary industries may indicate an over-dependence on the sector • Self-employment ratio provides a measure of local creativity and internal growth • Employment insurance ratio refers to the percentage of earnings in a community derived from employment insurance. A high rate of unemployment indicates low labor force utilization • Distance to the retail center is based on road distance and proximity to retail centers. Some rural communities have limited access to the retail centers in larger communities • The three largest employers refer to the reliance of communities on their primary employers • Availability of accommodations for short and long stays • Average housing prices and rental rates • Labor costs • Business sophistication refers to economic diversity (export/import, large vs small) • Presence of supporting institutions
Income	<ul style="list-style-type: none"> • Market income refers to the percentage of community income derived from market sources • Transfer payment income is the percentage of a community's income that is derived from government transfer payments

Service level	<ul style="list-style-type: none"> • Distance to post office. The proximity to a post office is a competitive advantage. • Distance to high school. Proximity to a high school is a competitive advantage. • Distance to the hospital. Communities near a hospital have a competitive advantage over communities with lower or no accessibility • Availability of public transportation: 1) local and 2) regional • Average commute times • Distance to the airport
Spatial location	<ul style="list-style-type: none"> • Distance to urban center measures access to larger urban centers as well as the amenities and opportunities found in these centers • Distance to the primary highway measures a community’s degree of access to the province’s primary transportation network • Distance to tourist destination identifies a potential to capitalize on spin-offs generated by tourism
Governance	<ul style="list-style-type: none"> • Grants received. Generally, communities with a high value of grants received from other levels of government have a competitive advantage • Elected officials’ turnover assesses voter interest in local issues • Multi community organizations. Number of multi-community organizations that a municipality participates in • Volunteer organizations. Generally, communities scoring high tend to have both strong interregional and interregional socioeconomic linkages
Business Climate	<ul style="list-style-type: none"> • Availability and cost of business inputs (tax rates, energy, labor) • Ease of doing business (local survey qualitative) • Labor force productivity (local survey qualitative) • Satisfaction rating of public services (qualitative) • Increased diversity of businesses in the economy (business licenses) • Businesses attracted (by industry or sector) versus all businesses(from sales of licenses) • Level of connectivity – residential and business • Utility infrastructure – capacity to handle additional residences and business
Land Use	<ul style="list-style-type: none"> • Presence of land use plans and bylaws • Inter-community versus single community Industrial and residential land for development – serviced versus un-serviced
Social Capital	<ul style="list-style-type: none"> • Presence of institutions and organizations

Fiscal Drivers

Three basic groups of inputs to assist in measuring the potential for inter-municipal collaboration are suggested for the fiscal optimization component. (Source: SEDA)

Human Resources and Skills Development	Infrastructure and Equipment	Regulatory and Financial
<ul style="list-style-type: none"> • Licensed Planner • Bylaw Enforcement Personnel • Community Safety Officer • Rescue Squad • Leadership positions eg: Fire Chief • Leadership Training • Governance policies • CAO and Staff certification & training expenses • Recreation and economic development personnel • Human Resource Professional • Annual maintenance of certification costs eg: RMAA & UMAAS • Public works staff training and/or certifications such as Dutch Elm Disease; Pesticide Application; Emergency Measures; SWWA; Asset Management • Audit Fees • Assessment Fees- SAMA • Printing • Council Travel Expense • Staff Travel Expense • Policing cost 	<ul style="list-style-type: none"> • Health care facilities • Recreation facilities and programs (rink; pool; ball fields) • Cultural facilities and programs (museum, library, art gallery) • Community halls • Dedicated facilities to other population groups eg: seniors • Specialized public works equipment • GIS mapping and other software • Animal control facilities • Municipal office overhead • Maintenance, Materials, and Supplies (various departments) • Gravel/Sand • Building Maintenance Materials & Supplies • Chemicals 	<ul style="list-style-type: none"> • Process for revenue assessment appeals • Tax levy supporting new facilities • Land-use bylaws and zoning • Consistency in road class & overweight restrictions • Facility use • OHHS Act compliance – for municipal office/public works/recreation staff, etc • Insurance – building, and liability (eg: annual \$40k for a population of 1600)

Appendix B: Resource Inventories

Table 4 profiles four rural municipalities in the target area. Table 5 profiles three towns in the trading area. Table 6 profiles six First Nations within the trading area. Since the City of Meadow Lake is a central trading hub, Table 7 profiles the City alone. Where relevant, statistical data has been sourced from the 2016 Statistics Canada Census.

Table 4: Inventory Rural Municipalities

Communities	Loon Lake No. 561	Frenchman Butte No. 501	Mervin No. 499	Beaver River No. 622
Total population	756	1,494	1,256	765
Age 15-64	M = 235; Female = 230	M = 460; F = 455	M = 360; F = 375	M = 400; F = 365
% pop Working in an Industry	Agriculture, forest fishing, hunting 31% Retail trade 13% Health care 9% Accommodation /food service 6% Mining/Oil and gas extraction 3% Education services 3%	Agriculture, forestry, fishing, hunting 33% Mining/Oil and gas extraction 10% Construction 10% Retail trade 7% Transportation/ warehousing 7% Public administration 7%	Agricultural, forestry, fishing, hunting 26% Construction 8% Retail trade 8% Mining/Oil and gas extraction 7% Education services 7%	Agriculture, forestry, fishing, hunting 22% Construction 16% Mining/oil and gas extraction 11% Retail trade 11% Public administration 6%
Transportation	Saskatchewan highways 21, 26, 55, 304, 699 Loon Lake Airport	Railways and stations: North Battleford – Turtleford Branch C.N.R Saskatchewan highways 797, 21, 26, 795, 3	Saskatchewan Highway 3, 26, 303, 794, 795, 796	
Attractions	Bronson Provincial Forest Bronson Recreational Site Fowler Lake Rec Site Big Bear Trail Museum Nesset Lake Rec Site Pine Cove Resort Silver Birch Bible Camp	Communiplex (hockey, curling, bowling alley, skating club, baseball), K – 12 school,	Turtle Lake Recreation Site Bright Sand Lake Regional Park Community Centre (hockey, figure skating, baseball, golf course, curling)	
Health and Emergency	Ambulance/fire/special care home, Medical clinic, RCMP	St. Walburg: Health clinic Paradise Hill: Clinic, addictions counseling public health, senior care, ambulance	Riverside Health Complex, Long-term care unit, Medical Clinic, ambulance, Handi-Van for disabled residents	
Services and Resources	Canada Post, Ernie Studer School, Sask Power, Loon Lake Hotel, Loon Lake Golf Club, Loon Lake Library, Pine Cove Resort	Chamber of Commerce, waste disposal site, water plant, Volunteer fire department (Paradise Hill), Synergy Credit Union	Waste management, fire depart., RCMP detachment	The regional volunteer fire department, water, and sewage, waste disposal,

Table 5. Inventory Towns of Turtleford, St. Walburg, and Big River

Towns	Turtleford	St. Walburg	Big River
Population	496	689	700
School	Turtleford Community School (K to 12); a pre-school program is also offered	St. Walburg School (K to 12)	Public High School (grades 7 to 12) TD Michel Public School (Pre-K to grade 6)
Main Industries	Mining, oil and gas, construction, agriculture, retail trade, health care, accommodation	Mining, oil and gas, agriculture, retail trade, transportation, education, health care, accommodation	Agriculture, construction, manufacturing, retail trade, transportation, health care, education, accommodation
Water/sewer services	√		
Waste management	√	√	
Street construction	√		
Water quality	√		
Waste Management	√	√	√
Fire Fighters	√		
Emergency management	√		
RCMP detachment	√		
Health and Wellness	<ul style="list-style-type: none"> • Riverside Health Complex • Long-term Care Unit • Riverside Medical Clinic • Ambulance Services • Senior housing 	<ul style="list-style-type: none"> • St. Walburg Health Clinic 	<ul style="list-style-type: none"> • Big River Health Centre • Ambulance • First responders
Financial	<ul style="list-style-type: none"> • Credit Union • Dickens Investments • Turtleford Agencies 	<ul style="list-style-type: none"> • Synergy Credit Union 	
Recreation	Skating/hockey club, curling rink, baseball/softball diamonds, community functions (dances, trade shows, graduations, weddings etc.), campground, golf course, museum, library, hotel	Skating, curling, bowling; outdoor recreation (ball diamonds, golf course, playground)	Legion, gym, hockey club, seniors club, golf club, P.A. National Park is 30k from town,

Table 6. Inventory First Nations

	Waterhen	Flying Dust	Makwa Sahgaiehcan	Island Lake	Thunderchild	Big Island
On-reserve Population	983	600	923	878	630	733
Tribal Council Affiliation	Meadow Lake	Meadow Lake	Meadow Lake	Meadow Lake	Independent	Independent
Health clinic/hospital/community care	Waterhen Clinic	Tribal Council provides services	Health center provides many services	Health clinic provides many services	Health center provides many services	Health center provides many services
Post office	√					
Sanitation services					√	
RCMP detachment	√				√	
Water utility				√	√	√
Arena	√					
Childcare		√	√	√	√	√
School	Waterhen School Nursery - Gr. 9	Kopahawakenum School (K-4)	Makwa F.N. School Nursey - Gr. 12	Island Lake School	Thunderchild School K - Gr. 12	Chief Napew Memorial School Pre-K – Gr. 12
Housing Services: funding, maintenance	√	√	√		√	
Fire Department			√		√	
Water Utility	√	√	√		√	
Band administration office	√	√	√	√	√	√
Connectivity Bandwidth	1.5Mbs/128Kbs	1.5Mbs/128Kbs	5Mbps/640bps	1.5Mps/128Kbs	5Mbps/.640Kbps	1.5Mbs/128Kbs
Child and Family Services	√	√	√	√		√
Community based justice services	√	√	√			
Bank	First Nations Trust	First Nations Bank				
Community hall		√				
Youth/family services	√	√	√	√	√	
Radio station		√				
Road maintenance					√	

