

POLICY NO:	AD 005
POLICY TITLE:	HAMLET MANAGEMENT POLICY
DEPARTMENT:	ADMINISTRATION
APPROVAL DATE:	13-09-02 (September 10, 2002)
REVISION DATE:	14-04-04; 34-04-10 (April 27, 2010)
REVIEW DATE:	

Purpose:

The County of Vermilion River is responsible to maintain the infrastructure within the hamlets and therefore wishes to develop a long term strategic plan for communication, infrastructure and fiscal management of its hamlets to ensure each hamlet is sustainable today and for the future.

The County of Vermilion River recognizes that each individual hamlet has its own set of issues and concerns as well as constraints in their ability to financially contribute to their infrastructure and ongoing needs. Council will hold consultations with the hamlets, however council holds the right to impose any project it deems necessary to sustain the long term viability of the community's infrastructure. The Council will determine the standards and levels of essential and nonessential services delivered to the hamlets and the following guidelines are for monitoring and managing the hamlets throughout the County of Vermilion River.

Guidelines:

1. **Communication Strategy** – At least once a year, after the County Financial Statements for the previous year are completed but before December 31st, a meeting will be held with each hamlet. The meeting will provide an opportunity for residents to have input into their hamlet's projects and express concerns. The County in return will update the residents on ongoing issues, finances, grants and any other pertinent information.
2. **Hamlet Taxation** – Under section 297 (2) (a) of the MGA council may by bylaw subdivide the residential assessment of the hamlets into a sub class and assign a specific mill rate to each individual hamlet. Council may also impose a standard minimum tax on all hamlet vacant lots and improvement lots.
3. **Water and Sewer Budgets** – The combined water and sewer system within in a hamlet must be able to budget for a surplus. A hamlet that incurs a deficit must hold an annual rate review and a general review of expenditures to determine the best course of action to eliminate the deficit. Extra ordinary expenses or repairs that occur in a year that are not considered part of normal operations may be funded from the hamlet's individual reserves.
4. **Projects & Grants** – Any grants when feasible will be accessed to fund projects. The final decisions on all projects are subject to council's approval. The hamlet portion of the project must be funded by one or a combination of the following:

- a. Debenture (County or AMFC), and paid through water, sewer or hamlet budgets
 - b. Reserve draw down
 - c. Improvement Levy
 - d. Hamlet Initiative (fundraising, donations etc)
5. **Hamlet Services** The municipal taxes (including an allocation from non-residential taxation and general revenue) collected from a hamlet should be sufficient to cover the actual costs of services directly incurred by the hamlet as well as indirect costs that have been allocated to the hamlet. Schedule A (Hamlet Review) has been developed to assist with the analysis of hamlet taxation and cost of services. An annual review of the hamlets tax rate, costs and services will be done and an action plan will be developed to rectify any short fall between allocated tax revenue and allocated costs.
- a. **Direct Services to be allocated by actual costs**
 - b. Public Works (Sidewalk repairs, Street lights, maintenance, street projects, etc.)
 - c. Agriculture (Weed control, mowing etc.)
 - d. **Indirect services** will be allocated to each hamlet on a per capita basis. (Refer to Schedule A)
 - e. **Exclusion:** School and Senior Housing Requisitions are not included in any Municipal Departmental Budgets and are therefore excluded from this policy.
 - f. Hamlets are excluded from local priority funding.
6. **Non Residential Tax & General Revenue Allocation** – A portion of non residential tax and general revenue is collected each year for funding all departmental budgets including the public works department.

The distribution of this revenue will be allocated to each hamlet based on the formula stated in Schedule B (Hamlet Subsidy Allocation Funding)

7. **Reserves and Operating Surplus/Deficits**

Hamlet reserves should be developed to assist with three main areas:

- a. **Capital - Line replacement for water and sewer systems**
Funding for the capital line replacement may come from an additional amount added to the bimonthly utility bills or from a year-end transfers municipal tax allocation.
- b. **Capital - Project reserve**
This reserve is set up to fund street projects and miscellaneous small projects within the hamlet. Funding for this reserve may be obtained from a year-end transfer of unused portion tax subsidy allocation.
- c. **Operational - Water & Sewer Reserve**
This reserve is to assist with extra ordinary repairs to the system that cannot be absorbed by the operational budget

For each hamlet that operates water, well and/or sewer system, at the beginning of each year the County will calculate the municipal tax levied in the previous year in each hamlet, 20% of the tax levied will be transferred to each hamlets operating reserve.

Interest calculated on all capital water and sewer reserves balances at year end shall be put back into the reserve.

- a. This operational hamlet reserve isn't intended to fund major line replacement; it is specifically set up for minor repairs and improvements to the water and sewer systems. Therefore a range of \$10,000 to \$50,000 depending on the system is deemed to be an appropriate level for hamlet reserves.
- b. A hamlet system that has an overall operating surplus from previous years may transfer its current year-end operating surplus to one of it's reserves
- c. Accumulated surplus/deficit is tracked for each individual hamlet based on the yearend actuals of the hamlets water and/or sewer systems. Any accumulated surplus for a hamlet maybe used as a buffer for small fluctuations in normal operational expenditures.
- d. Council must approve all reserve draw downs and transfers.

Criteria:

1. The County of Vermilion River identifies hamlets as stated in the MGA Section 59 and by the County's Land Use bylaw. The following hamlets are within the County of Vermilion River boundaries and are deemed to be governed by this policy:

Blackfoot

Clandonald

Islay

McLaughlin

Rivercourse

Streamstown

Tulliby Lake

2. The province may set criteria for specific grants or projects that excludes or limits inclusion of some of the communities the County has identified as hamlets.

Background:

1. Historically the MGA had required at least 50% of municipal taxes to be spent on public works that benefited the hamlet, therefore taxes and expenditures have been tracked and reported on to prove this requirement has been met.
2. The County of Vermilion River by motion #10-5-97 and #65-10-01 approved \$20,000 per system to Clandonald, Islay and Blackfoot and \$10,000 to McLaughlin Hamlet Capital Reserves as a special allocation that is to be used for emergency repairs.

3. The County of Vermilion River by motion #9-8-97 allocated \$22,254.86 (2/3 of the Clandonald lagoon project) from general revenue
4. The County of Vermilion River by motion #11-5-97 authorized the offsetting of deficits as of Dec 31/96 from the Municipal Debt Reduction Program included in the Accumulated Surplus – Islay \$13,576, Clandonald \$3,908 and McLaughlin \$27,675
5. The County of Vermilion River by motion SP 2-4-85 had authorized 25% of general municipal taxes levied against the hamlet properties to be transferred to a Hamlet Reserve.