



Hamlet of Neuanlage

Status Change Feasibility Study

Follow Up

March 25, 2024

Prepared for:

Organized Hamlet of Neuanlage

Prepared by:

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INTRODUCTION

This report is a follow up to the *Hamlet of Neuanlage Status Change Feasibility Study*, dated January 26, 2024, and the Neuanlage Annual General Meeting, held on February 7, 2024. Questions were received from the Hamlet Board and from community members at the AGM. The topics addressed include: the inclusion of urban municipalities into the surrounding RM; changes in the resort villages' tax rates after incorporation; annexation of land for growth; and final thoughts from the resort villages regarding the transition and whether they would do it again if in Neuanlage's position. In response to these questions, Praxis consulted with the Ministry of Government Relations, the Resort Villages of Elk Ridge, Pasqua Lake, and Turtle View, and conducted additional desktop research.

Inclusion of Urban Municipalities

At the 2024 Neuanlage AGM, a question was raised regarding the circumstances surrounding urban municipalities that have been included into a surrounding RM (known as inclusion). Inclusion is the process of transitioning the governance and administration of an urban municipality to the rural municipality. After inclusion, the former urban municipality becomes part of the RM and is no longer a legal corporate entity. There are two ways in which an inclusion may be initiated:

- a resolution of council of a municipality considering restructuring (most common); or
- a petition of the voters of a municipality.

Inclusion is the most common type of restructuring in the province; according to the Ministry of Government Relations, over 80 urban municipalities have gone through inclusion in the last twenty years. The circumstances surrounding the inclusion of a municipality are unique, however there are some common factors:

- Many of these municipalities are located an hour beyond a major centre; this is where the province is seeing the greatest population decline in general.
- The population of the municipality is generally under 100 people and declining.
- The municipalities find it increasingly difficult to comply with legislation including governance issues, inadequate financial resources to provide services, and retaining a certified administrator.

Future Annexation of Land

At the 2024 Neuanlage AGM, a question was asked about the annexation of land from the RM. The existing boundary of the Organized Hamlet of Neuanlage will be the boundary of the new village. The boundary will be included the incorporation application sent the Minister of Government Relations and is defined under sections 49 to 55 of the *Municipalities Act*. A plan for future growth is required as part of the application, however the land for growth does not need to be owned, merely identified.

Growth beyond the existing boundary of Neuanlage would require an annexation. Market rate for lost tax revenue for agricultural land is typical compensation.

Recently Incorporated Resort Villages – An Update

Praxis was asked to follow up with the three resort villages that have recently incorporated – Elk Ridge, Pasqua Lake and Turtle View. The follow up served to better understand how the resort villages were fairing after incorporation and get an opinion from the current mayors whether the community had any further advice or regrets with the process. Praxis also spoke with the Ministry of Government Relations to clarify the next steps for Neuanlage.

Lessons Learned for Neuanlage

The following lessons learned was amalgamated from follow up conversations with the three resort villages and the Ministry of Government Relations.

1. The time and effort for start up was a bit of a surprise, including bylaws, policies, agreements, office set up and meetings.
2. The cost of a SAMA assessment (previously included in the RM budget) was unexpected. (Note: Praxis included the estimated cost of an assessment from SAMA in the preliminary budget.)
3. The cost for training and maintenance of a municipal software system was unexpected. (Note: Praxis spoke with a common software provider and included an estimate for the purchase, training and monthly maintenance costs of a municipal software system in the preliminary budget.)
4. The process of settling assets and liabilities with the RM and negotiating new service agreements can take longer than expected. Some contracts may cost more, and some may cost less than what was paid through the RM.
5. Having a qualified, capable, and experienced administrator is critical to successfully establishing the office and processes of the new urban municipality.

Advice for Neuanlage

The following advice for Neuanlage was amalgamated from follow up conversations with the three resort villages and the Ministry of Government Relations.

1. If the reasons for wanting to become a village are valid, there is no reason to not pursue incorporation. On the other hand, if these reasons can be met through the Hamlet arrangement with the RM, there is no need to change. The reasons for incorporation are important to define and assess in the context of incorporating versus not incorporating.