Table 7. Inventory City of Meadow Lake

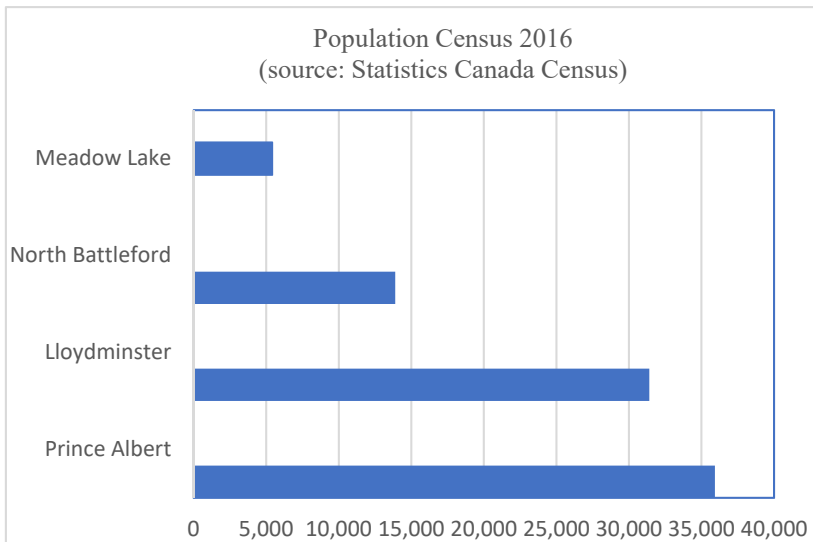
Description	City of Meadow Lake	
Population	Total (2016) = 5,344; core working age (25-54): M = 995, F = 1,120	
Percentage of Working-Age Population working in a Major Industry	<ul style="list-style-type: none"> • Agriculture, forestry, fishing, hunting 18% • Construction 8.0% • Manufacturing 15.0% 	<ul style="list-style-type: none"> • Retail trade 10% • Education services 9.0% • Health care 7.0%
Services	<ul style="list-style-type: none"> • Road maintenance • Water treatment and sewage disposal • Waste disposal (industrial, commercial, residential) • Primary Health Care • RCMP detachment • Arena, civic center, aquatic center, tennis courts, golf club, curling • Public library • Chamber of Commerce • Hotels/motels (5); B & B (2), Lodges (1), Cabins (4), campground (12) 	
Schools	<ul style="list-style-type: none"> • Local media: Northern Pride newspaper, two FM stations • Meadow Lake Prov. Park; Lion’s Park, Nessel Site, Saint Cyr Hills Trails site • Tourism info. center • SaskPower stations and service • Innovation Credit Union, RBC, CIBC • Shopping services 	
Schools	<ul style="list-style-type: none"> • Three elementary schools (K-6) • Two junior and senior Schools (Gr. 7-12) • Post Secondary: Northwest Community College provides on-site programming to 20 regional communities. College provides adult education options, including Adult Basic Education, GED training, Industry Skills Credit as well as university undergrad courses and a BA and MA in education through the University of Regina 	
Transportation	<ul style="list-style-type: none"> • SK Highways 55 and 4 • CPR (Prince Albert, Meadow Lake, North Battleford) • Meadow Lake Airport • Bus lines: Multi works Handivan (local availability) • Motor Freight Carriers: Kindersley & Jay’s Transport 	
Economy/Key Industries	<p>The City’s heavy industry is dominated by the primary forestry industry and related services, including trucking and forest management companies. A major component of the economy is the surrounding First Nations communities. Tourism, fishing, agricultural grains, livestock, dairy, and poultry industries also support the Meadow Lake economy</p>	
Recreation	<p>Skating and curling rinks, 18-hole golf course, tennis courts, regional park, race track, stampede grounds, gun range, five municipal parks, indoor swimming pool, climbing wall, five ball diamonds, soccer field, bowling alley</p>	

Appendix C: Socio-Economic Profile

Area profiles provide a basic framework for description and comparison. The types of demographics include population distribution by age, estimated populations, and growth, educational attainment, income levels, labor force statistics (participation and unemployment rates) as well as industry composition. The profiles can be used to highlight competitive advantages and disadvantages between comparator jurisdictions. The profiles are based on data from the 2011 and 2016 Statistics Canada Census of Population.

Population

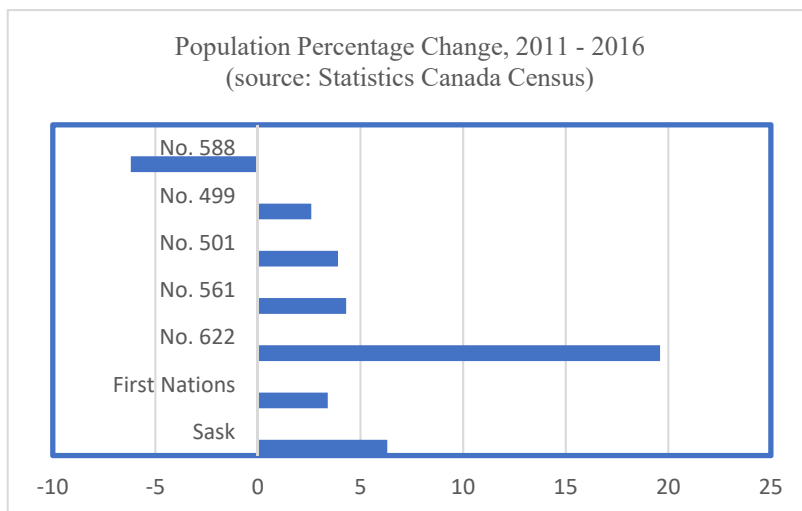
The chart below compares the population of the City of Meadow Lake with three cities within the geographical area: Lloydminster (distance = 187k; North Battleford (distance = 157k), Prince Albert (distance = 158k). As an indicator, population levels help define the size and scope of a municipality relative to others. As seen below, The City of Meadow Lake has the smallest population (N= 5,400) among the comparison cities.



Population Percentage Change, 2011 to 2016

The chart (below left) reports the population change from 2011 to 2016 for:

- √ 5 municipalities: (1) No. 561, (2) No. 501, (3) No. 499, (4) No. 622, (5) No. 588
- √ The combined average for six First Nations: Waterhen, Flying Dust, Makwa Sahgaiehcan, Island Lake, Thunderchild, Big Island
- √ Change data for Saskatchewan is included for comparison purposes



Looking at population change data, it appears that four of the jurisdictions are growing at a rate relatively consistent with each other.

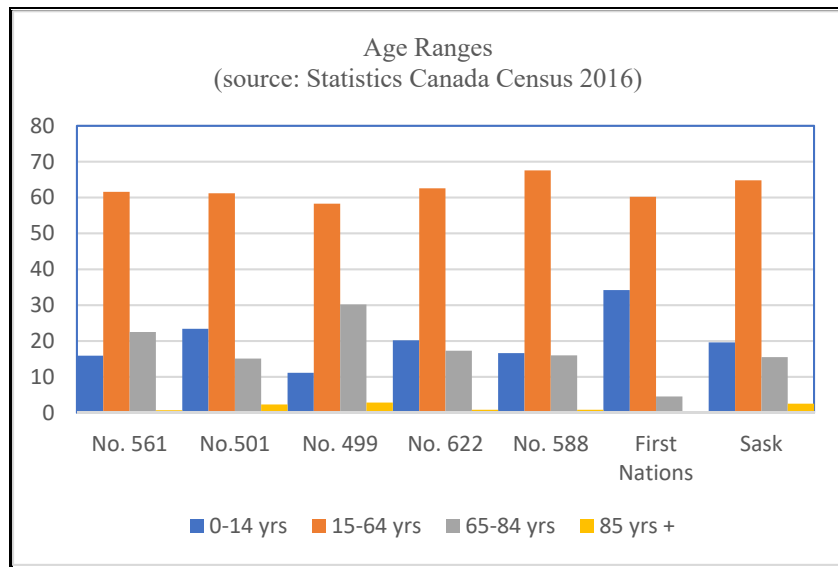
One exception is Meadow Lake Municipality No. 588, which lost 6.2% of its population between 2011 and 2016. Conversely, Municipality No. 622 had a population growth rate of nearly 20% between 2011 and 2016.

Percentage of Population within Each of Five Age Groups

The chart below reports the percentage of the population within each of five age groups: 0 – 14 years, 15 – 64 years, 65 – 84 years, and 85 years and older. The chart below reports data for:

- 5 municipalities: (1) No. 561, (2) No. 501, (3) No. 499, (4) No. 622, (5) No. 588
- The combined average for six First Nations: Waterhen, Flying Dust, Makwa Sahgaiehcan, Island Lake, Thunderchild, Big Island
- Age data for Saskatchewan is included for comparison purposes

Across the enumerated municipalities, in 2016, the average age was 43 years. In 2016, the provincial average was 39 years. The First Nations had the youngest average population (27.4 years). In looking at age distributions within each jurisdiction, the percentage of the population between the ages 15 and 64 years is relatively consistent. The percentage of the population of core working-age (25 to 54 years); those in their prime working lives compared to people 55 to 64 passing the peak of their career and approaching retirement) is similar across the enumerated municipalities and First Nations (5.6% to 6.5% provincial).

