



**Saskatchewan
Ministry of
Municipal
Affairs**

A Guide to Organized Hamlets in Saskatchewan

**Advisory Services
Strategy and Sector Relations Branch
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Preface

The purpose of this guide is to provide information about organized hamlets to rural municipal councils, staff and organized hamlet boards. It outlines the procedures for having an area of the rural municipality declared an organized hamlet and the powers and duties of the organized hamlet board and the rural municipal council as it pertains to organized hamlets. Legislation for organized hamlets is set out in Sections 49-78 of *The Municipalities Act* and *The Municipalities Act Regulations*. This guide is not intended to substitute legislation but should be used in conjunction with provincial statutes.

Definition of Organized Hamlets

Under *The Municipalities Act*, certain areas or hamlets within the municipality may be designated organized hamlets by an order of the Minister of Municipal Affairs.

A hamlet located adjacent to another organized hamlet or an urban municipality may be established as an organized hamlet only if:

- (a) another organized hamlet or adjacent municipality refuses to annex the area of the hamlet;
- (b) natural physical barriers separate the hamlet from another organized hamlet or adjacent municipality;
- (c) there is a lack of continuity in the development between the hamlet and another organized hamlet or adjacent municipality; or
- (d) access between the hamlet and another organized hamlet or adjacent municipality is limited

Organized hamlets are part of the rural municipality. To be declared an organized hamlet a petition signed by at least 30 persons who would be voters of the proposed hamlet must be submitted to the administrator of the rural municipality in which the hamlet is located. "Voters" are electors as defined by the rural section of *The Local Government Elections Act*. When an area is declared an organized hamlet it is given a formal name and legal boundaries. Once designated, the voters within the organized hamlet will elect a three-member organized hamlet board to act as an advisory body to the rural municipality on hamlet matters.

Towns, villages, and resort villages that cease to be urban municipalities and become part of the rural municipality may be designated by the Minister as an organized hamlet without the need for a petition.

Governance of Organized Hamlets

Once the minister has designated an area as an organized hamlet, the council of the municipality will appoint a time and place for the first meeting of the voters of the organized hamlet and a person to make arrangements for the meeting. The person appointed by council shall also advertise the meeting in the manner directed by council and shall preside at the first meeting of the voters until the voters have elected a chairperson for the meeting. At this first meeting, an organized hamlet board will be elected to advise the council of the rural municipality on hamlet matters. The organized hamlet board does not have the authority to adopt bylaws, only the council of the rural municipality has this power. If the organized hamlet board determines a particular bylaw is needed within the organized hamlet, it must approach the rural municipal council for the enactment of the bylaw.

Election of Board Members

Once designated as an organized hamlet, the voters shall elect three members to the organized hamlet board. Candidates for the hamlet board must be voters of the organized hamlet. After the election of the initial organized hamlet board, all members shall serve three-year terms. Voting in an organized hamlet may be by secret ballot, show of hands or by standing as determined by the voters.

From within the three members of the organized hamlet board, one member shall be appointed as chairperson and one person as secretary. The secretary shall record the minutes of the board meetings and forward copies of the minutes to the council of the rural municipality.

If a vacancy should occur on the organized hamlet board, by reason of a member's death, resignation or otherwise the board may call a meeting of the voters to elect a person for the unexpired term of the person being replaced and give at least seven clear days notice of the meeting to the voters of the organized hamlet.

The board of an organized hamlet with a population over 100 may apply to the Ministry of Municipal Affairs to establish the organized hamlet as a separate division in the rural municipality. Upon approval of the separate division, the voters of the organized hamlet would elect a member of council. The council

member representing the organized hamlet becomes an additional member on the hamlet board.

The Municipalities Act, Section 52 allows the Minister of Municipal Affairs to revert an organized hamlet to a hamlet, if there has been no active organized hamlet board for at least two years and the Council of the rural municipality requests it.

Meetings of the Organized Hamlet Board

Once the organized hamlet board has been established, it is now able to advise the council of the rural municipality on organized hamlet board matters.

Each year, the organized hamlet board shall hold an **annual meeting** of the voters of the organized hamlet. The date and time of the meeting is determined at the last annual meeting. This means that each year the voters will set a date and time for the next annual meeting. If the voters do not determine when and where the next annual meeting is to be held, the organized hamlet board shall do so.

Whether the voters or the board set the date and time for the annual meeting, it is the duty of the board to give at least seven clear day's notice by posting notices in three separate conspicuous places in the organized hamlet. Seven clear days means that the first and last days are excluded, therefore at least nine days in advance the notices must be posted. The secretary of the board shall prepare and report at the annual meeting a report of the board's activities since the last meeting.

