



Hamlet of Neuanlage

Status Change Feasibility Study

January 26, 2024

Prepared for:

Organized Hamlet of Neuanlage

Prepared by:

Praxis Consulting Inc.

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EXECUTIVE SUMMARY

The Organized Hamlet of Neuanlage has experienced significant population growth in the last 15 years. Due to this growth, Neuanlage is considering the viability and sustainability of incorporating as a village. The Hamlet engaged Praxis Consulting in September 2023 to conduct a feasibility study on this change and provide information so that the residents can make an informed decision.

This study summarized the process of restructuring into three main phases: Meeting the minimum requirements for incorporating; the pre-application phase; and the application phase. The Hamlet satisfies the minimum criteria for incorporation as a village. With this study, the Board has completed the pre-application phase and determined that the Hamlet has the capacity to become a financially sustainable village. The application phase will require negotiation with the RM to establish a restructuring agreement and complete the requirements for submitting a request to the Minister of Government Relations. The application phase can take upwards of two years to complete. With an approval, the Minister's Order includes instructions on the establishment of Neuanlage as a village.

Three resort villages (RV) have successfully incorporated in the last four years – the RV of Elk Ridge, the RV of Turtle View, and the RV of Pasqua Lake. These three incorporations have provided valuable insight and lessons learned regarding the process. Each RV had several reasons for incorporation, common among them was the desire for self-government.

The report identifies near-term advantages and disadvantages for Neuanlage to incorporate as a village. Municipal services are identified along with the operational requirements and financial capacity of Neuanlage to incorporate. The financial projection supported the conclusion that the Organized Hamlet of Neuanlage has the capacity to become a financially sustainable village.

Following this report, the Hamlet Board will determine whether:

1. there are any unanswered questions and further investigation is needed into the possibility of restructuring;
2. to continue as an organized hamlet in the RM of Rosthern; or
3. to proceed with the restructuring application process.

Should the Hamlet decide to proceed with restructuring, the first step would be to advise the RM of their intention. The next step would be to contact the Ministry of Government Relations to begin the application process.

INTRODUCTION

The Organized Hamlet of Neuanlage is located 20 minutes north of Saskatoon along Highway 11. The Hamlet was established in 1895 and has seen significant growth in recent years. The Census population in 2006 was 143 and according to the 2021 Census, the population has quadrupled to 571. By population, this makes Neuanlage the largest organized hamlet and would be the fourth largest village in the province.

As an organized hamlet, Neuanlage is under the administration of the RM of Rosthern No. 403. The RM is the legal governing body, and all financial matters are approved by the RM council. Neuanlage has an advisory board to represent the community to the RM council. Tax revenue from the Hamlet is split with 42% going to the RM to cover policing, fire coverage, bylaw enforcement, and administrative costs.

Incorporation from an organized hamlet to a village or resort village is one of several types of voluntary municipal restructuring, and it is uncommon in Saskatchewan. The Village of Dorintosh was the last village to be established in 1989, however, three resort villages have incorporated in the last four years. These newly established resort villages have provided a blueprint for the process of incorporation.

In April 2023, Neuanlage undertook a plebiscite regarding the restructuring of the hamlet to a village. The result of the plebiscite was affirmative to proceed with due diligence. Praxis Consulting was engaged in September 2023 to conduct a feasibility study to assess the viability and sustainability of incorporating as a village. This feasibility study is one of several steps in the incorporation process and provides information for ratepayers to make an informed decision.¹ Specifically, this work considered the following:

- summarized the process of restructuring;
- provided lessons learned from recent incorporations in Saskatchewan;
- identified the operational and financial readiness of Neuanlage to incorporate; and,
- included a financial projection based on current service levels.

¹ Praxis would like to acknowledge the guidance of the Hamlet Board and the assistance of the RM Administrator in developing this report.

SASKATCHEWAN MUNICIPALITIES – A SUMMARY

The following is a summary of the structure of municipalities in Saskatchewan as it relates to the Organized Hamlet of Neuanlage and the RM of Rosthern No. 403.

Community Structure in Saskatchewan

Communities in Saskatchewan include incorporated municipalities, unincorporated communities, and First Nations.

Incorporated municipalities include urban municipalities, rural municipalities, and northern municipalities. Urban municipalities are further classified into four sub-types: cities, towns, villages and resort villages. Northern municipalities, located in the Northern Saskatchewan Administration District (NSAD) are further classified into three sub-types: northern towns, northern villages, and northern hamlets. Rural municipalities are not classified into sub-types.

Unincorporated communities include hamlets, special service areas and organized hamlets within rural municipalities and northern settlements within the NSAD.

The administration of rural municipalities, towns, villages, resort villages, organized hamlets, special service areas and hamlets is regulated by the *Municipalities Act*. Cities are governed by the *Cities Act* and First Nations operate under the federal *Indian Act*, although many are transitioning to self-government as provided under section 35 of the federal *Constitution Act, 1982*.

Rural Municipalities

There are 296 rural municipalities (RMs) and 176,501 people living in RMs in Saskatchewan. The RM of Rosthern No. 403 was incorporated on December 9, 1912. In terms of population, it is the seventh largest RM in the province with a population of 2,473 which includes the 571 residents of Neuanlage.²

Organized Hamlets

There are 144 organized hamlets (OHs) in Saskatchewan. OHs are established via ministerial order and operate under the jurisdiction of a rural municipality. Minimum requirements to become an organized hamlet from a hamlet include a permanent population of at least 80 residents, 40 separate dwellings or places of business, and a taxable assessment of at least \$4 million. Neuanlage became an organized hamlet in 1984.

Villages

From the 2021 Census, there are 251 villages in Saskatchewan. A village is created from an organized hamlet via ministerial order under section 51 of the *Municipalities Act*. The village has the powers, duties and functions set out in the *Municipalities Act*, is a municipal corporation, and is governed by a municipal council elected by the ratepayers of the newly-formed municipality. An organized hamlet must meet the following minimum thresholds to apply to become a village: a population of 300 or more persons, 150 or more separate dwellings or business premises and a minimum taxable assessment of

² 2021 Census

\$30 million. From the 2021 Census, Neuanlage has a population of 571, 178 private dwellings, and a taxable assessment of over \$65 million. Neuanlage would be the fourth largest village by population if incorporated today and would have the highest taxable assessment of any village in the province.

PROCESS FOR RESTRUCTURING

There are several steps involved in the restructuring process to become a village. First, the minimum criteria for application must be met before the community can begin the process. Second, the community conducts a feasibility assessment in the pre-application phase to determine readiness. This feasibility assessment will be included as part of the application to restructure. Third, the community enters the application phase. This phase involves discussions with the rural municipality and the Ministry of Government Relations. A restructuring agreement is negotiated in this phase.³ The application phase is completed with the Minister’s Order. Fourth, after receipt of the Minister Order, the community enters the transition phase in preparation for the date of incorporation. Finally, the process concludes with the date of incorporation and the establishment of the province’s newest village.

The Ministry of Government Relations (MoGR or Ministry) provides oversight for municipalities in the province. The Ministry provides resource, guidance, and assistance in areas related to governance, planning and development within local government.

Phase 1: Village Incorporation Requirements

Incorporation is the process of establishing a village or resort village as a legal corporation from an existing organized hamlet. Section 51 and section 53(1)(d) of the *Municipalities Act* and Section 6 of the *Municipalities Regulations* provide the authority to apply for incorporation. To apply for incorporation as a village, an OH must satisfy the following minimum criteria:

- have been an OH for at least three years;
- have a population of 300 or more in the most recent census taken by Statistics Canada; and,
- contain 150 or more separate dwelling units or business premises; and have a minimum taxable assessment of \$30,000,000.