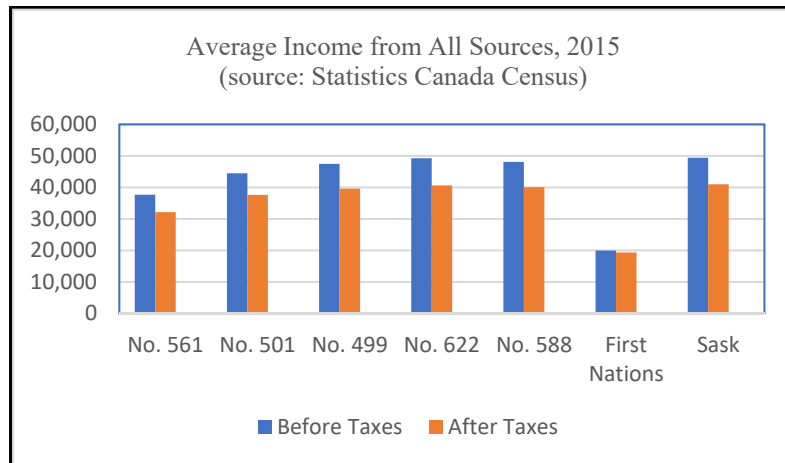


Income Levels

The following chart is based on income data provided by Statistics Canada 2015. The chart compares:

- 5 municipalities: (1) No. 561, (2) No. 501, (3) No. 499, (4) No. 622, (5) No. 588
- The combined average for six First Nations: Waterhen, Flying Dust, Makwa Sahgaiehcan, Island Lake, Thunderchild, Big Island
- Income data for Saskatchewan is included for comparison purposes

As seen below, before- and after taxes incomes among the enumerated municipalities are similar to provincial levels (\$38, 001, and \$40,993 respectively). The relative weakness of the First Nations is seen in terms of both “before taxes” and “after taxes” incomes. In 2015, the after-tax income (\$19,336) of the enumerated First Nations was 47% of provincial after-taxes income levels (\$40,993).

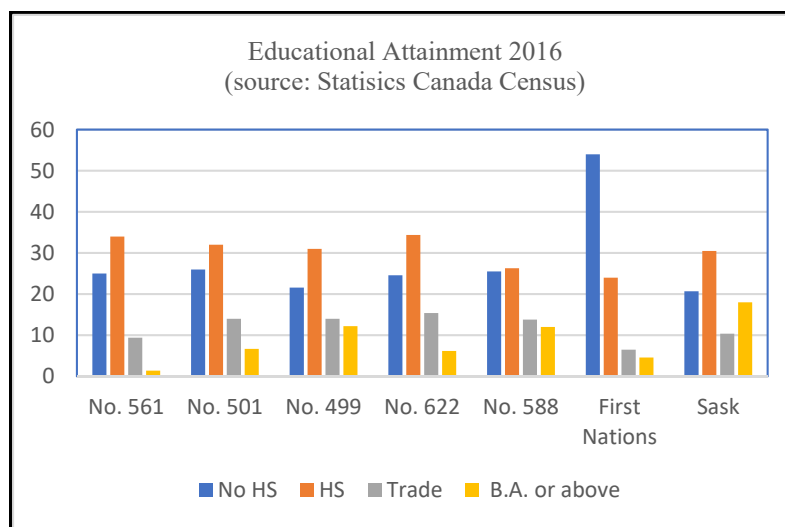


Educational Attainment

The chart below compares education data for four categories: (1) No certificate, diploma, or degree; (2) secondary diploma or certificate; (3) apprenticeship or trades certificate or diploma, and; (4) university at or above an undergraduate level for the following communities:

- 5 municipalities: (1) No. 561, (2) No. 501, (3) No. 499, (4) No. 622, (5) No. 588
- The combined average for six First Nations: Waterhen, Flying Dust, Makwa Sahgaiehcan, Island Lake, Thunderchild, Big Island
- Education data for Saskatchewan is included for comparison purposes

As seen below, the educational attainment levels are fairly consistent across the five municipalities, suggesting that the jurisdictions are not at a competitive disadvantage relative to each other or the province as a whole. However, the enumerated First Nations are clearly at a competitive disadvantage. As seen below, in 2016, the enumerated First Nations reported the lowest levels of educational attainment across three of the four categories. Only Municipality No. 561 reports a lower level of having a “university degree at or above the B.A.” level (1.4% vs 4.6% for First Nations). The relative weakness of the First Nations is greatest at the “no certificate, diploma, or degree” level (54% vs 21% provincial).



Labour Force Population Aged 15 Years and Over by Industry

Statistics Canada collects data on “employment by industry” at the community level. The table below reports 2016 data for:

- 5 municipalities: (1) No. 561, (2) No. 501, (3) No. 499, (4) No. 622, (5) No. 588
- The combined average for six First Nations: Waterhen, Flying Dust, Makwa Sahgaiehan, Island Lake, Thunderchild, Big Island
- Employment by industry data for Saskatchewan is included for comparison purposes

Table 8 reports the percentage of “total labor force population aged 15 years and over by industry.” The table highlights the size of each sector compared to the province. Statistics Canada uses the North American Industrial Classification System (NAICS) to categorize industries. As seen below, across the five municipalities, employment is most concentrated in the “agricultural, forestry, fishing, and hunting” sector (26%). For the First Nations, employment is most concentrated in the “public administration” sector (15%) followed by “healthcare/social services” (11%).

Table 8: Major Industries by Employment (percentages): Municipalities, First Nations, Saskatchewan (Source: Statistics Canada Census 2016)

Key Industries (NAICS code)	No. 561	No. 501	No. 499	No. 622	No.588	Avg. of 5 Municipalities	First Nations	Province
Agriculture, forestry, fishing, hunting	31.0	32.7	26.2	21.8	18.0	26.0	3.7	8.8
Mining, quarrying, oil and gas extraction	3.1	10.0	7.4	10.6	3.0	7.0	1.0	3.9
Utilities	0.0	0.0	1.6	1.4	0.7	1.0	2.4	0.9
Construction	6.5	10.0	8.2	16.2	8.1	9.5	9.4	8.4
Manufacturing	5.8	1.3	3.6	1.4	15.0	5.2	2.3	4.6
Wholesale trade	2.1	0.0	1.6	1.4	1.3	1.3	1.6	3.5
Retail trade	13.0	6.7	8.2	10.6	9.8	10.0	7.0	10.8
Transportation/warehousing	2.1	6.7	3.3	1.4	3.9	3.5	3.9	4.2
Information and cultural industries	2.1	0.0	0.0	0.0	0.7	0.6	0.0	1.7
Finance and insurance	0.0	4.0	2.5	2.8	1.0	2.1	1.6	3.4
Retail estate/rental and leasing	0.0	0.0	1.6	0.0	0.0	0.3	0.0	1.3
Professional/scientific/technical	0.0	1.3	3.3	4.2	4.6	2.7	0.0	4.3
Management of companies	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.2
Administrative and support, water management	2.1	2.0	3.3	2.1	3.6	2.6	1.0	2.8
Educational services	3.1	4.7	7.4	4.2	8.6	5.2	5.3	7.7
Health care/social assistance	9.4	8.7	8.2	4.2	6.8	7.5	11.0	12.4
Arts, entertainment, recreation	5.2	2.0	0.0	4.9	2.3	3.0	0.0	1.8
Accommodation/food services	6.3	1.3	5.7	2.8	2.6	3.7	1.5	6.5
Public administration	3.1	6.7	3.3	6.3	5.2	5.9	15.0	6.5

Location Quotient: Comparing Local Employment to Provincial Average

Table 9 reports the location quotient (LQ) for 5 municipalities: (1) No. 561, (2) No. 501, (3) No. 499, (4) No. 622, (5) No. 588; and the combined average for six First Nations: Waterhen, Flying Dust, Makwa Sahgaiehan, Island Lake, Thunderchild, Big Island and Province of Saskatchewan.

Location quotient (LQ) is a helpful way of quantifying how concentrated or dominant a particular industry is in a locality; that is, it can be used to compare an industry’s share of employees to the provincial norm. Following accepted economic theory. An LQ equal to 1 indicates that industry has the same share of its area employment as does the province; An LQ less than 1 indicates that the district has a smaller concentration of employment in a particular industry compared to the provincial average; An

LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case province-wide.

In the table below, significant industries (LQ > 1) are highlighted. For example, an LQ of 3 in “Agriculture, forestry, fishing, hunting” means that three times the amount of employment activity is occurring within the enumerated municipalities than the provincial average. The immediate conclusion drawn is that the industry is very important (in fact, 3x as important) to the target trading area when compared to the rest of the province. Conversely, among the enumerated First Nations, the LQ of .65 means that the industry has a low employment concentration compared to the province as a whole. The conclusion is that, among the enumerated First Nations, the sector is much less important to their employment activity when compared to the enumerated municipalities and the province.

Table 9. Location Quotients, Comparing Municipalities to Provincial Norms

Industries (NAICS code)	No. 561	No. 501	No. 499	No. 622	No. 588	Avg. of 5 Municipalities	First Nations
Agriculture, forestry, fishing, hunting	3.5	3.6	2.9	2.5	2.0	3.0	.65
Mining, quarrying, oil and gas extraction	.75	2.5	1.8	2.6	.70	1.7	.30
Utilities	.75	0.0	1.6	1.4	.70	1.0	3.0
Construction	.05	2.5	1.0	2.0	1.0	1.0	.78
Manufacturing	1.2	.30	1.0	.35	.35	.60	.78
Wholesale trade	.70	0.0	.50	.50	.40	.50	.10
Retail trade	1.2	.60	.70	1.0	1.0	1.0	.80
Transportation/warehousing	.50	1.6	.80	.35	.50	.70	1.2
Information and cultural industries	2.0	0.0	0.0	0.0	.12	.05	0.0
Finance and insurance	0.0	1.3	.80	1.0	.30	.70	.50
Real estate/rental and leasing	0.0	0.0	1.5	0.0	0.0	.30	0.0
Professional/scientific/technical	0.0	.33	.80	1.0	1.1	.60	0.0
Management of companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative and support, water management	1.0	1.0	1.6	1.0	1.8	1.3	1.4
Educational services	.50	.66	1.0	.60	1.2	.80	2.5
Health care/social assistance	.70	.70	1.2	.35	.60	.70	.80
Arts, entertainment, recreation	2.5	1.0	0.0	2.5	1.0	1.4	0.0
Accommodation/food services	1.0	.20	1.0	.50	.50	.60	.30
Public administration	.50	1.0	.50	1.0	1.0	.80	3.0

Shift Share Analysis: City of Meadow Lake

A shift-share analysis determines what portions of regional economic growth or decline can be attributed to national growth trends, national industry trends, and local factors. The most common economic variable used in the analysis is “employment” (Cheng, 2010). The analysis splits regional job growth into three components:

- National growth effects explain how much of a regional industry’s growth is explained by the overall growth of the national economy;
- Industrial mix effect is the portion of the change attributed to the performance of an industry’s national-level growth;
- The local share effect is the portion of the change attributed to regional factors and is the component of primary concern to the regional analysis.