2. A minimum of thirty signatures are required for the petition to incorporate (Form D in the Ministry of Government Relations restructuring guide). The Ministry of Government Relations expects significantly more than the minimum 30 signatures. Pasqua Lake had 369 signatures, Elk Ridge had 148 signatures, and Turtle View had 377 signatures between the three Organized Hamlets of Indian Point, Golden Sands, and Turtle Lake Lodge, that joined to form the Resort Village of Turtle View.
3. The heaviest workload for the administrator will be in the first year – setting up the office, establishing financial processes, creating policies and procedures, etc. Consideration may need to be given for a full-time administrator, despite only planning for part-time office hours.
4. All three resort villages expressed satisfaction in their decision to incorporate. The decision comes down to the Neuanlage Hamlet Board and the residents of Neuanlage to determine the best way forward for the community.

Financial Analysis

Elk Ridge and Turtle View have operated without a tax increase since incorporation. Pasqua Lake, incorporated on January 1, 2024, is beginning budget preparations but the preliminary analysis would suggest the mill rate will remain the same.

Resort Village of Pasqua Lake

Consultation: Mayor Larry Bedel

Pasqua Lake was incorporated in January 2024. The transition has been a slow process, but things are progressing well. Policies, processes, and bylaws need to be developed from scratch which puts a lot of responsibility on the Chief Administrative Officer; having an experienced administrator is important for this reason. The first few months as a resort village have been positive, and local issues are being dealt with through the resort village officer, rather than RM office, which has been positive for the community.

- The inaugural budget for 2024 is still in development.
- No major projects are planned for the coming year.
- Tax structure under the RM of North Qu'Appelle included a base tax of \$100 for land and \$150 for improvements, a mill rate of 2.75 and a mill rate factor of 0.85 (residential).

Resort Village of Elk Ridge

Consultation: Mayor Garry McKay

Elk Ridge was incorporated in January 2022. Generally, things are going well and there has been lots of progress since then.

- Elk Ridge has not brought on new programs or services since incorporating.

- Currently have a base tax of \$200 for developed properties and \$100 for undeveloped properties (this was a carry over from the RM policy levy), a mill rate of 2.77 and a mill rate factor of 1.00.
- Fire protection levy of \$100 per property.
- Refuse / waste management of \$60 per property.
- Remuneration in 2024 for the mayor is \$400 per month, and \$200 per month for councillors.
- Office hours in 2023 were Tuesday and Thursday from 9:00am to 5:00pm from May to September, and Tuesdays from 9:00am to 5:00pm from October to April.
- Reserves are healthy and growing.
- The new ownership of Elk Ridge Resort has made positive changes recently. There is plenty of activity with no signs the resort is in trouble. The resort has a good relationship with the Resort Village.

Resort Village of Turtle View

Consultation: Council Minutes

Turtle View was incorporated in January 2020. The resort village has surplus reserve balance, and recently completed a five-year capital plan that includes expected major infrastructure expenditures such as a lagoon upgrade, a transfer station, and road improvements. The resort village accepted cash, work-in-kind, and office furniture to establish the resort village office, and recently passed a motion that council will not take remuneration in 2024.

- Turtle View uses a base tax of \$150 (land only), a mill rate of 3.58, and a mill rate factor of 1.00 (residential).
- Fully operational volunteer fire brigade.
- Recent motion that remuneration in 2024 for the mayor and councillors will be \$0.
- Accepted cash, work-in-kind, and office furniture to establish the resort village office.
- Office hours in 2024 will be Monday, Thursday, and Friday from 8:00am to 12:00pm and 12:30pm to 4:30pm.

NEXT STEPS

To proceed with the restructuring process, the next steps for the Neuanlage Board is as follows:

1. Connect with the RM of Rosthern to ensure the RM is up-to-date on the process and is aware of Neuanlage's intentions.
2. Contact the Ministry of Government Relations to establish a primary contact for advice in navigating the next steps of the restructuring process.
3. Prepare to acquire signatures for the village petition (Form D of the Voluntary Restructuring Guide) from a minimum of 30 residents, along with a witness for each signature. The RM will verify that each signatory is a qualified voter of the municipality and had not previously signed the petition.
4. Begin discussions regarding the restructuring agreement.