Neuanlage satisfies the minimum criteria: <ul style="list-style-type: none">✓ Organized Hamlet since January 1, 1984✓ Population of 571 (according to the 2021 Census)✓ 178 Private Dwellings (according to the 2021 Census)✓ Taxable Assessment of \$65,483,435 (2021)
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³ A restructuring checklist is included in Appendix A that summarizes the steps in the application phase

In addition, an organized hamlet must demonstrate that it is able to provide good governance, meet all legislative responsibilities, provide for qualified administration, and ensure the needs of the ratepayers will be looked after prior to considering incorporation.⁴

Villages and Resort Villages – A Distinction

There is very little distinction in the *Municipalities Act* and *Municipalities Regulations* between a village and a resort village. The process for incorporation is the same and the minimum criteria are similar. A resort village must be “predominantly of a resort nature” and the measurement of population is slightly different owing to the seasonal aspect of the community. The Minister may require a taxable assessment of \$35 million for a resort village if it is deemed appropriate and in the public interest.

Villages and Towns – Differences

Functionally, villages and towns are very similar: Both require a minimum of one mayor and two councillors according to legislation; grant funding is often based on population or project cost; and, eligibility to municipal boards and committees in the province does not distinguish between villages and towns. Provincial municipal elections are held on the same date for villages as towns and cities.

Upon reaching a population of 500, a village may request the minister to change its status to a town in accordance with section 52 of the *Municipalities Act*. An organized hamlet must incorporate as a village prior to becoming a town. Generally, the Ministry would like to confirm stability and growth across a few censuses before moving to the next municipal designation.

Phase 2: Pre-Application

Once an organized hamlet meets the minimum criteria for incorporation, the community may enter the pre-application phase to gauge the interest of ratepayers in a change of status and perform due diligence in the form of a feasibility analysis. Over the past several months, the Neuanlage Board has held discussions with the community about restructuring as a village and the RM of Rosthern is aware of the community’s interest in a change of status.

In September 2022, the Neuanlage Board Chairman contacted the Mayor of the Resort Village of Elk Ridge to discuss their recent restructuring experience. Following this conversation, the Hamlet Board passed a motion at its October meeting requesting the RM of Rosthern provide a letter of support for the hamlet to explore a change of status.

The change in status was discussed at the Neuanlage AGM in February 2023. Ratepayers sought additional information, pros and cons of a status change, and the steps in the process.

Following the AGM, the Neuanlage Board provided an informational flyer to residents regarding the possible status change. The flyer also set a vote with the question of continuing to investigate a status change. The vote was held April 19, 2023, and the results were 77 yes and 41 no (65% affirmative).

⁴ Government of Saskatchewan

Following the vote, the Neuanlage Board Chairman contacted the Ministry of Government Relations, Municipal Advisory Services regarding the community's interest in investigating a status change.

In September 2023, the Neuanlage Board contracted the services of Praxis Consulting to perform a feasibility study to be provided at the 2024 AGM in February. The intent of the report is to assist the Board and residents in understanding the implications of a status change from an organized hamlet to village including operational and financial considerations.

The Neuanlage Board identified financial control, local decision making, and maintaining the character of the community as their main reasons for considering restructuring. The Board recognizes that their community represents approximately 25% of the total population of the RM and incorporating as a village would have implications for the RM budgets and services.

After considering the Praxis report and discussions at the 2024 AGM, the Neuanlage Board, acting on behalf of the residents, may decide to:

1. table the decision pending additional information and consideration;
2. remain as an organized hamlet in the RM of Rosthern; or,
3. proceed with an application for incorporation.

Phase 3: Application

The application phase is a defined set of steps required to prepare and apply for the Minister's approval. There are two ways in which the application process may be initiated:

1. A resolution of council of a municipality considering restructuring
2. A petition of the voters of the municipality

Considering the community engagement that the Neuanlage Board has undertaken, a resolution may be sufficient to initiate the application.

The Ministry of Government Relations Municipal Advisory Services has indicated a willingness to advise Neuanlage in preparing the application. The resort villages have indicated the help of the Municipal Advisory Services staff is beneficial. In addition, the Ministry's publication *A Voluntary Restructuring Guide for Municipalities* (the Guide) provides a detailed explanation of the steps and process for the application to incorporate. The Guide includes sample forms and templates that can be used in the process. A restructuring checklist, found on page 19 of the Guide, is included in Appendix A of this report.

Based on the experience of the recent resort village incorporations, Neuanlage might consider the formation of a restructuring committee. The committee would take on the many tasks associated with the application process. The committee may be simply the Hamlet Board, or it may include other community members interested in assisting with the application process.

Summary of Steps for the Application Process

- Council resolution to initiate and set up a meeting with the RM
- Restructuring agreement negotiations with the RM
- Completion of the Application to Restructure (Form E, page 32 of the Guide)
 - o Reasons for the application
 - o Council resolution (or petition)
 - o Proposal of preparedness – summarizes the preparedness and ability to meet legislative requirements
 - o Map detailing the boundary of the new village and plans for future growth
 - o Proposed operating and capital budgets for both the village and RM
 - o Resolutions of consent from the affected councils
 - o Public Notices, Meetings and Objections (including meeting minutes)
 - o Population, Assessment and Dwellings
 - o Voluntary Restructuring Agreement between the Hamlet and the RM
 - o Prior Mediation/Dispute Resolution – reports or records
- Public consultation
 - o Notice of Intent to Restructure (details and information re public meeting)
 - o Public Meeting
- Voting – may place a question before the voters of the municipality prior to submission of the application
- Completion and submission of the application

Minister's Order – Incorporation as a Village

The Ministry of Government Relations reviews the application submitted to the Minister. This review takes several months. Sections 62 and 63 of the *Municipalities Act* provide direction for the contents of the Minister's Order. The Order may include, but is not limited to, the following:

- Date the order becomes effective, often January 1st
- Incorporation as a village
- Confirms terms and conditions of the Restructuring Agreement
- Provision for adjusting and settling of assets and liabilities
- Council makeup and provision for elections
- Establishment of a transition committee and appointed Secretary
- Date for the vote of the new council

RECENT INCORPORATIONS

The incorporation of a village is uncommon in Saskatchewan – the Village of Dorintosh was the last village to be established in 1989. Since 1989, there have been several resort villages to incorporate, including three in the last four years. Since the process of incorporating a resort village is the same as a village, these three recently established resort villages were contacted to provide a better understanding of the restructuring process, and offer lessons learned. These three communities are: the Resort Village of Elk Ridge; the Resort Village of Turtle View; and the Resort Village of Pasqua Lake.⁵

Reasons for Incorporation

In general, organized hamlets that want to incorporate as a village or resort village do so out of a desire for self-government. The community desires to set their own priorities, solve their own problems, set their own taxation policies, manage their own financial affairs, and fulfill their own shared vision for the future of their community. As part of the application to the Minister, the resort villages that have recently incorporated have included the following reasons:

- to have greater elected representation at the community level;
- to establish an Official Community Plan, zoning and other bylaws that are developed and supported with the approval of the ratepayers;
- to assume a defined identity and be governed by elected people who share a common interest (in the context of urban vs rural needs);
- to have control of present and future resources in a way that contributes to a sustainable future including short- and long-term financial planning;
- to have the ability to enter directly into intermunicipal partnerships and/or commercial contracts for services required by the community;
- to have control over taxation decisions and infrastructure development;
- to direct resources to programs and services that meet the needs of the community; and,
- to have the ability to apply directly for provincial and federal funding grant programs as well as other community grant programs.