Note. The analysis only includes the City of Meadow Lake due to a lack of data for the rest of the trading area. The shift-share analysis deals with job growth or decline over time. Although the 2016 Census Profile contains the required employment data, 2011 Census employment data was not archived by Statistics Canada.

Table 10 reports data for five industries in the City of Meadow Lake which in 2016, employed the largest share of the local labor force. As seen below, in the City of Meadow Lake, employment in the “Retail trade” sector grew from 380 to 420 jobs between 2011 and 2016. Of the 40 jobs gained, 6 can be attributed to national growth (which was 14.7%). However, the local share effect (25%) implies that 10 of the 40 jobs can be explained by favorable regional trends.

Of particular interest is the “health care and social assistance” sector because it experienced a 2011 to 2016 loss of 45 jobs. The national growth effect (14.3%) implies that had the sector followed positive national trends, the number of jobs in the City’s retail trade would have risen from 380 to 434 jobs between 2011 and 2016. However, since the local effect is negative (-.79), the effect implies that about 79% of the decline can be explained by local factors as apart from national trends. In other words, about 35 of the 45 job losses can be accounted for by unfavorable local trends. Although the factors causing the decline are unknown, in theory, the decline can be caused by a variety of domestic, foreign market, and governmental factors that impact employment (Property Metrics, 2019).

Table 10. Shift-Share: City of Meadow Lake, 2011 to 2016, Top Five Industries by Employment (sources: NHS 2011 and Census 2016)

Industry (NAICS code)	Share of Local Labour Force (%) 2016	Job Growth or Decline		National Growth Effect	Industry Mix Effect	Local Share Effect
		2011	2016			
Retail trade	15.8	380	420	14.7	.15	.25
Manufacturing	12.2	140	325	1.5	7.0	.65
Health care and social assistance	12.2	370	325	14.3	18.5	(.79)
Accommodation and food services	10.5	210	280	8.1	18.9	.42
Education services	10.2	200	270	7.7	-2.0	.63

Labour Force Population Aged 15 Years and Over by Occupation, 2016

Table 11 indicates the importance of a type of occupation to the economy of the trading area. The table below reports data for:

- 5 municipalities: (1) No. 561, (2) No. 501, (3) No. 499, (4) No. 622, (5) No. 588
- The combined average for six First Nations: Waterhen, Flying Dust, Makwa Sahgaiehcan, Island Lake, Thunderchild, Big Island
- The province of Saskatchewan is included for comparison purposes

Statistics Canada uses the National Occupational Classification (NOC) to classify occupations. As seen below, across the five municipalities, “employment by occupation” is strongly concentrated in three types of occupation: “management occupations” (23%), “trades, transport, equipment occupations” (20%), followed by “sales and service occupations” (16.4%). For the First Nations, “employment by occupation” is strongly concentrated in the “sales and service occupations” (20.4%) as well as in occupations related to “education, law, social/community services, government services” (18.4%).

Table 11. Labour Force Population Aged 15 and over by Occupation, Percentages (source: Statistics Canada Census 2016)

Occupation (NOC code)	No. 561	No. 501	No. 499	No. 622	No. 588	Avg of 5 Municipalities	First Nations	Province
Management occupations	26.0	24.0	24.6	25.9	15.3	23.0	5.8	3.8
Business, finance, and administration	7.3	6.7	13.1	14.0	10.7	10.5	7.7	13.8
Natural and applied sciences and related occupations	0.0	1.3	3.3	2.8	2.3	2.0	1.6	4.8
Health occupations	7.3	4.0	6.6	2.8	3.9	5.0	2.6	7.1
Occupations in education, law and social, community, government services	2.1	8.7	6.6	4.9	10.7	6.7	18.4	11.0
Occupations in art, culture, recreation	2.1	2.0	1.6	0.0	1.0	1.3	0.0	1.8
Sales and service occupations	20.8	18.0	17.2	10.5	15.6	16.4	20.4	21.2
Trades, transport, equipment occupations	18.8	19.3	18.0	21.7	23.5	20.0	12.7	17.0
Natural resources, agriculture, and related production occupations.	11.5	13.3	8.2	14.7	7.8	11.0	6.1	4.8
Occupations in manufacturing and utilities	3.1	2.7	2.5	2.1	8.1	3.7	1.3	2.8

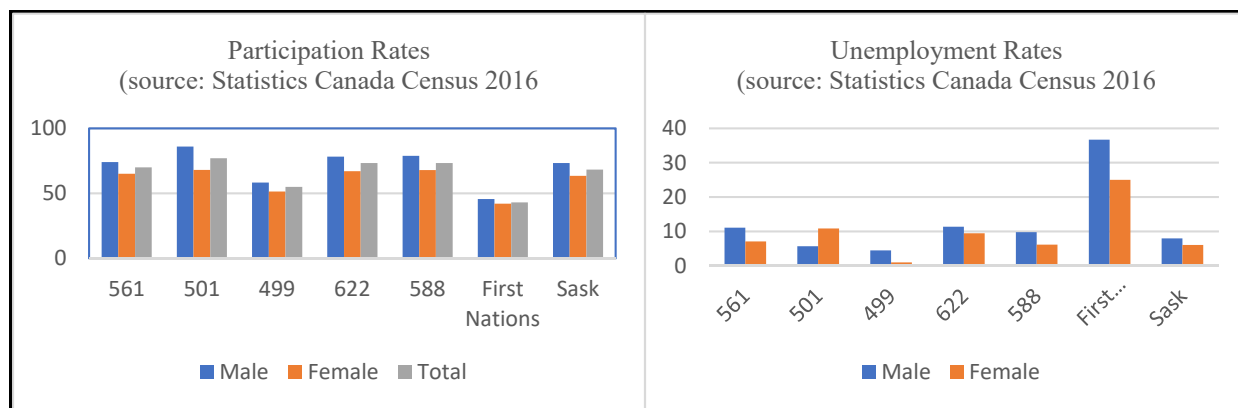
Labour Force Status: Participation and Unemployment Rates

Labour force participation is a key indicator of an area's economic well-being. The labor force participation rate measures the number of people who are actively job-hunting as well as those who are currently employed. It omits people of working-age who are not seeking work or are unable to work, including full-time students and homemakers, the disabled, and retirees (Kenton, 2019). The charts below report the participation and unemployment rates (male, female, total) for:

- 5 municipalities: (1) No. 561, (2) No. 501, (3) No. 499, (4) No. 622, (5) No. 588
- The combined average for six First Nations: Waterhen, Flying Dust, Makwa Sahgaiehcan, Island Lake, Thunderchild, Big Island
- Participation and unemployment data for Saskatchewan is included for comparison purposes

Note: The participation rate measures an economy's active labor force and is the sum of all employed workers divided by the working-age population.

- As seen below, the total participation rates of four of the five municipalities are consistent with the provincial norm. However, the total participation rate of Municipality no. 499 is 13 percentage points below the provincial rate (55% vs 68%). The relative weakness of the First Nations is seen in their low participation rates (43%) compared to the provincial average (68%).
- Unemployment is important because it serves as a measurement of economic health on a local, provincial, and national scale. As seen in the chart below, rates of unemployment across the enumerated municipalities are relatively consistent with provincial levels. The relative weakness of the First Nations is seen in their high unemployment rates (34%) compared to the provincial average (7%) and municipal average (7.5%).



Percentage of Skilled Workers by Area of Employment

Table 12 reports the percentage of the working population in the target area by major field of study. The table below reports data for:

- 5 municipalities: (1) No. 561, (2) No. 501, (3) No. 499, (4) No. 622, (5) No. 588
- The combined average for six First Nations: Waterhen, Flying Dust, Makwa Sahgaiehcan, Island Lake, Thunderchild, Big Island
- Data for Saskatchewan is included for comparison purposes

As seen below, across the five municipalities, “Percentage of Population by Major Field of Study” is most strongly concentrated in three areas: “Health and related fields” (7.6%), “Business, management and public administration” (6.3%), and “Education (5.8%).