Besides the annual meeting, the organized hamlet board will determine when, where and how often it will meet. Within 30 days of a meeting being held, whether it is the annual meeting or a board meeting, the secretary is required to transmit a copy of the minutes to the council of the rural municipality. In addition to this the minutes of all meetings of an organized hamlet board are open to inspection at the annual meeting of the organized hamlet.

Financial Matters of the Organized Hamlet

Properties within the hamlet are assessed and subject to taxation, as are properties in the rest of the rural municipality. Council is responsible for establishing a uniform mill rate for the municipality as a whole. With the consent of the organized hamlet board, the rate may be different than that applied elsewhere.

In addition, council may authorize a special tax for a specific service or purpose within all or part of the municipality. Therefore, where the specific purpose or service benefits only the organized hamlet, the tax will be applicable to those properties only.

Generally, tax tools (minimum tax, base tax and mill rate factors) will apply uniformly to one or more property classes throughout the municipality. At the request or with the consent of the hamlet board, the rates of various tax tools may be different than those applied elsewhere in the municipality.

An organized hamlet board does not have the power to levy or collect taxes, therefore it must rely on the municipal council to do so for it. The administrator of the rural municipality sets up an account called a “special hamlet account” into which are placed:

- a) allocated grants received on behalf of the hamlet ;
- b) a percentage of the municipal taxes; and
- c) any special license fees collected from within the organized hamlet.

The percentage of municipal taxes is an amount that may be agreed upon between the council and the organized hamlet board. It is to be not less than 40% and not more than 75% of monies collected from within the organized hamlet. From these allotments the organized hamlet board can request certain expenditures for services in the organized hamlet. As long as there is money available in the special hamlet account, a council shall make the requested expenditure. On or before March 1 of any year the organized hamlet board may request that a special levy be applied to the properties within the hamlet. Of this special levy a sum of 85% or any amount agreed upon by the board and council shall be allotted to the special hamlet account. Organized hamlets also qualify for the revenue sharing grant through the rural municipality.

The administrator of the rural municipality will distribute revenues and expenditures from the general funds of the municipality. He or she will maintain a memo or subsidiary account to record those revenues and disbursements on behalf of the organized hamlet.

It is essential that the organized hamlet board annually prepares a budget and submits it to the council of the rural municipality. This is not a legislative requirement, but is recommended to assist both the board and the council when negotiating the percentage allotted to the organized hamlet board account. If no budget is submitted to the council, it may be difficult to justify the need for a larger allotment of revenues collected on behalf of the organized hamlet. By regularly submitting a detailed budget both sides can evaluate the financial viability of the organized hamlet.

No later than January 20 of each year the council of the municipality must provide the organized hamlet board with a statement of:

- (a) the amount of funds credited to and expended from the hamlet board account during the previous calendar year;
- (b) the balance of accumulated reserve in credit to the organized hamlet board; and
- (c) revenues and expenditures of any waterworks and sewage system provided to the organized hamlet (*including any previous years unexpended funds*).

This statement will make it easier for the board to prepare a budget of proposed revenue and expenditures for within the organized hamlet for the current year.

Any unexpended funds allotted to an organized hamlet board are accumulated and reserved to the credit of the organized hamlet account and/or the waterworks and sewage system hamlet account.

Services Provided to the Organized Hamlet

If requested by the organized hamlet board, the council may provide for the installation of a water and/or sewer system in the organized hamlet. It is important to remember that any waterworks or sewage system provided for in the hamlet must follow provincial regulations.

Revenues from the operation of a waterworks system or sewage system are used by the council for the maintenance and operating costs of the system. Revenues and expenditures of the water and/or sewer system should be recorded separately. If the revenues received from the current year do not cover the costs of providing the service, the deficit amount is charged firstly against any unexpended funds from previous years and then against the allotments of monies received on behalf of the organized hamlet.

On agreement between the board and council and if there are sufficient funds available to the credit of the organized hamlet, the organized hamlet board may be responsible for providing one or more services within the organized hamlet. This agreement may include that the municipality hire one or more employees with specific duties in providing the service and it may allow the municipality to enter into agreements with third parties for the purpose of carrying out the terms of the agreement.

Dispute Resolution

When a dispute arises between the organized hamlet board of an organized hamlet and the council of the rural municipality an appeal board is appointed to hear and determine a solution to the dispute.

The appeal board shall consist of:

- (a) one person appointed by the council of the municipality;
- (b) one person appointed by the organized hamlet board; and
- (c) one person appointed as agreed upon by the persons appointed in (a) and (b). The third person also acts as chairperson for the board.

Members of the council of the rural municipality and members of the organized hamlet board are ineligible for appointment on this appeal board.

The appeal board shall decide when and where the appeal shall be heard. It is required to give at least seven days notice to the council of the municipality and to the organized hamlet board.

During the hearing, the appeal board will allow both the council and the organized hamlet board to present oral or written evidence, cross examine any witnesses and rebut any evidence given by the other party.