⁵ Praxis would like to extend our appreciation for the time and advice provided by Mayor Gary McKay, Resort Village of Elk Ridge; Mayor Troy Johnson, Resort Village of Turtle View, and Mayor Larry Bedell, Resort Village of Pasqua Lake. Their contributions have provided valuable insights into the process and experience in transitioning from an organized hamlet to a resort village.

Resort Village of Elk Ridge

Summary

The Resort Village (RV) of Elk Ridge was incorporated in January 2022. Its boundaries are those of the former Hamlet of Elk Ridge located adjacent to Waskesiu Lake. The 2020 taxable assessment of the Hamlet was \$92,231,920 which exceeded the eligibility requirement for a RV of \$35 million. At the time of application, the Hamlet was home to 240 fully serviced residential lots of which 179 had a single-family dwelling. Development of the vacant lots was estimated to increase the assessment by \$22-24 million dollars.

A 2019 population survey/census identified 122 permanent residents and 371 seasonal for a total population of 493.

The Elk Ridge Golf and Conference Centre owns three parcels of land zoned commercial that are available for future development. Land is also available for hotel or cabin expansion, additional townhouses, and the development of a commercial strip mall.

The RV is in an area within the boreal forest. As a RV the opportunity exists to lease the adjacent crown land. In addition, the McPhee Lake subdivision is separated from the RV by a tract of crown land. The future possibility for the McPhee Lake subdivision joining the RV would be at the discretion of the residents.



Timeline

Elk Ridge Community Owner's Association created - Discussions began for the future of the community	2012
Established as an Organized Hamlet - A requirement of the application for incorporation	January 2016
Community Planning/Focus Day – Praxis Report - "The residents of [the organized hamlet] Elk Ridge have a high degree of willingness to look at an alternative governance structure, however desire due diligence prior to a decision. They have requested a full review of current and future costs and benefits of alternative governance structures." ⁶	August 2017
Resort Village Review Report	Annual Meeting 2018

⁶ Found in Smith-Windsor (2020), p. 82

- “The information contained in the report supports the conclusion that the OH of Elk Ridge has the financial capacity to become a Resort Village.” ⁷	
Population Census	August 2019
Public Meeting / Petition of Ratepayers	November 2019
Voluntary Restructuring Agreement completed	June 2020
Application for the establishment of the resort village	June 2020
Minister’s Order creating the resort village	June 2021
Election of Council (one mayor and four councillors)	September 2021
Transition Committee established	Sept 2021 to Dec 2021
Incorporation as the Resort Village of Elk Ridge	January 2022

Resort Village of Turtle View

Summary

The Resort Village of Turtle View was formed in January 2020 through the amalgamation of the Organized Hamlets (OHs) of Indian Point-Golden Sands and Turtle Lake Lodge. The RV of Turtle View is located on the eastern shore of Turtle Lake. The 2016 Census reported 119 permanent residents and 352 dwellings with the remaining 143 properties mostly sold and in various stages of development. In addition, approximately 80 acres of expansion area was identified. The total taxable assessment was \$110,010,865 at the time of application.



The OHs had a long-standing history of cooperation, sharing of infrastructure and shared service agreements prior to amalgamation. Some of the shared agreements negotiated between the OHs included road maintenance, firefighting, policing, library, a hospital surcharge, planning and development costs, STARS (air ambulance) contributions, 911 dispatch and other general government services.

The Hamlets have an exceptional amount of public parks, public walkways, walking trails, beach access areas for swimming and boat docking. There are four modern playgrounds with up-to-date equipment, and well over five kilometres of beach front exposure with a large amount of green space and parking space to accommodate all activities.

⁷ Found in Smith-Windsor (2020), p. 97

Timeline

Direction to investigate and report	AGM 2015
Formation of Committee to proceed	AGM 2016
Petition submitted	September 2017
Public notice of intention	August 2018
Public meeting	August 2018
Vote on Restructuring - 159 in favor, 78 opposed	November 2018
Motion by RM Council	November 2018
Voluntary Restructuring agreement	August 2019
Minister’s Order creating the resort village	May 2019
Election of Council (one mayor and three councillors)	August 2019
Incorporation of the Resort Village of Turtle View	January 2020

Resort Village of Pasqua Lake

Summary

The Resort Village of Pasqua Lake is located on the north shore of Pasqua Lake, which is a 45-minute drive northeast of Regina. It is the newest Resort Village in Saskatchewan – officially incorporating on January 1, 2024.

At the time of application, Pasqua Lake had 446 properties within its boundaries including 335 improved properties. The 2020 taxable assessment of \$110 million makes the community the fourth largest resort village in the province in terms of valuation. The 2021 Census listed a total of 213 residents, an increase from 200 in 2016.

The Hamlet of Pasqua Lake was established in 1985 and worked very closely with the RM of North Qu’Appelle No. 187 to become a desirable location for residents to own lake property or to visit for fishing, boating and other outdoor recreational activities.



Timeline

Committee formed to investigate restructuring at the Hamlet AGM	May 2019
AGM postponed due to COVID - Given support at previous AGM, Committee undertook a survey of ratepayers and petition	May 2020
Petition submitted to the RM and the Ministry of Government Relations (MoGR)	September 2020
Written update (email) to ratepayers	October 2020
Hamlet Board created a Planning Committee and sent another written (email) update	January 2021
Meeting with MoGR and MLA	July 2021
Written update to ratepayers	August 2021
Public meeting with RM	September 2021
Restructuring application submitted	December 2021
MoGR requested restructuring agreement with RM and completion of online survey by all RM ratepayers	June 2022
Restructuring Agreement with RM signed	July 2022
Survey results indicated clear support for change - 78% of responses came from Hamlet ratepayers	September 2022
Minister's Order creating the resort village	January 2023
Election of Council (one mayor and three councillors) - Council-elect also become transition committee	July 2023
Incorporation as the Resort Village of Pasqua Lake	January 2024

LESSONS LEARNED

Praxis has combined suggestions and advice regarding the process from discussions with various sources, including government officials and representatives from the three most recent resort villages to incorporate.

1. **The process takes time** – Be prepared for delays and adjustments to the plan. The resort villages experienced delays from the availability of municipal advisors, the availability of information from the RM, and responding to questions and concerns from residents.
2. **Communications** – Communications is a critical element. It is very important to keep both local ratepayers as well as the RM community aware and involved at every step. Email provides direct contact with ratepayers although newsletter and website updates are also helpful. Engage with the Community Association if one has been established.
3. **Ministry of Government Relations** – Officials from Municipal Advisory services are very helpful and support the process. The application process is well laid out in the *Voluntary Restructuring Guide for Municipalities*.
4. **Preparation of the Application** – The resort villages all had volunteer committee members divide up the tasks and complete different parts. Not all the committee members were board members of the organized hamlet (OH). The OH board continued to have responsibility for operations of the OH under the jurisdiction of the RM. The resort villages all enlisted community volunteers to work on the application with expertise in business, education, governance, law and contracts, as needed.
5. **Recent applications for incorporation** - The recent resort village applications provide an excellent example of the expectations and information required for the application to the Minister. The Ministry of Government Relations staff will give advice and assistance along the way. The goal is to present a complete and fulsome application before the Minister. The Minister’s Order may have some requirements specific to Neuanlage.
6. **Support from other villages** – Other villages are an excellent resource for answering questions. Most are happy to help. Contact information can be found on their website or through SUMA.
7. **Budget and financials** – The most common concern of residents is the impact on their taxes and fees in both short-term annual budget implications as well as the long-term financial plan. This includes major infrastructure plans, growth of reserves, availability of grant funding and other revenues.
8. **Reserves** – The RM is required to have designated reserve funds for the Organized Hamlet which will become part of the village financials. Some of these reserve funds will be necessary as startup cash flow depending on timing of incorporation and when the village taxes are then collected.
9. **Startup / transition costs** – Several significant one-time expenses should be expected as well as new budget items not previously part of OH budget. These costs include office construction and setup, equipment purchases, computer software, SUMA membership, UMAAS membership, elections expenses, legal fees, and others.