Table 12. Major Field of Study: Municipalities, First Nations, Saskatchewan, Percentages (source: Statistics Canada Census 2016)

Major Field of Study	No. 561	No. 501	No. 499	No. 622	No. 588	Average	First Nations	Province
Education	5.0	4.6	6.8	4.1	8.4	5.8	3.3	4.8
Communication technologies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Social/behavioral science and law	0.0	0.0	1.4	1.0	2.6	1.0	2.0	3.6
Business, management and public administration	3.0	6.2	8.1	7.2	6.9	6.3	1.0	10.0
Physical sciences	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.4
Mathematics, computer and information sciences	0.0	1.0	0.0	1.0	1.0	0.6	0.6	1.4
Engineering and related technologies	1.4	0.0	13.5	1.5	1.0	3.5	0.6	1.6
Agriculture, natural resources, and conservation	1.4	4.6	1.4	3.6	3.1	3.0	1.1	1.9
Health and related fields	7.2	9.7	10.8	4.1	6.2	7.6	3.0	8.1

Appendix D:

Stakeholder Survey & Interviews

Methodology

Participants

Total N= 35; Participants include two groups:

- A structured survey was administered to 27 municipal representatives (mayors, reeves, town councilors) to gather their opinions about the appeal of the study area to investment attraction initiatives;
- Structured interviews were conducted with 8 business/political representatives with specialized knowledge about issues relevant to supporting existing businesses and attracting new investment.

NOTE: Due to ethical restrictions of the research lead Johnson Shoyama Graduate School of Public Policy, interviews were only undertaken at a Tribal Council level. The research consultant was referred to MLTC Industrial Developments for the interview.

The above sample is purposive in the sense that the respondent's were elected based on their knowledge of the political and economic conditions of the trading area relevant to pursuing local economic development.

Survey Scales

Three main scales were used to measure the overall appeal of the target trading to potential investment opportunities: (1) Appeal of Location, (2) Economic Impact of Potential Investment, and (3) Ability of Municipality to Influence Potential Investment Decisions. Besides, the Survey measured respondent's Satisfaction with Currently Available Resources as well as their opinions about the importance of Strategic Priorities in fostering economic growth.

- a. *The Appeal of Location Scale* measured the appeal of the Meadow Lake trading as an investment location for particular industries. The scale measures two variables:
 - *The Labour force* reflects the quality and availability of a suitably trained and educated workforce for different local industries. A Likert scale consists of five response options ranging from -1= Negative to +2= Positive. Those industries that score higher are considered to have a relatively well-trained and established local workforce for each industry;
 - *Infrastructure*, the extent to which the target area has the infrastructure (e.g., transportation, schools, healthcare facilities) required to make communities attractive to industries that might locate within an area. A Likert scale consists of five response options ranging from -2= Strongly Negative to +2= Strongly Positive. Those industries that score higher are judged to have a high-quality available infrastructure.
- b. *Economic Impact of Potential Investment Scale* evaluates each potential opportunity in terms of its potential economic benefit for the target study area. Three specific variables are evaluated:

- *Employment Impact* or how many jobs each opportunity might create. A Likert scale consists of five response options ranging from 0= *No Jobs* to +4= *More than 50 Jobs*. Those industries that score well are judged to provide the most job opportunities;
 - *Job Quality* reflects opportunities for well-paying employment. A Likert scale consists of three response options ranging from 0= *Well Below Average Weekly Provincial Earnings of \$1,070* to +3= *Well Above Average Provincial Earnings of \$1,070*. Those industries that score higher are considered to offer higher paying job opportunities;
 - *Tax Base Impact* reflects the extent to which new opportunities will contribute to a municipality's property-tax base. A Likert scale consists of three response options ranging from 0= *Minimal* to +2= *Strongly Positive*. Those industries that score well are considered to have the most positive impact on a community's property-tax base.
- c. *The ability of the Municipality to Influence Potential Investment Scale* reflects the ability of community decision-makers to influence whether or not a new business is attracted to their area. If investment decisions are driven by factors beyond local influence, there is little benefit to be gained by targeting the sector. A Likert scale consists of three response options ranging from 0= *Local Efforts will have Little or No Influence on Attracting Investment* to +2= *Local Efforts will have a Strong Influence on Attracting Investment*. Those industries that score higher are considered those where local efforts can have a positive effect on attracting future investment.
- d. *Satisfaction with Available Resources Scale* reflects the extent to which participants are satisfied with available services (e.g., roads and streets, water availability) in their area. A Likert scale consists of five response options ranging from -2= *Very Dissatisfied* to +2= *Very Satisfied*. These resources that score well can be considered those with which respondents are most satisfied.
- e. *Needs Assessment* is a process used to determine priorities, make municipal improvements, or allocate resources. It involves determining the needs, gaps, or priorities of a municipality's current state. Participants were asked to rate various possible needs/priorities (e.g., provide a range of affordable housing, promote the area as a tourist destination, monitor development initiatives) in terms of the degree of criticality ranging from +1= *Low* to +2= *High*. Those needs/priorities that score higher are considered to be more important in terms of a municipality's strategic goals for development.

Scoring

Higher or lower scores indicate that respondents held either progressively positive or negative opinions about an industry. A weighted average is computed for each industry. Those industries that score well across most dimensions can be considered top potential investment attraction targets. Those that score lower may still have growth potential, but on balance are considered by respondents a lower priority for a dedicated investment attraction initiative (Elk Valley Economic Opportunity Analysis, 2013).

Telephone Interviews

Interviewees were asked five questions:

- Thinking only about your industry (or business) and its needs, do you believe that your industry (or business) has a readily available workforce with the required training/education?
- Thinking about the infrastructure (or public works) in your area (e.g. roads, water and power supplies, schools, reliable Internet access, etc.), do you believe that your community or area has the well-developed infrastructure needed to make your area attractive to potential investors?

- Do you believe that new investment in your industry (or business) will create new jobs that will be long-term and relatively high-paying?
- Do you believe that local efforts will be able to make a real difference in attracting outside investment for your type of industry or business?
- (The next question involves priority areas that should be emphasized.) Are there any particular priority areas for action that stand out for you?

Data was recorded by a research consultant and subsequently transcribed. The interviews were thematically analyzed by two research consultants.

Survey Findings

Communities

Table 13. Participating Communities, Surveys

Community	N
City of Meadow Lake	2
Village or Hamlet	13
Town (non-First Nations)	10
First Nations community ¹	0
Tribal Council (MLTC Industrial Investments)	1
Rural Municipality	2
Total	27

Note 1: Due to ethical restrictions of the research lead Johnson Shoyama Graduate School of Public Policy, interviews were only undertaken at a Tribal Council level. The research consultant was referred to MLTC Industrial Developments for survey and interview participants.

Survey

Introduction

Respondents were asked to evaluate the appeal of the target trading area as a potential investment location. The respondents were presented with a list of industries that have been identified as important to their area. Participants were asked to express their opinion on a Likert scale with a progressive structure such that each successive Likert item is treated as indicating a “better” response than the preceding value.

The original Likert scale includes a neutral/no opinion option. The option enabled respondents not to express an opinion about an industry with which he/she is unfamiliar. Since the neutral/no opinion does not measure an actual attitude or point of view about a particular industry, the option is removed from the analyses reported in the following tables. As a result, the total N per industry will vary depending upon how many respondents felt knowledgeable about evaluating a particular industry.

The ratings for each scale are from the perspective of public officials (i.e., mayors, reeves, town councilors) who evaluated the Meadow Lake trading area as a potential investment location. The weighted average for each industry was computed. The higher the mean score, the higher the respondents rated the industry as a potential investment attraction target. While those industries that

score lower may still have growth potential, on balance they are considered a lower priority for a dedicated investment attraction initiative.

Table 14 summarizes the data from the previous scales. A total rating is determined by multiplying the Location Factors, the Economic Impact Factors, and the Ability to Influence Factor. Those industries that score well across most dimensions can be considered top potential investment attraction targets. Those that score lower may still have growth potential, but on balance are considered a lower priority for a dedicated investment attraction initiative.

Location Scale consists of Two Factors: Labour Force, Satisfaction with Infrastructure

(a) Labour Force

The participants were asked: *Please tell us the extent to which you believe your area has a well-established workforce with the relevant training and experience in the industry you select.*

As seen in Table 14, overall opinions clustered within the *Positive to Strongly Positive* range (83.7%) with a smaller number falling within the negative range (16%).

The finding suggests that most of the respondents believe that the trading area has a well-established local workforce with relevant industry experience. Of note is the negative score (-0.06) of the Professional Services sector. Fifty-three percent of respondents consider the target trading area to lack a suitable local labor force with the education and training needed by the Professional sector. The grand mean (0.8) indicates that, across the various sectors, the respondents hold a moderately positive opinion about whether the target area currently has a well-established workforce that new investors will find appealing.

Table 14. Well-Trained Labor Force, Counts, and Average by Industry

Industry	Strongly Negative -2	Negative -1	Positive +1	Strongly Positive +2	Total N	Weighted Average
Agricultural	0	1	13	11	25	1.4
Forestry	0	2	14	3	19	.95
Mining, quarrying, oil and gas extraction	0	1	12	7	20	1.2
Manufacturing	0	1	2	1	4	1.0
Retail and consumer service	0	3	17	1	21	.76
Transportation /warehousing	1	4	9	2	16	.44
Health care and social services	0	4	15	2	21	.73
Construction	0	2	17	0	19	.79
Education	0	1	8	8	17	1.3
Professional services	0	9	8	0	17	(0.06)
Accommodation/food services	1	2	8	4	15	0.8
Arts, culture, and recreation	1	2	9	2	14	0.6
Tourism	0	3	12	7	22	1.0
%	1.3	15.0	62.7	21.0		0.8

(b) Satisfaction with Infrastructure

Respondents were asked to *indicate the extent to which you believe that their area has the required infrastructure (e.g., transportation, water and power services, schools, health care facilities) to make communities attractive to an industry that might want to locate nearby.* As seen in Table 15, 84% of responses fall within the *Positive* and *Strongly Positive* range. Nearly 16% of responses clustered on the negative side of the scale. The grand mean (0.8) indicates that, across the various sectors, the respondents are moderately satisfied that current infrastructure contributes to the area’s appeal.

