

Memorandum of Understanding

Between

The Rural Municipality of _____ No. ###

and the

Town of _____

WHEREAS, the Rural Municipality (RM) accesses direct and indirect municipal services from the Town for residents of the RM; and

WHEREAS, the RM wishes to make available to its residents direct and indirect Town municipal services, these services being available to the residents of the RM; and

WHEREAS, the Town has developed and maintained the facilities and infrastructure required to provide these services to their residents and the residents of the RM, and

WHEREAS, the Town and RM want to ensure the municipalities are developed in a manner that is equitable and fair to both municipalities, and

WHEREAS, both the Town and the RM are desirous of maintaining one agreement between both parties.

NOW THEREFORE, by mutual covenant of the parties hereto it is agreed as follows:

A. DEFINITIONS

1) In this Agreement

- a) "Services" means those services that both parties are desirous of joint cost sharing, which includes:
 - i) Cemetery;
 - ii) Fire;
 - iii) Library;
 - iv) Recreation and culture
 - v) Water and Wastewater;
 - vi) ~~(ANY OTHER SERVICES THAT THE MUNICIPALITIES WISH TO SHARE)~~
- b) "Net Operating Costs" means the managed routine and extraordinary maintenance and operation of existing programs and facilities, less any associated revenues;
- c) "Year" means the calendar year beginning on January 1st and ending on December 31st, and
- d) "Region" will refer to all municipalities within the RM and will include the Towns of _____, _____, _____, and the Village of _____, including the RM.
- e) "Municipal Taxes" shall mean all municipal taxes, including land, machinery and equipment, business and other taxes, levied or assessed by the RM against or with respect to any property which is subject to this Agreement pursuant to *The Municipalities Act, The Planning and Development Act, 2007*, or similar legislation, and actually levied, but shall not include the following:
 - i) any taxes or rate levied to meet the requisition of a public or other (i.e.: catholic) school district; and
 - ii) local improvement taxes
- f) "Service Zone" shall mean those properties connected to and receiving treated water and/or wastewater services from the system owned and operated by the Town.

B. TERM OF AGREEMENT

- 1) The initial term of this Agreement shall be from _____ to _____ unless specified otherwise in this Agreement. Thereafter the agreement will automatically renew for a further 10 year term unless either party provides one years notice of termination or desire to renegotiate the agreement.
- 2) This Agreement may be amended by mutual consent of both parties unless specified otherwise in this Agreement.
- 3) It is agreed by the RM and the Town that every 3 years the Intermunicipal Committee shall meet to review the terms and conditions of the agreement.
- 4) In the event of termination by one of the parties after the initial 10 year term, the issue of compensation for services provided under the agreement will be dealt with in accordance with the dispute resolution Clause L.

C. SCHEDULE OF PAYMENTS

- 1) Unless otherwise provided in this Agreement, payments shall be made on a quarterly basis (March 31, June 30, September 30, December 31 in any year) if invoiced at least thirty days in advance or within thirty days of receipt of invoice.
- 2) Receipt of invoice shall be considered to be seven days from postmark of mailing.

D. INTERMUNICIPAL COOPERATION

- 1) The Town and the RM agree to create a recommending body known as the Intermunicipal Committee (hereinafter referred to as the Committee)
- 2) The Committee will meet on an as required basis and will develop recommendations to the Town and RM Councils on all matters of strategic direction and cooperation affecting RM and Town residents, except matters where other current operating structures and mechanisms are operating successfully. The topics to be discussed will include:
 - a) Long-term strategic growth plans for the RM and the Town as may be reflected in Municipal Development Plans, Area Structure Plans, Inter Municipal Development Plan and other strategic studies.
 - b) Intermunicipal and regional transportation issues including the Transportation and Utility Corridors, truck routes, transitional access into and out of the Town.
 - c) The provision of Town services into the RM.
 - d) Prompt circulation of major land use, subdivision and development proposals in either municipality which may impact the other municipality; and
 - e) The discussion of urban fringe and other intermunicipal or multi-jurisdictional issues in lieu of a regional planning system.
- 3) The Committee shall consist of four members, being the Reeve and local Councillor from the RM and the Mayor and one Councillor from the Town.
- 4) The Administrator or each municipality will be advisory staff to the Committee, responsible to develop agendas and recommendations on all matters, and for forwarding all recommendations from the Committee to their respective Councils.