10. **Administrator** – The village administrator is a key position. The Minister’s Order will identify the requirement for a qualified and experienced administrator. Experienced village administrators are difficult to recruit. A part-time hourly contract with a locum or retired administrator may be a solution to assist with transition and establishment of the village.
11. **Restructuring Agreement** – Negotiating the Restructuring Agreement requires flexibility and good communication between the OH and the RM. This is an important, and necessary process. Both sides will need to do their homework and actively participate. Cooperation and assistance is essential.

INCORPORATION – ADVANTAGES AND DISADVANTAGES

The following advantages and disadvantages of incorporation were generated from suggested by the resort villages that have recently been through the process, from discussions with government officials, and research into the process.

Advantages

- ✓ Elected council of community members
- ✓ Will not need the decision approval and support process from RM
- ✓ Decision making focused on community with a stronger sense of self-determination
- ✓ Greater control of short- and long-term financial affairs
- ✓ Additional powers under the *Municipalities Act* not available as an organized hamlet
- ✓ Direct access to additional grant funding
- ✓ Access to SUMA services and programs
- ✓ Ability to directly negotiate service agreements and new partnerships
- ✓ Ability to set plans for future growth and development
- ✓ Ability to formulate an Official Community Plan, zoning bylaws, and policies based on community
- ✓ Greater autonomy and flexibility to respond accordingly to community interests and priorities
- ✓ Direct representation with provincial and federal governments

Disadvantages

- ✗ Loss of RM structure and guidance
- ✗ Issues, needs and challenges may be addressed with modifications under current structure as an organized hamlet
- ✗ Loss of qualified and experienced administrator and staff
- ✗ Responsible for staffing, particularly a qualified administrator
- ✗ Relationship with RM may be negatively affected given loss of population and tax base
- ✗ RM may require renegotiation of current service agreements
- ✗ Additional risks and responsibilities fall entirely on community
- ✗ Potential for increased costs with respect to administration, insurance, maintenance, and other
- ✗ Requirement to establish a village office including security, record keeping and hours of operation
- ✗ Costs of transition may be prohibitive
- ✗ Potential increased responsibility for tax requirements such as PST, GST, education tax, etc.

MUNICIPAL SERVICES

The following summarizes the services currently used by the Organized Hamlet of Neuanlage on a regular basis. This is not an exhaustive list. Infrequent and irregular services, such as tree chipping, pest control, well improvements, are hired on contract and not included in the list below. Tax revenue from the Hamlet is split with 42 percent going to the RM to cover policing, fire coverage, bylaw enforcement, and administrative costs. The remaining 58 percent covers services specific to Neuanlage such as the septic sewer systems, roads, community rink, community hall, parks, garbage pickup and other costs.

General Government Services

1. Administration – provided by RM
2. Accounting and Audit – provided by the RM
3. Insurance – liability, property, fraud/theft – provided by the RM through Rosthern Agencies, a private insurance broker; employee benefits provided by the RM through SARM insurance programs

Protective Services

1. Fire – costs covered by the RM – Volunteer service based in Hague
2. Police – per capita cost covered by the RM – RCMP coverage based in Rosthern

Transportation

1. Road maintenance and snow clearing – equipment provided by the RM and charged an hourly rate to the Hamlet

Environment and Public Health

1. Waste Management and Recycling – Hamlet Board – Annual contract tender process – 2023 Tender awarded to MG Contracting including arrangements for waste disposal at the Loraas Landfill in Martensville
2. Hospital/Health Care – Sask Valley Hospital Foundation – RM current Base Tax bylaw collects \$85 per residence for the hospital levy, in addition to a physician incentive fee
3. Ambulance – coverage provided by Rosthern services

Planning and Development

1. Bylaw Enforcement – provided through the RM’s membership in the Twin Rivers Planning District membership; a new Community Safety Officer program is in the development stage
2. Building Permits – provided by the RM
3. Building Inspection – contracted by the RM with Wager Inspections

Recreation and Culture

1. Library Programs and Services

- a. Hague Library – RM bylaw 4.2023 (2023 – 2026) provides for an annual grant of half of the Library’s operating costs as defined in the agreement. In 2023 this grant was approximately \$4,000. The agreement provides for one representative from the RM on the Hague Library Board. The agreement also provides for a detailed statement of revenues/expenses and net operating costs be provided to the RM annually.
- b. Rosthern Library – RM bylaw 2.2023 (2023 – 2026) provides for an annual grant of one-third of the operating costs as defined in the agreement. For 2023 this grant was approximately \$17,000. The agreement also provides for a detailed statement of revenues/expenses and net operating costs be provided to the RM annually.

2. Recreation Programs and Services

- a. Hague – RM bylaw 5.2023 (2023 – 2026) provides for an annual contribution of \$15,000. An annual documentation and accounting shall be provided to the RM. The RM may appoint a representative to the Hague Parks and Recreation Board.
- b. Rosthern – RM Bylaw 3.2023 (2023-2025) provides for an annual contribution of \$20,000 for the Jubilee Sports Centre and \$15,000 for the Valley Aquatic Centre. An annual report of revenue, expenses and net operating costs for each facility is to be provided to the RM.

3. Parks, Green Space, and Cemetery

- a. Groundskeeper – Annual tender process through the Hamlet Board – All Green Yard Care
- b. Snow and gravel maintenance – Annual tender process through the Hamlet Board – New Way Yard Care

Utilities

- 1. Septic Sewage systems – Annual tender process for septic services through the Hamlet Board – B&D Septic
- 2. Water – Hamlet Board membership in the Sask Valley Water Utility – individual hook-ups for each residence
- 3. Power – SaskPower

Future Considerations

Future considerations for services once incorporated will be determined by the elected village council. For some services this will mean a continuation of the annual tender process the Hamlet Board has undertaken in the past. In other cases, the newly elected village council may negotiate intermunicipal service agreements with the RM and neighboring urban municipalities for the provision of services and programs. Membership in regional organizations such as the planning district or healthcare foundations may also be considered by the village council.

It is assumed that the provision of services will not fundamentally change. The village council will adopt a building bylaw that contains the same provisions as the current RM bylaw. For example, the private septic sewer systems of Neuanlage residences have been guided by legislation and regulations. The Ministry of Health is responsible for administering and enforcing the *Private Sewage Works Regulations* under the authority of the *Public Health Act, 1994*. As a village, the Regulations and Act would apply in the same way as they currently do as an organized hamlet.

The long-term capacity of the water system is a known concern. Potential growth of the community may be limited by water availability. Steps are being taken to alleviate the water pressure concerns in the short term by educating the users on the proper use of the drip system, addressing the high volume and commercial users, and upgrading the pumps on the line. Long term plans are in development.

OPERATIONAL REQUIREMENTS

There are several operational requirements that need to be considered when incorporating as a village. The transition committee and new village council will be required to establish an office, find a qualified and experienced administrator, develop an Official Community Plan and Zoning Bylaws, and draft bylaws and policies for the general operation of the village.