Table 15. Satisfaction with Infrastructure, Counts, and Average by Industry

Industry	Strongly Negative -2	Negative -1	Positive +1	Strongly Positive +2	Total N	Weighted Average
Agricultural	0	0	11	13	24	1.0
Forestry	0	3	9	7	19	1.0
Mining, quarrying, oil and gas extraction	1	0	9	9	19	1.4
Manufacturing	1	5	10	0	16	0.2
Retail and consumer service	0	0	15	2	17	1.1
Transportation and warehousing	3	3	13	1	20	0.3
Health care and social services	0	4	13	1	18	0.6
Construction	1	0	19	2	22	1.0
Education	0	1	13	6	19	1.2
Professional services (e.g., legal, accounting, medical)	1	6	9	2	18	0.3
Accommodation and food services	0	2	11	5	18	1.1
Arts, culture, and recreation	1	4	9	1	15	0.3
Tourism	0	3	11	8	22	1.1
%	3.2	12.5	61.0	23.0		0.8

Economic Impact of Potential Investment Scale consists of three Factors: Employment Creation, Job Quality, Tax Base Impact

(a) Employment Creation

Participants were asked: *Please tell us your opinion about how many jobs you feel a new industry or business in the following sectors will create.* As seen in Table 16, 75% of responses cluster between two response options: *Less than 10 Jobs* and *10-24 Jobs*. Across industries, 7.5% of participants believe that a new opportunity within a particular industry could conceivably create 50 or more new jobs. The grand mean (1.7) indicates that, across the various industries, respondents believe that the potential exists for many new firms to generate a moderate number of new jobs.

Table 16. Employment Creation, Counts, and Average by Industry

Industry	No Jobs 0	Less than 10 +1	10-24 Jobs +2	25-50 Jobs +3	More than 50 Jobs +4	Total N	Weighted Average
Agriculture	1	9	8	4	2	24	1.9
Forestry	2	7	8	3	2	22	1.8
Mining, quarrying, oil and gas extraction	2	4	2	9	8	25	2.7
Manufacturing	3	14	2	2	2	23	1.4
Retail and consumer service	0	16	6	2	1	25	1.5
Transportation and warehousing	2	13	6	2	1	24	1.5
Health care and social services	2	11	6	4	1	24	1.6
Construction	0	10	11	2	2	25	1.8
Education	1	12	9	2	2	26	1.7
Professional services	1	20	2	3	0	26	1.3
Accommodation and food services	0	10	12	2	2	26	1.8
Arts, culture, and recreation	11	6	7	1	0	25	1.0
Tourism	4	8	9	3	1	25	1.6
%	9.0	43.0	27.5	12.0	7.5		1.7

(b) Job Quality

Participants read: *While an industry might bring jobs to a region, some jobs will be better than others. In Saskatchewan, in 2019, the average weekly earnings are \$1,070. Please provide your opinion on what industries might be expected to provide concerning employee weekly earnings.* As seen in Table 17, participants tend to emphasize the middle range between *Just Below* to *Just Above* (66% across industries). The grand mean (1.4) indicates that, across the various sectors, participants agreed that new employment earnings from many sectors could potentially hover around the provincial average of \$1,070/week.

Table 17. Anticipated Earnings, Counts, and Average by Industry

Industry	Well Below Average Weekly Earnings - 0 <i>Well Below the Provincial Average of \$1,070</i>	Just Below Average Weekly Earnings +1 <i>Just Below Average of \$1,070</i>	Just Above Average Weekly Earnings +2 <i>Just Above the Provincial Average of \$1,070</i>	Well Above Average Weekly Earnings +3 <i>Well Above Provincial Average of \$1,070</i>	Total N	Weighted Average
Agriculture	4	12	5	1	22	1.1
Forestry	3	7	8	2	20	1.4
Mining, quarrying, oil, and gas	0	3	7	11	21	2.4
Manufacturing	4	9	5	1	19	1.1
Retail and consumer service	10	13	0	0	23	0.6
Transportation and warehousing	7	6	8	0	21	1.0
Health care and social services	0	3	13	5	21	2.1
Construction	1	8	13	2	24	1.7
Education	0	6	11	7	24	2.0
Professional services	2	1	9	11	23	2.3
Accommodation /food services	12	9	3	0	24	0.6
Arts, culture, and recreation	7	12	1	1	21	0.8
Tourism	5	14	2	1	22	1.0
%	19.0	36.0	30.0	15.0		1.4

(c) Tax Base Impact

Participants read: *Successful economic development will positively impact a community’s property-tax base. Please provide your opinion on the following industries and their potential impact on your tax base.* As seen in Table 18, 28% of respondents anticipate a minimal tax base impact through increased economic activity, and hence minimal assessed values on new industrial and commercial properties. However, 72% of respondents anticipate either a Positive or Strongly Positive tax base impact through increased economic activity across industries. The grand mean (0.8) indicates that, across the various sectors, participants held a moderately positive opinion about the ability of new economic development to positively impact the local tax base.

Table 18. Tax Base Impact, Counts and Average by Industry

Industry	Minimal 0	Positive +1	Strongly Positive +2	Total N	Weighted Average
Agriculture	10	10	5	25	0.8
Forestry	10	12	2	24	0.6
Mining, quarrying, oil and gas extraction	6	8	9	23	1.1
Manufacturing	6	14	3	23	0.9
Retail and consumer service	6	16	3	25	0.9

Transportation and warehousing	5	14	4	23	1.0
Health care and social services	6	16	4	26	1.0
Construction	4	18	4	26	1.0
Education	6	14	6	26	1.0
Professional services (e.g., legal, accounting, medical)	7	13	5	25	1.0
Accommodation and food services	7	17	2	26	0.8
Arts, culture, and recreation	12	11	1	24	0.5
Tourism	7	12	6	25	1.0
%	28.0	55.0	17.0		0.8

The Ability to Influence Potential Investment Scale

Participants read: A community's decision-makers will be more or less able to influence whether a new business is attracted/started in your area. Please indicate whether you feel local economic development initiatives can make a real difference in attracting outside investment in a particular industry. As seen in Table 19, 73% of participants agree that there is good potential (moderate to strong) for local economic initiatives to attract new investment opportunities to the target trading area. The weighted average (1.0) suggests that across the various industries participants are moderately confident in the ability of public officials to attract new investment to the target trading area.

Table 19. Ability to Influence, Counts, and Average by Industry

Industry	Little or No Influence 0 Local Efforts will have <i>Little or No Influence</i> on Attracting Investment	Moderate Influence +1 Local Efforts can have <i>Moderate Influence</i> on Attracting Investment	Strong Influence +2 Local efforts can have a Strong Influence on Attracting Investment	Total N	Weighted Average
Agriculture	7	13	7	27	1.0
Forestry	12	10	4	26	0.7
Mining, quarrying, oil and gas extraction	9	10	8	27	1.0
Manufacturing	7	12	5	24	1.0
Retail and consumer service	3	16	7	26	1.1
Transportation/warehousing	7	11	6	24	1.0
Health care /social services	6	15	6	27	1.0
Construction	4	15	8	27	1.1
Education	7	14	6	27	1.0
Professional services	10	14	3	27	0.7
Accommodation/food	4	19	4	27	1.0
Arts, culture, recreation	12	10	4	26	0.7
Tourism	5	11	10	26	1.2
%	27.0	50.0	23.0		1.0

Summary Table

Table 20 summarizes the grand mean averages for each of the above tables. The table also reports the overall ratings across the thirteen industries. The total rating is determined by multiplying the Location Factors score, the Economic Impact Factor scores, and the Ability to Influence scores. This exercise is a useful sorting of the perceived potential opportunities. Those industries that score well across most dimensions were judged to have the most appeal to investment attraction efforts. While those that score lower may still have growth potential, on balance these sectors are considered to have a lower priority for a dedicated investment initiative.

Table 20. Summary of Appeal of Target Area to Future Investment Opportunities

Industry	The appeal of Target Area to Future Investment Opportunities								Overall Rating 1x2x3	Ranking
	Location Factors (LF)			Economic Impact Factors (EIF)			Ability to Influence Factor			
	Labour Force	Infra-structure	Total Average (1)	Employment Creation	Job Quality	Tax Base		Total Average (2)		
Ratings Options	2, 1,1,2	-2, -1,1,2		0,1,2,3,4	0,1,2,3	0,1,2		0,1,2		
Agricultural	1.4	.95	1.2	1.9	1.1	0.8	1.3	1.0	1.6	4
Forestry	0.9	1.0	1.2	1.8	1.4	0.6	1.3	0.7	1.1	7
Mining, quarrying, oil, gas	1.2	1.4	1.4	2.7	2.4	1.1	2.1	1.0	3.0	1
Manufacturing	1.0	0.2	0.6	1.4	1.1	0.9	1.1	1.0	0.7	10
Retail/consumer services	0.8	1.1	1.0	1.5	0.6	0.9	1.0	1.1	1.1	7
Transportation	0.4	0.3	0.3	1.5	1.0	1.0	1.2	1.0	0.4	11
Healthcare/social services	0.7	0.6	0.6	1.6	2.1	1.0	1.6	1.0	1.0	9
Construction	0.7	1.0	0.8	1.8	1.7	1.0	1.5	1.1	2.0	2
Education	1.3	1.2	1.2	1.7	2.0	1.0	1.6	1.0	2.0	2
Professional services	0.1	0.3	0.1	1.3	2.3	1.0	1.5	0.7	0.1	13
Accommodation/ food	0.8	1.1	1.1	1.8	0.6	0.8	1.1	1.0	1.2	6
Arts, culture, recreation	0.6	0.3	0.3	1.0	0.8	0.5	0.8	0.7	0.2	12
Tourism	1.0	1.1	1.0	1.6	1.0	1.0	1.2	1.2	1.4	5
%	0.9	0.8	0.8	1.7	1.4	0.9	1.3	1.0	1.2	

Satisfaction with Available Resources

Participants were asked: *Please tell us how satisfied you are with each of the listed resources.* As seen in Table 21 71% of participants are satisfied (either *Satisfied* or *Very Satisfied*) with the various resources currently available to municipalities. The grand mean (0.5) suggests that, across the various industries, participants are moderately satisfied with their currently available resources.