The cost of the appeal hearing will be apportioned between the rural municipality and the organized hamlet board as the appeal board sees fit.

The decision of the appeal board is binding on the council of the municipality and the hamlet board. Decisions of the appeal board are to be given in writing. The chairperson of the appeal board will make sure that a copy of the decision is sent to the council of the municipality and the organized hamlet board.

Appendix A – Allotment Calculation

Sample Calculation for an Organized Hamlet Allotment Percentage

The following is a suggested approach which may be used in determining an equitable apportionment of the municipal levy in an organized hamlet.

Organized Hamlet of Happy Valley Rural Municipality of Nearly Perfect No. 999

Hamlet Population 70

Hamlet Assessment Percentage Calculation:

$$\frac{\text{Hamlet Assessment}}{\text{Total R.M. Assessment}} = \frac{387,950}{9,325,720} \times 100\% = 4.16\%$$

Hamlet Costs

Municipal Expenditures Shared by Hamlet

Total General Government Expenditures	30,736		
Less: Non Shareable - Council Indemnity & Travel	(2,890)		
	<u>27,846</u>	x 4.16% =	1,158

Protective Services

Total Protective Services	9,287		
Less: Grants	(2,802)		
	<u>6,485</u>	x 4.16% =	270

Shareable Requisitions

Regional Library	70 x per capita levy @ \$2		140
Regional Park	1,728	x 4.16% =	72
SAMA Requisition	10,293	x 4.16% =	428

Other Sharable Costs

Waste Disposal	4,595		
Cemeteries	1,675		
Planning/zoning	1,011		
Recreation	3,992		
Discounts	<u>15,670</u>		
	26,943		
Less revenues	(185)		
	<u>26,758</u>	x 4.16% =	1,113

Total Hamlet Portion of Shareable Expenditures 3,181

Municipal levy within organized hamlet (20 mills on assessment of \$387,950)	\$7,759	
Less: Municipal portion of R.M. expenditures	3,181	
Amount allocated for organized hamlet expenditure	\$4,578	59%

Note: This approach involves using a combination of assessment and population to calculate the organized hamlet's share of specified expenditures. This is an accepted general approach to determining the apportionment of the municipal levy in the organized hamlet. The council and the board should negotiate an acceptable allotment percentage.

The actual assessment, levy and expenditure figures can be obtained from the previous year's financial statement. Many other items may be included depending on local circumstances. Charges such as street lighting, snow removal, policing, garbage collection etc. would be charged against the hamlet allotment.

Appendix B – Sample Budget

Organized Hamlet of Good Times

Budget for January 1, 2006 to December 31, 2006

<u>Revenues</u>	7,780	
Collected Taxes (Organized Hamlet Share only)		
Grants	1,450	9,230
<u>Expenditures</u>		
General Government Services		
Office	100	
Insurance	700	
Protective Services		
RCMP Share	200	
Fire Department	100	
Transportation Services		
Street Maintenance	500	
Street Lights	1,600	
Tractor Maintenance	600	
Environmental Health Services		
Waste Collection	1,500	
Recreation Services		
Beach Maintenance	500	
PARCS Membership	100	
PARCS Conference	300	
		6,200
Excess Revenue over Expenditures		<u>3,030</u>
<u>Water and Sewer Utility</u>		
Revenue		
Water Fees	3,300	3,300
Expenditures		
Well Maintenance	2,000	2,000
Surplus revenue will be retained by the RM for future expenditures		<u>1,300</u>

This illustration is an example of a budget that might be submitted by the organized hamlet board to the council. In this situation, 50% of the taxes plus designated revenues are allocated to the organized hamlet. The council and the board should negotiate an acceptable agreement regarding revenues and expenditures.

Appendix C – Statement of Revenue and Expenditures

Organized Hamlet of Smallville

	Budget	Actual
<u>Revenue</u>		
Collected Taxes (Organized Hamlet Share only)	7,000	7,940.20
Grants	1,450	1,527.00
Utilities	<u>7,100</u>	<u>7,675.00</u>
Total	15,550	17,142.20
<u>Expenditures</u>		
General Government Services	1,075	837.27
Protective Services	300	192.00
Transportation Services	2,500	3,100.28
Environmental Health Services	<u>3,430</u>	<u>3,841.34</u>
Total	7,305	7,970.89
Estimated Operating Surplus (Deficit)	8,245	9,171.31
Add: Surplus (Deficit) as of January 1	6,892	6,891.64
Reserves (Accumulated Surplus) as of December 31	15,137	16,062.95

This example illustrates addition of the annual operating surplus to the accumulated reserve in respect of the organized hamlet.

Appendix D – Contact Information

For further information contact:

**Ministry of Municipal Affairs
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