Village Office and Administrator

The *Municipalities Act* requires that a council “name a place within Saskatchewan as its office.”⁸ However, the Minister’s Order will require a lockable space dedicated solely to the operation of the municipality.

The Minister’s Order will direct the transition committee to hire a qualified and experienced administrator to start on the effective date of the incorporation. In addition, the Order may provide for contracted administrator, under the supervision of the transition committee, to undertake several tasks to prepare the village office prior to the date of incorporation. The *Municipalities Act* compels the administrator to take charge of and safely keep all books, documents, and records of the municipality.⁹ The administrator would have several other critical duties during the transition period including:

1. ensuring all systems and equipment are operational such as computer, phones, and printers;
2. requesting from SAMA a copy of the assessment roll for the village;
3. setting up general ledger, assessment, and tax roll for the village; and,
4. informing the transition committee of additional equipment supplies or furniture required.

⁸ Section 109

⁹ Section 111

All urban municipalities in Saskatchewan must employ an Administrator who possesses a valid certificate from the UMAAS (Urban Municipal Administrators Association of Saskatchewan) Board of Examiners. There are three levels of certification depending on education and experience. A Standard certificate is the minimum certificate required for an urban municipality.

Requirements to obtain a Standard Certificate:

1. Education - The applicant must possess one of the following:
 - a. Local Government Authority Program from the University of Regina;
 - b. a two-year Public Admin or Business Admin certificate from a college of technical institute acceptable to the board; or,
 - c. a degree in commerce, business, or public admin from an accredited university.
2. Experience - Applicants must have a minimum of 1,800 hrs (approximately one year) of experience in a municipality and demonstrate proficiency in a prescribed list of duties.

Generally, the best way to be trained is to work in a municipality as an assistant administrator, under the supervision of a certified administrator. Uncertified candidates may apply for jobs as urban administrators. If hired, these administrators would apply to the UMAAS Board of Examiners for a conditional certificate. This certificate would allow the administrator to work under a qualified mentor for a minimum of 1800 hours to qualify for a standard certificate. Conditional certificates are generally issued for a period of up to two years, but the length depends on each individual applicant.

Candidates who possess other educational qualifications would have to have their transcripts reviewed by the University of Regina to determine what credit, if any, could be given toward the Local Government Authority program.

Official Community Plan and Zoning Bylaw

The Official Community Plan (OCP) provides a comprehensive policy framework to guide the physical, environmental, economic, social, and cultural development of a municipality. An OCP gives residents a clear indication of the community's vision, council's goals and objectives, and together with a zoning bylaw outlines the legal framework for implementing land use controls. An OCP is required for every municipality under the *Planning and Development Act, 2007* (PDA). Under the PDA, the OCP must be prepared in consultation with a Registered Community Planner.

A stated concern for Neuanlage to pursue incorporation as a village is the desire "to maintain the character of the community." The creation of an OCP and Zoning Bylaw will provide the structure for the village council to achieve its goals regarding the future growth and development of the community.

Newly incorporated villages typically have up to two years to develop an OCP and Zoning Bylaws, pursuant to the Minister's Order to incorporate. The village may continue to use the RM bylaws until

the OCP and Zoning Bylaws are developed.¹⁰ The RM is in the initial stages of updating the OCP with Crosby Hanna & Associates. This process should allow Neuanlage to further define its community identity and planning principles.

Core Bylaws and Policies

There are a wide variety of bylaws and policies that a village council will need to consider for the governance, administration and operations of the community.

Applicable bylaws and policies of the RM of Rosthern will apply to Neuanlage for a period of up to one year after incorporating as a village. During this time, the newly elected council must adopt bylaws and policies specific to Neuanlage. The following are core bylaws and policies the village council will want to consider as soon as possible after incorporation:

- Council Procedures Bylaw will establish clear, transparent, consistent, and accessible rules for conducting business at meetings; for council members, administrations, and the public to follow and participate in governing the municipality; and for council in establishing council committees.
- Council Code of Ethics Bylaw complies with requirements of section 93.1 of the *Municipalities Act*.
- An Administrative Bylaw establishes the powers, duties, and functions of municipal officials, particularly the Village Administrator.
- Public Notice Policy outlines the requirements for providing public notice as required such as minimum times and methods of notice.
- Expenditure Authorization determines who, how and what payments may be authorized by the council and reporting process.
- Traffic Bylaw regulates the operations and parking of vehicles and the use of roadways.
- Nuisance Abatement Bylaw defines the property, activities or other things adversely affecting the safety, health, and welfare of the community.
- Property Tax Bylaws define the tax incentives and penalties, mill rate factors, base tax and borrowing bylaws for the community, as applicable.

Resources and Support

SUMA (Saskatchewan Urban Municipalities Association)

SUMA provides a wide variety of programs, services and resources for villages, resort villages, towns, and cities. SUMA is the urban equivalent to SARM (Saskatchewan Association of Rural Municipalities) to which Neuanlage currently has a membership through the RM of Rosthern. The primary difference is

¹⁰ More information on community planning and land use can be found on the Government of Saskatchewan website. Government of Saskatchewan (2023), *Community Planning, Land Use and Development*

the programs and services offered by SARM have a rural focus whereas those offered by SUMA have a uniquely urban focus.

There is an annual per capita membership fee for SUMA. This membership provides access to programs and services such as group benefits, insurance, group purchasing, training, and other resources. Some of these programs and services are highlighted here:

Group Benefits Program

SUMA's Group Benefits program offers benefits for full-time, part-time, and seasonal employees along with elected officials. Benefit options include healthcare, dental care, wellness programs, disability programs, health care spending accounts, life insurance, and accidental death and dismemberment benefits.

SUMAssure – Municipal Property and Liability Insurance

SUMAssure provides municipal expertise, service, and support to members in the areas of property and liability insurance. SUMAssure was founded by SUMA in 2009, in response to requests from SUMA members to address increasing insurance premiums and shrinking coverage. SUMAssure is owned by participating member communities, administered by Aon Reed Stenhouse, and governed by a Management Board comprised of elected officials and municipal administrators.

CentralSource – Group Purchasing

CentralSource was created to increase the purchasing power of Saskatchewan's urban municipalities. Recently, CentralSource transitioned its group purchasing to Kinetic GPO, a Canadian-based group purchasing organization (GPO) with diverse contract offerings for Canada's public sector. The addition of Kinetic GPO allows SUMA members to access a greater selection of vendors and leverage national buying power. Areas of interest to Neuanlage may include road maintenance, public works, parks and leisure, office supplies and equipment, and election materials.

Other Programs and Services

SUMA offers several webinars, workshops, and regional meetings throughout the year. The topics of these events are often focussed on smaller municipalities. Training for elected officials and administrators is also a central focus. The SUMA convention is held every year in April, alternating between Regina and Saskatoon. The convention is an excellent way to make connections with other municipalities and service providers.

SUMA is also an excellent resource for policy templates, sample service agreements, and as a conduit to other communities in the province with common issues. SUMA maintains a list of grants available to members with details on the application process.

Training for Village Council and Administrator

The Municipal Leadership Development Program (MLDP) is a series of modules and workshops developed exclusively for elected and appointed municipal leaders in Saskatchewan. The modules target specific issues of importance to urban, rural, and northern municipalities. Mayors, reeves, councillors, and municipal staff benefit from this program that is designed to strengthen local government leadership.

The program is presently structured around six one-day modules. There are two sessions of modules held each year, a fall session, and a winter session. Modules can be taken in any order and some modules are offered online.