Table 21. Satisfaction with Available Resources, Counts, and Average,

Resource	Very Dissatisfied -2	Dissatisfied -1	Satisfied +1	Very Satisfied +2	Total N	Weighted Average
Municipal property taxes	1	5	13	5	24	0.7
Development/building permit process	0	1	21	3	25	1.0
Development charges and off-site levies	0	3	12	5	20	0.9
Local roads and streets	1	9	16	1	27	0.2
Provincial roads and highways	4	8	11	4	27	0.1
Water availability	0	1	9	16	26	1.5
Availability of property for purchase or lease	1	5	14	4	24	0.6
Availability of skilled labour	0	10	15	0	25	0.2
Availability of unskilled labour	0	5	16	2	23	0.6
Availability of adequate housing	1	9	11	2	23	0.2
Availability of health services	3	9	12	3	27	0.1
Cellular phone service	0	10	13	3	26	0.3
Internet service	1	8	14	3	26	0.4
%	3.0	25.0	54.5	16.5		0.5

Needs Assessment

The needs of the ecosystem (or gaps in the ecosystem) that support each sector represent opportunities to do better – to create stronger businesses, open job opportunities, and build a more prosperous region. Participants read: *The literature suggests that an economic growth plan should focus on key*

priorities and not try to do too much too quickly. In the box below, please check either 1, 2, or 3 to indicate how critical a particular priority is to economic development, in your view.

As seen in Table 22 the highest-ranked priority is to “Promote access to up-to-date communication and information technology.” The two areas regarded by participants as least important include “Encourage arts, culture and entertainment” and “Only target those projects which bring the most economic gain.” The grand mean (2.4) suggests that, across the various priority areas, respondents regard the factors to be moderately important to economic development.

Table 22. Needs/Priorities, Counts and Average by Industry

Need/Priority Areas	Criticality					
	Low +1	Medium +2	High +3	Total N	Weighted Average	Ranking
Protect the natural environment	4	7	16	27	2.4	8
Encourage arts, culture, and entertainment	11	11	5	27	1.8	15
Focus on industries that are most likely to be influenced by local attraction efforts	3	11	13	27	2.4	8
Provide a range of affordable housing types (e.g., single-family detached, duplex, senior housing)	3	13	11	27	2.3	11
Provide education and training for the jobs of tomorrow	3	8	16	27	2.5	6
Encourage business and citizen advisory groups to provide input on regional economic development	3	13	11	27	2.3	11
Always keep in mind the interests and concerns of First Nations	1	12	14	27	2.5	6
Promote the region as a tourism destination	1	5	21	27	2.7	2
Improve public infrastructure (e.g., roads, utilities, schools, health care)	0	9	18	27	2.7	2
Encourage municipalities to share public services	0	9	18	27	2.7	2
Ensure that larger municipalities do not benefit over smaller ones	4	11	12	27	2.3	11
Promote access to up-to-date communications and information technology	0	6	21	27	2.8	1
Measure and evaluate the successes of regional development initiatives	4	8	15	27	2.4	8
Maintain and enhance strong relationships with Provincial and Federal government representatives to support regional development	2	8	17	27	2.6	5
Only target those projects which bring the most economic gain	8	15	4	27	1.8	15
Address regional bus service	9	8	10	27	2.0	14
%	13.0	35.0	51.0		2.4	

Closing Comments

Survey participants were asked a closing open-ended question: *Please tell us your general comments about economic development in your area.* Eight participants (30%) offered their final comments (see Table 23).

Table 23. Final Comments

Theme	Discussion
Uneven Infrastructure development	Current infrastructure development (e.g., roads, utilities, Internet) is uneven depending upon the size of a community and its perceived need. Consequently, smaller, more rural/remote communities will continue to receive less funding.
Government involvement in infrastructure development emphasizes the interests of large-scale industries	Government involvement can influence the rate of regional growth. Developments in many areas, such as transportation, power, roads, and other infrastructure are largely carried out by the federal government which offers financial incentives that foster entrepreneurship and local involvement. While the government has the incentive to finance large-scale industries (e.g., natural resources, agriculture, utilities), many other sectors (e.g., tourism) can receive less government attention.
Local workforce development	The workforce wants consistent work and higher-paying jobs. Creating such jobs requires developing a local workforce with the education and skills required by local industries and businesses.
Municipalities vary in terms of economic growth potential	The economic environment in the province will be affected by varying rates of growth of the regional, provincial, and national economies. Non-uniform rates of economic growth between municipalities will result in varying levels of economic growth, asset prices, unemployment, and levels of confidence in future investment.
Some industries drive the economy more than others and should be emphasized	Some industries (e.g., agriculture, natural resources) will be more strongly influenced by world markets than others and make a stronger contribution to local economies. Consequently, large-scale industries will require more attention.
Tourism	The tourism industry is important for the benefits it brings and due to its role as a commercial activity that generates employment and plays a significant role in preserving local culture. However, convincing tourists to visit your locale requires a strategic approach that encourages community cooperation.

Interviews

Structured interviews were conducted with 8 business and political representatives with specialized knowledge about issues important to proactively pursuing industrial investment in their jurisdiction. Participants were asked five questions. Tables 24- 25 identifies the themes discussed by the interviewees for each of the topics.

Availability of Local Workforce

The interviewer read: *The first question involves the availability of a local workforce. Thinking only about your industry (or business) and its needs, do you believe that your industry (or business) has a readily available workforce with the required training/education?*

Table 24. Interviews: Suitable Local Workforce

Theme	Comments
Some jobs require more education/training than others	There are many types of available opportunities, each of which requires different levels of training and education. While the local workforce may be adequate to supply entry-level positions, those jobs that require a high degree of training routinely have to draw workers into a locale from other areas of the province, the country, or internationally.

Indigenous people are often reluctant to leave their community for retraining	Many First Nations people, especially those living in relatively remote communities, are often reluctant to leave their homes to pursue the training. There may especially be the case in certain sectors such as the natural resources sector, where job availability can vary depending upon market cycles. During a market downturn, First Nations people may be discouraged from upgrading their education/training.
Mobile workforce	More and more young people are drawn to the province's urban centers, which limits the availability of the local workforce. Those who do upgrade their training and education often prefer to remain in centralized locations and not move back north.
Job recruitment and retention	Rural communities are often challenged to recruit and retain qualified workers. Efforts must be made to retain experienced workers while simultaneously training local potential workers.
Encourage Indigenous employment	Many sectors should make more effort to increase Indigenous employment, especially in more senior positions.

Infrastructure

The interviewer read: *Thinking about the infrastructure (or public works) in your area (e.g. roads, water and power supplies, schools, reliable Internet access, etc.), do you believe that your community or area has the well-developed infrastructure needed to make your area attractive to potential investors?*

Table 25. Interviews: Suitable Infrastructure

Theme	Comments
Smaller communities often have inadequate infrastructure	Communities with a smaller population and a smaller economic base often receive less funding to improve local infrastructure. To promote even economic growth across regions, governments must provide funding that supports local infrastructure projects in smaller communities. Northern communities are especially affected by an inadequate infrastructure of all types. For example, upgrading existing rural roads to all-weather quality will positively influence regional economies and quality of life.
The private sector often reluctant to invest in infrastructure in rural areas	The private sector is often reluctant to contribute to infrastructure improvements in rural areas because of smaller rates of investment return. Consequently, infrastructure development in rural areas often lags behind centralized locations and is dependent on public funding
Inadequate Information and Communication Technology (ICT) in rural areas	Up-to-date ICT adoption (e.g., computers, wireless signals, Internet) has the potential to dramatically improve the quality of firms and is an increasingly essential dimension for firms to improve their competitive edge. Inadequate ICT adoption in rural areas means that many rural firms may not be able to fully participate and thrive in increasingly volatile and dynamic markets.
Improved amenities	Many rural residents travel to larger centers to shop and spend their money. Developing a strategy to increase the number of regional shopping centers and amenities such as motels can encourage residents to shop at home.

Will New Investment Create High-Quality Jobs?

The interviewer read: *The next question has to do with how new investment in your industry (or business) might create additional jobs. Do you believe that new investment in your industry (or business) will create new jobs that will be long-term and relatively high-paying?*

Table 26. Interviews: The Creation of High-Quality Jobs

Theme	Comments
Varying opportunities	The provincial economy is diverse with different jobs requiring varying levels of education and training. Certain sectors (e.g., natural resources, education, medical) offer the best job opportunities. Consequently, those who seek training should be directed to those sectors that offer better-paying, long-term employment.
Adapting to the evolving economy	The provincial economy is diverse and ever-changing. As a result, young people require the relevant education and training that will help them compete in and adapt to an unstable labor market.
Job recruitment and retention	Rural areas often find it challenging to recruit and retain qualified workers, who often need extra incentives to want to work in rural areas.