The MLDP is a partnership of the Saskatchewan Association of Rural Municipalities (SARM), the Saskatchewan Urban Municipalities Association (SUMA), New North – SANC Services Inc., the Rural Municipal Administrators' Association (RMAA), the Urban Municipal Administrators' Association of Saskatchewan (UMAAS), and the Ministry of Government Relations.

Urban Municipal Administrators Association of Saskatchewan (UMASS)

It is a statutory requirement for administrators in a community with population of 100 and over to become a member of UMASS. Membership in the Association provides urban municipalities with the assurance that administrators are qualified in their field. Administrators are kept abreast of current municipal matters to ensure the highest standards of proficiency and knowledge are maximized.

UMASS has developed a salary guideline based on the experience and qualifications of the administrator, and the size and assessment of the community. For Neuanlage, the expected salary range for an administrator under the 2024 salary guide is between \$66,000 and \$104,000, with a midpoint of approximately \$85,000. Decisions regarding salary, office hours and other responsibilities will be under the purview of the elected council. Finding a qualified and experienced administrator is a common challenge for all municipalities. This will be a central concern for the transition team and elected council should the ratepayers decide to proceed with incorporation.

FINANCIAL SUMMARY

The information contained in this report supports the conclusion that the Organized Hamlet of Neuanlage has the capacity to become a financially sustainable village.

Assumptions

The budget is based on the following assumptions:

- revenues and expenses for Year 1 are calculated at 2023 levels with no inflationary adjustments;
- an inflation rate of 3% is applied in Year 2, however tax revenue is held constant;
- the administrator will be hired part time, 2.5 days a week in Year 1, and full-time in Year 2;
- the administrator's salary will fall within the midpoint range of UMAAS guidelines;
- the health and dental plan will be funded 75% by the employer and 25% by the employee;
- council remuneration will be \$300/month for the mayor and \$150/month for four councillors in first year of operation, increasing by 3% in Year 2;
- bylaw enforcement will be provided by the Community Safety Officer through the Twin Rivers Planning District;
- council and administration will attend one SUMA conference per year and receive training in the first year on their new roles;
- the population of Neuanlage is 571 (2021 Census), the remaining population of the RM of Rosthern is 1,902 or 2,473 including Neuanlage (2021 Census) (Neuanlage represents 23% of the total population of the RM of Rosthern); and,
- there are 178 households in Neuanlage (2021 Census) and 217 properties; this is held constant in both years.

The taxable assessment of the Organized Hamlet of Neuanlage is \$65,483,485. This would rank highest among 241 villages in Saskatchewan, and 47th of 136 towns with a confirmed¹¹ assessed value in 2023.

Account details of the preliminary budget for the Village of Neuanlage are listed below.

¹¹ There are 147 towns in Saskatchewan, 11 did not register a taxable assessment in 2023 with SAMA.

REVENUE	Transition	Year 1	Year 2
Taxes and Levies			
Village of Neuanlage Tax Levy		\$ 445,620	\$ 445,620
Base Tax - 217 properties @ \$85		18,445	18,445
Minimum Tax - 2 properties @ \$1,000		2,000	2,000
Prepayment Discounts		- 23,400	- 23,400
Penalty on Tax Arrears		-	-
Total Taxes Levied		\$ 442,665	\$ 442,665
Fees and Charges			
Bylaw Fines		\$ -	\$ -
Hall Rental		5,000	5,150
Permits - Building/Construction		6,930	7,138
Total Fees and Charges		\$ 11,930	\$ 12,288
Unconditional Grants			
Revenue Sharing		\$ 139,980	\$ 144,179
SaskEnergy Municipal Surcharge		-	-
Other		3,500	3,605
Conditional Grant			
Canada Community Building Fund (Gas Tax)		36,690	37,791
Grants-in-Lieu of Taxes			
SaskPower Municipal Surcharge		-	-
Total Conditional and Unconditional Grants		\$ 180,170	\$ 185,575
Investment Income			
Interest Revenue		\$ 1,320	\$ 4,550
Total Investment Income		\$ 1,320	\$ 4,550
Other Revenues			
Misc. Revenue		-	-
Total Other Revenues		-	-
TOTAL REVENUES		\$ 636,085	\$ 645,078

EXPENSES	Transition	Year 1	Year 2
Wages			
Administrator Salary		\$ 40,540	\$ 87,550
Office Administration	\$ 5,000		
Council Remuneration		10,800	11,016
Total Wages	\$ 5,000	\$ 51,340	\$ 98,566

Benefits			
Pension		\$ 3,650	\$ 7,410
El, CPP, Worker's Compensation		3,430	7,880
Health, Dental, Vision & Life Insurance		2,520	5,440
Total Benefits		\$ 9,600	\$ 20,730

Prof/Contract Services			
Legal/ISC Fees	\$ 8,000	\$ 2,000	\$ 2,060
Audit/Accounting	8,000	8,000	8,240
Assessment - SAMA		4,640	4,779
IT Maintenance		5,000	5,150
Advertising	3,500	1,500	1,545
Insurance - Board Indemnity		4,000	4,120
SUMA Annual Fee		1,630	1,679
UMAAS Membership		250	258
SPRA Membership		50	52
Appeals Board		-	-
Elections	2,000	1,500	-
Bank Charges		500	515
Transition Committee Expenses	4,000	-	-
Admin - Convention, Training and Meals		2,500	2,575
Mayor/Councillors - Convention, Travel and Meals		5,000	5,150
Bylaw Enforcement		12,700	13,081
Total Prof/Contract Services	\$ 25,500	\$ 49,270	\$ 49,203

Utilities			
Office - Power/Heat/Phone/Internet	\$ 2,000	\$ 8,000	\$ 8,240
Streetlights - Power		10,000	10,300
Total Utilities	\$ 2,000	\$ 18,000	\$ 18,540

	Transition	Year 1	Year 2
Maintenance Material and Supplies			
Office Supplies and Postage		\$ 3,810	\$ 3,924
Caretaking and Supplies - Office & Hall		3,600	3,708
Election Supplies	\$ 2,000	-	-
Utilities Maintenance		500	515
Office Maintenance		2,000	2,060
Cemetery Maintenance		1,500	1,545
Total Maintenance Materials and Supplies	\$ 2,000	\$ 11,410	\$ 11,752

Other			
Regional Resilience Specialist		\$ 1,390	\$ 1,432
Total Other		\$ 1,390	\$ 1,432

Protective Services			
Police		\$ 33,480	\$ 34,484
Hague Fire Fees and Expenses		8,430	8,683
Dispatching Fee		810	834
Total Protective Services		\$ 42,720	\$ 44,002

Transportation Service			
Road Maintenance		\$ 145,000	\$ 149,350
Street Signage		200	206
Total Transportation Service		\$ 145,200	\$ 149,556

Environmental & Health Service			
Waste, Recycling and Septic Collection		\$ 99,000	\$ 101,970
Twin Rivers HHHW		920	948
Hospital Levy		18,445	18,445
Twin Rivers Physician Incentive		3,460	3,564
Total Environmental & Health Service		\$ 121,825	\$ 124,926

Planning & Development			
Official Community Plan & Zoning Bylaws	\$ 30,000		
Twin Rivers Planning District		\$ 1,820	\$ 1,875
Building Inspector Fees		5,080	5,232
Total Planning & Development	\$ 30,000	\$ 6,900	\$ 7,107