The Ability of Public Officials to Help Attract Investment

The interviewer read: *The next question has to do with the ability of public officials -- provincial officials, local municipal officials – to be able to attract outside investment to your area. Do you believe that local efforts will be able to make a real difference in attracting outside investment for your type of industry or business?*

Table 27. Interviews: Attracting Outside Investment

Theme	Comments
Municipal collaboration	The provincial economy is diverse with some sectors offering more opportunities than others. Encouraging economic development requires inter-municipal cooperation and a targeted approach to identify those businesses and sectors that are more likely to prosper and grow.
Inter-municipal amalgamation	Municipal amalgamation can be a preferred option. Amalgamation can have several benefits: Reduced duplication and expenditures; the consequences of investment risk can be more widely distributed; Municipalities can build on shared opportunities and assets; Consistent land-use policies and zoning bylaws reduce the risk for investors.
Strengthen smaller-scale economic sectors	Both the public and private sectors play an essential role in fostering regional economic development. However, in many industries (e.g., retail, wholesale, import-export, property development, tourism) the private sector tends to make up a large share of the local economy. Consequently, targeted efforts (e.g., to improve job retention, infrastructure, training, organizational advice) must improve the framework conditions in the private sector to strengthen smaller-scale economic sectors.
Governments rely heavily on the private sector for ideas	Governments tend to rely too heavily on the private sector for ideas about attracting private investment in an area. Governments should do more to understand unique economic zones and use their resources to fund economic growth in rural areas.

Assessing Needs

The interviewer read: *The next question involves priority areas that should be emphasized. Are there any particular priority areas for action that stand out for you?*

Table 28. Interviews: Assessing Needs

Theme	Comments
Municipal cooperation	Intermunicipal cooperation is an effective way for municipalities to tackle issues of mutual concern and issues that cross jurisdictional boundaries. Potential regional opportunities for

	cooperating municipalities include road maintenance, medical care, job training, schooling, affordable housing, utilities, etc.
Support local education/ training efforts	Rural areas are often required to make an extra effort to recruit and retain qualified workers, many of whom are drawn from outside a region. One likely outcome is less local incentive to train the locally available workforce. Consequently, more investment should be made to support local education and training. Training a local workforce will help reduce the need to attract outside workers.
Encourage small businesses	Economic development efforts often emphasize relatively large-scale business opportunities and should do more to encourage the growth of small locally-owned businesses.
Foster corporate presence in rural areas	While corporations have a large presence in urban centers, their relationship with rural areas is often at arms-length. Regional offices will improve local corporate presence. Consequently, corporations can improve their ability to communicate their needs and interests to a local population.
Indigenous tourism	Indigenous tourism is one of the fastest-growing sections of the tourist industry and can if done well, provide opportunities to promote greater cultural understanding while increasing Indigenous people's capacity and economy.
Improve Indigenous training	Investments must be made to improve Indigenous workforce development through the hiring, retention, and advancement of Indigenous employees across many businesses.
Improve community relations with First Nations	Improve community relations with First Nation communities. This can involve a three-pronged approach (community leaders, police, bands) to identify issues of mutual interest and concern.

Appendix E:

Review of Financial Statements

The review provides insight into the ability of the communities to harness the revenues necessary to attract, receive, and successfully entertain investment opportunities.

Financial Position of Selected Communities

A community’s economic development programs must be grounded in the reality of the local economy. Budget restrictions can mean that a municipality lacks “revenue tools” to invest in regional economic development. This section reviews the financial statements of three groups:

Within Meadow Lake target trading area:

- City of Meadow Lake
- Rural Municipalities of Frenchman Butte, 501, Mervin, 499
- Villages of Pierceland, Green Lake, Goodsoil
- Towns of St. Walburg, Loon Lake

First Nations within Meadow Lake target trading area:

- Flying Dust, Big Island, Thunderchild, Makwa Sahgaiehcan, Waterhen

Using the financial statements of the above communities, the following tables report seven types of financial indicators. A ratio analysis is used to indicate the affordability of current and future municipal spending. The use of ratios provides a degree of standardization for a government to capture its results over time against other communities (McDonald, 2017). Table 29 describes the expressions used in the analyses.

Table 29. Expressions of Ratio Analyses

Expression	Description
Total Revenues per Capita	Total Revenues divided by Population
Total Expenses per Capita	Total Expenses divided by Population
Accumulated Surplus per Capita	Accumulated Surplus divided by Population
Operating Ratio	Total Expenses divided by Total Revenues
Operating Expenses	Expense per Service divided by Total Revenues

A key indicator is an operating ratio (OR). In finance, the operating ratio is a community’s operating expenditures as a percentage of revenue. Conversely, the operating profit is a ratio that demonstrates how much revenues are left over after all the operating costs have been paid. The ratio gives an insight into how much revenue is available to pay for new programs, such as an economic development program.

An OR equal to 1 indicates that total expenses equal total revenue; that is, the ratio shows that the year-end books are balanced. An OR less than 1 is a positive sign, as it indicates an operating profit. For example, in Table 30, the OR of .87 indicates that the city had an operating profit of 13 percent. These funds can potentially be directed to municipal economic development strategies. An OR greater than 1 is a negative sign, as it indicates that a community’s total expenses exceed its total revenues. In the

tables to follow, across the various years and communities, there are few ORs greater than 1, indicating that the community's total expenses did not exceed their total revenues.

City of Meadow Lake		
Indicator	2016(\$)	2015(\$)
Total Revenues	10,841,318	10,617,553
Total Expenses	9,476,567	9,309,147
Total Revenues per Capital	2,029	1,987
Total Expenses per Capita	1,773	1,742
Accumulated Surplus per Capita	10,508	10,160
Operating Ratio	.87	.87
Operating Expenses		
Government Services	6.5%	19%
Protective Services	8%	1%
Transportation	17%	15%
Environment/Public Health	4%	9%
Planning/Development	2%	3%
Recreation/Culture	26%	13%
Utilities	23%	15%

Table 30. Financial Indicators:
City of Meadow Lake

Table 31: Financial Indicators First Nations

Indicator	Flying Dust		Big Island		Thunderchild		Makwa Sah.		Waterhen	
	2019(\$)	2018(\$)	2019(\$)	2018(\$)	2018(\$)	2017(\$)	2018(\$)	2017(\$)	2018(\$)	2017(\$)
Total Revenues	31.1 mill	16.6 mill	11.9 mill	19.1 mill	26.1 mill	27.1 mill	22.4 mill	23.3 mill	12.2 mill	11.4 mill
Total Expenses	23.8 mill	16.9 mill	12.3 mill	16.8 mill	23.8 mill	23.7 mill	18.1 mill	22.9 mill	12.4 mill	12 mill
Total Revenues per Capita	21,148	11,234	9,380	15,055	13,706	14,231	15,953	16,642	5,781	5,422
Total Expenses per Capita	16,182	11,435	9,710	13,250	12,483	12,470	12,967	16,360	5,895	5,694
Accumulated Surplus per Capita	20,900	15,324	17,927	18,258	28,731	27,919	13,463	16,642	6,038	6,152
Operating Ratio	.80	1.0	1.0	.88	1.0	.87	.80	1.0	1.0	1.0
Operating Expenses										
Administration	4%	9%	8%	6%	20%	24%	-	-	5%	10%
Band Programs	7%	9%	-	-	-	-	6%	7%	7%	4%
Capital	8%	13%	.1%	23%	1%	1%	10%	19%	15%	17%
Econ Development	9%	16%	-	-	8%	8%	-	-	6%	3%
Education	11%	21%	43%	25%	23%	17%	22%	20%	31%	30%
Health	6%	7%	7%	3%	8%	6%	7%	7%	12%	13%
Infrastructure	5%	11%	18%	12%	8%	8%	7%	4%	9%	8%
Reserves and Trusts	16%	3%	.03%	.05%	1%	1%	.5%	1%	.3%	.2%
Social Services	40%	8%	18%	13%	9%	9%	15%	14%	15%	18%

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Table 32: Financial Indicators Towns, Villages and RM's (where data was accessible)

Indicator	Loon Lake		Pierceland		Green Lake		St Walburg	
	2016(\$)	2015(\$)	2015(\$)	2014(\$)	2018(\$)	2017(\$)	2018 (\$)	2017(\$)
Total Revenues	478,425	525,193	1,019,077	960,356	1,770,671	1,856,486	1,374,062	1,850,731
Total Expenses	548,666	560,961	968,101	853,387	1,880,725	1,911,686	1,625,957	1,251,250
Total Revenues per Capital	632	695	2,264	2,134	4,236	4,441	1,920	2,585
Total Expenses per Capita	726	742	2,151	1,896	4,499	4,573	2,270	1,747
Accumulated Surplus per Capita	2,516	2,500	3,903	3,720	16,385	16,480	12,455	12,733
Operating Ratio	1.1	1.1	1.0	.88	1.0	1.0	1.0	.67
Operating Expenses								
Government Services	22%	23%	32%	26%	21%	19%	25%	13%
Protective Services	12%	11%	6%	7%	1%	1%	5%	4%
Transportation Services	21%	26%	15%	16%	16%	15%	30%	18%
Environment/Public Health	22%	28%	14%	10%	9%	9%	3%	1%
Planning/Development	0.3%	1%	1%	2%	1%	3%	7%	5%
Services	5%	5%	2%	3%	14%	13%	28%	18%
Recreation/Cultural Services	32%	31%	25%	23%	16%	15%		
Utility Services								

Indicator	Frenchman Butte, 501		Mervin, 499	
	2016(\$)	2015(\$)	2016(\$)	2015(\$)
Total Revenues	10,207,195	10,102,005	6,551,511	6,850,819
Total Expenses	5,568,573	6,410,215	5,529,724	5,362,965
Total Revenues per Capital	6,832	6,761	28,484	29,786
Total Expenses per Capita	3,727	4,291	24,042	23,317
Accumulated Surplus per Capita	42,794	40,419	130,036	125,233
Operating Ratio	.54	.63	.08	.80
Operating Expenses				
Government Services	6%	7%	12%	14%
Protective Services	1%	1%	2%	2%
Transportation Services	43%	47%	53%	47%
Environment/Public Health	2%	2.0%	11%	10%
Planning/Development Services	.2%	.2%	3%	3%
Recreation/Cultural Services	1%	5%	1%	1%
Utility Services	.5%	1%	2%	2%

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