	Transition	Year 1	Year 2
Recreation & Cultural Service			
Neuanlage Recreation Expense		\$ 38,000	\$ 39,140
Neuanlage Community Hall Maintenance		12,000	12,360
Regional Library Levy		4,560	4,697
Hague Library Expense		2,000	2,060
Hague Recreation Expense		5,000	5,150
Total Recreation & Cultural Service		\$ 61,560	\$ 63,407

Capital Expenditures			
Office Construction	\$ 75,000		
Office Furniture and Equipment	30,000		
Municipal Software	25,000		
Capital Amortization - Land and Improvements		\$ 9,000	\$ 9,000
Total Infrastructure	\$ 130,000	\$ 9,000	\$ 9,000

Transfers			
Transfer to Capital Reserve		\$ 107,870	\$ 46,857
Total Transfers		\$ 107,870	\$ 46,857

TOTAL EXPENSES	\$ 194,500	\$ 645,845	\$ 645,078
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TOTAL REVENUES	\$ -	\$ 645,845	\$ 645,078
TOTAL EXPENSES	\$ 194,500	\$ 645,845	\$ 645,078
Surplus/Deficit	\$ (194,500)	\$ -	\$ -

Transition Year Budget

It is a requirement to have a village office. A property has been earmarked as a village office with an estimated conversion cost between \$30,000 and \$50,000. Additional startup costs include office equipment (including a security system), furniture, and specialized software. Office equipment and furniture is estimated to be \$30,000. Software specific to village operations is estimated at \$25,000. It is assumed the office will be in operation three months prior to incorporation.

Establishing an Official Community Plan and Zoning Bylaws are a requirement within one year of incorporation. The cost is estimated to be approximately \$30,000 to be developed by a consultant specializing in planning and development. This has been added fully to the transition year costs though the process may take up to two years and could be amortized over this period.

Additional costs for legal and accounting fees include the cost of the government appointed Secretary and Auditor. Advertising fees include notifications for every resident of the RM of Rosthern, along with several notifications to the residents of Neuanlage. Transition committee expenses are also included in this budget. The year-end deficit is assumed to be covered by Neuanlage reserve funds.

Revenues

1. Taxes and Levies

Taxes revenue was provided by the RM of Rosthern for 2023. The 2023 mill rate factor of 1.38 and uniform mill rate of 5.7 was used. For the purposes of this budget, no change in the mill rate is projected in either Year 1 nor Year 2.

The base tax of \$85 goes directly to the hospital levy. Two properties listed under commercial/industrial are assessed a minimum tax of \$1,000.

A prepayment discount is currently offered by the RM of Rosthern. A per capita amount is carried forward into this budget. This approximates to 5.25% of the total tax levy.

2. Fees and Charges

No revenue from bylaw fines is budgeted. Hall rental revenue is based on the amount in the 2023 RM of Rosthern budget. Revenue from permits is a per capita calculation from the RM of Rosthern budget.

3. Grants – Unconditional and Conditional

Villages are eligible for Municipal Revenue Sharing of a base amount of \$2,025 plus \$241.60 per capita. Currently, organized hamlets are eligible for 60% of that allotted to villages. Other revenue of \$3,500 is carried over from the 2023 RM of Rosthern budget.

The SaskEnergy Surcharge was approved in the 2018 provincial budget. Urban municipalities may attach a 5% surcharge on the sale of natural gas to residents and businesses. The funds are intended to offset the cost of operating municipal facilities however the funds are unconditional and may be used at the discretion of council. Not all municipalities have opted into the program. The average annual cost of natural gas usage per household in Saskatchewan is between \$1,200 and \$1,500. In Neuanlage the potential revenue would be approximately \$10,680 to \$13,350 per year. This amount was not included in this budget.

The Canada Community Building Fund is \$64.26 per capita. This is a conditional grant to be used for a corresponding capital expenditure.

SaskPower includes a 5% municipal surcharge on all customers in towns and villages (10% in cities). The grant is in lieu of lost revenue from a municipality operating its own power utility. The municipality must direct SaskPower to collect the fee on its behalf; not all municipalities have done so. The potential revenue for Neuanlage could be in the range between \$12,816 and \$21,360 depending on residential power usage. This amount was not included in this budget.

4. Investment Income

Investment income on the expected reserve amount of \$238,412 (as of December 31, 2023) is included in this budget at 3%.

Expenses

1. Administrator

A certified administrator is a requirement as an incorporated village. Salary guidelines are set by UMAAS (Urban Municipal Administrators Association of Saskatchewan). A midrange salary estimate would be approximately \$81,000 for a full-time administrator. This budget assumed a 0.5 FTE at the upper end of the salary range in Year 1. In Year 2, it is assumed the administrator is 1.0 FTE at a salary of \$87,550. Benefits are included on a separate line item.

2. Council Remuneration

This budget estimates one mayor receiving \$300 per month (\$3,600 per year) and four councillors receiving \$150 per month (\$1,800 per year) for a total of \$10,800 per year. Council expenses are on a separate line item.

3. Benefits

Employment Insurance, Canada Pension Plan and Workers Compensation is calculated at established rates based on a salary of \$40,543 for a total cost of \$3,433. Enrolment in the Municipal Employees Pension Plan, in which the employee contributes up to 9% of their wage with a matching contribution from the employer is estimated to be \$3,649. Health, dental, vision, and life insurance benefits, including family members, is estimated to be approximately \$2,520.

4. Legal and Accounting

An estimated budget for legal fees is \$2,000. Accounting expenses would relate primarily to an annual audit, estimated to be approximately \$8,000.

5. Assessment

An assessment of properties for tax purposes is required annually. The Village of Neuanlage will have the option of using the Saskatchewan Assessment Management Agency (SAMA) or contracting with another service provider. Assessment is currently completed by SAMA in the RM of Rosthern. The annual cost for SAMA services is calculated on a formula of \$25.12 per developed property and a 3.7% capital charge. The budgeted number represents 178 developed properties.

6. IT Maintenance

A software system specific to municipal governance, such as MuniSoft or TownSuite, or simply an accounting software may require regular upgrading and maintenance. Annual website maintenance is also included.

7. Advertising

The cost to advertise tax enforcement, election notices, AGM, financial statements, and other community announcements.

8. Insurance

Full amount as allocated to Neuanlage in the RM of Rosthern budget of 2023.

9. Memberships

SUMA (Saskatchewan Urban Municipalities Association) – \$1,630

UMAAS (Urban Municipal Administrators Association) – \$250

SPRA (Saskatchewan Parks and Recreation Association) – \$50

Membership in SUMA includes a base fee of \$1,248 for two voting delegates, plus a per capita fee of \$383 for an annual total of \$1,630. Membership in UMAAS would be a statutory requirement for an administrator of the Village of Neuanlage. Grants and funding are available to members of the SPRA.

10. Elections

A budget is included in Year 1 due to residual costs that may arise in the first year. The budget for elections will increase in an election year. No need for elections are assumed in Year 2.

11. Convention and Training

Estimated cost of attending one SUMA conference per year. Training costs will fluctuate annually. Training is budgeted for the administrator, mayor and councillors in the first year.

12. Bylaw Enforcement

Bylaw enforcement is currently coordinated by the RM of Rosthern through the Twin Rivers Planning District. The TRPD is transitioning to the Community Safety Officer Program. The RM of Rosthern has budgeted \$55,000 in 2023 for the Bylaw Enforcement Officer and a per capital share has been included in the budget for the Village of Neuanlage. The cost may change as this program is established so this line item will need to be updated.

13. Utilities

Estimated cost of operating the new office. The street light estimate is carried over from the utilities maintenance line item of the 2023 RM of Rosthern budget.

14. Maintenance Materials and Supplies

Office supplies and postage is a per capita rate based on the RM of Rosthern budget. Caretaking and supplies is estimated based on the current average caretaking charge for the Community Hall, and expanded to include the new office. Utilities maintenance is a placeholder amount of \$500. Office maintenance is a nominal amount given the facility will be newly renovated/constructed. The budgeted for cemetery maintenance reflects the current contribution of the OH of Neuanlage to the local churches that own the cemetery.

15. Regional Resilience Specialist

Estimated per capita charge based on the 2023 RM of Rosthern budget. Draft agreement approved at RM Council in February 2020 through the Twin Rivers Planning District.

16. Protective Services

Police is estimated per capita based on the 2023 RM of Rosthern budget. Fire is calculated as 25% of the Hague fire fees and expenses. This represents a base fee; a call out fee charged directly to the resident would be expected. New agreements will need to be negotiated in the transition to incorporation.

17. Transportation Service

Road maintenance includes summer and winter. A nominal amount is included for ongoing maintenance of street signage.

18. Environmental & Health Service

Waste management and recycling is contracted annually. Septic clean out is included in this budget item.

The Twin Rivers HHHW (Household Hazardous Waste) program is a per capita share of the \$4,000 allocated in the 2023 RM of Rosthern budget. The Hospital Levy is estimated to be \$85 per household. This levy is held constant in Year 2. The Twin Rivers Physician Incentive is calculated in this budget as a per capita share of the \$15,000 budgeted by the RM of Rosthern in 2023.

19. Planning & Development

Operating costs of the Twin Rivers Planning District are calculated per capita. Building Inspector Fees are a per capita share of the \$22,000 budgeted by the RM of Rosthern in 2023.

20. Recreation & Cultural Service

The Village of Neuanlage must belong to a regional library according to *The Public Libraries Act, 1996*. The 2024 levy for the Wheatland Regional Library is \$7.99 per capita. The regional library levy increases at a nominal amount each year although the library has indicated that a more significant increase may be forthcoming due to rising operating costs.

For this budget, the cost share for the Hague library is estimated to be 50% for Hague, 25% for the RM of Rosthern and 25% for the Village of Neuanlage. This budget also provides \$5,000 to the Hague Arena Complex, representing half of the RM of Rosthern’s current contribution.

21. Capital Expenditures

Capital expenditures are assumed to be paid in full in the Transition Year for the construction and setup of the village office. Capital amortization is assumed on these assets beginning in year 1.

22. Transfers

An annual reserve contribution will assist in funding future capital expenditures identified by Council. All surplus funds are directed to capital reserve for this budget's purposes. Future transfers to capital reserves will be determined by the elected village council.

Neuanlage Reserve Fund

The RM is required to have designated reserve funds for the Organized Hamlet which will become part of the village financials. According to the RM of Rosthern 2022 audited financial statement, Neuanlage had a dedicated reserve of \$285,395 on December 31, 2022. However, a land purchase of \$70,000 may have been omitted and the actual dedicated reserve at year-end 2022 is \$215,395. The unaudited estimate of the Neuanlage dedicated reserve is \$238,412 at year-end 2023. These capital reserves may be necessary to cover transition costs. The table below shows the reserve fund balance at year-end estimated for the transition year and the first two years of operation as a village.

	2022 Actual	2023 Actual	Transition Estimated	Year 1 Estimated	Year 2 Estimated
Reserve Fund, Year End	\$ 215,315	\$ 238,412	\$ 43,912	\$ 151,782	\$ 198,639

Five Year Capital Plan

The RM of Rosthern confirmed that the 2022-2026 Capital Plan does not contain any projects within the Organized Hamlet of Neuanlage.

NEXT STEPS

Based on the feedback received in response to the Praxis report, the Hamlet Board will determine whether:

1. there are any unanswered questions and whether further investigation is needed into the possibility of restructuring;
2. to continue as an organized hamlet in the RM of Rosthern; or
3. to proceed with the restructuring application process.

Should the Hamlet decide to proceed with restructuring, the first step would be to advise the RM of their intention. The next step would be to contact the Ministry of Government Relations to begin the application process.

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APPENDIX A: RESTRUCTURING CHECKLIST

The following restructuring checklist can be found in the *Voluntary Restructuring Guide for Municipalities* published by the Ministry of Government Relations. This checklist may be used to ensure all elements of the application to the Minister are complete.

Date	Action
_____	Council passes resolution to initiate the restructuring process and meet with affected municipality.
_____	Meeting between municipalities to be restructured (invite municipal advisor).
_____	Other affected municipality passes complementary resolution or resolution to oppose restructuring.
_____	Start to prepare the application to restructure (Form E).
_____	Further meeting(s) between municipalities to negotiate restructuring agreement.
_____	Draft a restructuring agreement.
_____	Meeting(s) between municipalities to be restructured, if required, to finalize agreement.
_____	Resolution of initiating municipality to enter into restructuring agreement and authorizing mayor/reeve and administrator to sign agreement.
_____	Restructuring agreement signed by municipality initiating restructuring.
_____	Restructuring agreement signed by other affected municipality involved in the restructuring.
_____	Resolution to advertise the 'Public Notice' of intention to restructure (must determine final date of objection to include in the notice).
_____	Date of first publication of the 'Public Notice'.
_____	Date of second publication of the 'Public Notice'.
_____	Date of public meeting (<i>must be at least one week after the last publication</i>).
_____	Last date to file objections to restructuring proposal (<i>must be four weeks after the last publication</i>).
_____	Completion of the restructuring application (Form E).
_____	Resolution of Council to forward the application to the minister.
_____	Restructuring application forwarded to the ministry.
_____	Minister's Order signed.
_____	Transfer of keys, books and property to person appointed to settle the assets.

APPENDIX B: DISCUSSION GUIDE

A discussion guide facilitated a productive and focused conversation with representatives of the resort villages. This guide served to ensure comparable information was collected from each resort village. All three resort villages – Elk Ridge, Turtle View, and Pasqua Lake – were forthcoming in their advice and perspectives. Praxis would like to extend our appreciation for the time and advice provided by Mayor Gary McKay, Resort Village of Elk Ridge; Mayor Troy Johnson, Resort Village of Turtle View, and Mayor Larry Bedell, Resort Village of Pasqua Lake. Their contributions have provided valuable insights into the process and experience in transitioning from an organized hamlet to a resort village.

1. Timeline – how long did the process take?
2. Who did the work related to preparing the application ?
3. What role did the Hamlet Board have in the process?
4. What role did the Ministry of Government Relations Municipal Advisory staff have?
5. Was the RM supportive? What role did the RM have in the process?
6. What was the biggest challenge in the process?
7. How did you communicate with your ratepayers – before, and during the application process?
 - a. What were the main reasons or benefits for incorporation?
 - b. What level of support was there?
 - c. What kinds of questions or concerns were raised by residents?
 - d. Did you have a referendum or petition as part of the process?
8. Budget/Financials
 - a. What were the transition costs – unexpected or planned?
 - b. Access to grants or funding previously not available as a hamlet?
 - c. Biggest difference in budget or financial planning?
 - d. Reserve transfers from RM?
 - e. Minister’s order appoints person to handle transfer of assets and liabilities – how was that process?
 - f. How/When did you hire an administrator? Were they qualified and experienced?
9. Lessons Learned
 - a. Anything you would have done differently? Suggestions or advice?
 - b. Transition committee – secretary appointed in Minister’s order – who did this work and how often did committee meet?
10. Other