E. GENERAL TERMS

- 1) Both parties agree that in consideration of the payments outlined in Clause F for services that residents of the region will be provided the same services at the same costs, including user fees, as the Town residents for services provided by the Town and the RM residents for services provided by the RM.
- 2) The Town and the RM agree to include a section within their respective Official Community Plans that addresses rural/urban fringe issues and growth to ensure the orderly development of the area surrounding the Town.
- 3) In order to minimize competition for development between the municipalities and within the region, The RM agrees to present the following for inclusion in the appropriate planning bylaws:

Subdivision lot sizes within 2 miles of the Town for country residential, commercial and industrial developments to limit direct competition with urban uses

a. *(This is where the Municipalities may set out additional restrictions on proposed development along the rural/urban fringe to ensure access to and preservation of developable land for future urban growth. This and the below sections may be reduced or expanded based on negotiation by the local jurisdictions. This is NOT prescriptive.)*

b.
c.

- 4) The Town agrees to submit the following for inclusion in the appropriate planning bylaws: "country residential developments will not be permitted within the urban municipality."
- 5) The Town and RM also agree to submit for inclusion in the planning bylaws, clauses that will address variances to the provisions in Clauses 3 and 4, that will provide for the following
 - a. Variances of up to 10% in parcel size may be dealt with at the administration level and upon the agreement of both municipal administrations may be permitted.
 - b. Variances to the general terms and size variances of greater than 10% will be referred to the Committee for their consideration and approval.

F. RECREATION AND CULTURE PLANNING

1) The municipalities within the region recognize that recreation and culture are important services provided by all municipalities in the region and agree within the first 24 months of this agreement to complete a Regional Recreation and Culture Master Plan, including libraries, and with costs of preparing the plan to be shared on a per capita basis.

2) The RM and the Town recognize that the Town has ownership and operational control of the recreation facilities and services offered by the Town, and further the RM recognizes the Town's capital contribution for the development of these facilities.

G. MUNICIPAL SERVICES – CAPITAL PROVISIONS

- 1) The RM and the Town have expressed a need to be involved in the decision-making process leading to capital projects, including recreation, cultural, library, water and wastewater infrastructure and major roadways.
- 2) Both parties agree to notify the other of capital projects at the initial planning stage.

- 3) The initial notification will include a general description of the project, estimated costs and timing of expenditures. The other party will advise if they have objections in principle to funding the project and provide reasons. An opportunity will be provided to discuss the project at a joint meeting of the two Councils.
- 4) Both municipalities may become involved in the planning of capital projects, by appointing a person to whom the information can be directed.
- 5) The representative may participate in any of the meetings for the design process.
- 6) The following criteria will be used when assessing funding of new capital projects:
 - a) Relationship of the proposed capital project to existing municipal boundaries and future urban annexation or development areas;
 - b) Relationship to any Regional Development Plans, Regional Transportation Plans, or any other regional long term planning document prepared by the municipalities or province;
 - c) The level of community support;
 - d) The nature of the project;
 - e) The demonstrated effort by volunteers to raise funds and obtain grants (if applicable);
 - f) The projected operating costs for new capital projects;
- 7) The Town and RM recognize that the decision to participate in or not participate in a capital project ultimately lies with the respective municipal councils, who in turn must rely on the support of their electorate to support the project and any capital borrowing that could be required.

H. MUNICIPAL SERVICES – OPERATIONAL COSTS

1) Cemetery

- a) The municipalities within the region will continue to operate the cemeteries within their respective municipalities and all residents of the region will be provided access to a cemetery for the same fee as charged to a resident of the municipality operating the cemetery.

2) Parks and Open Spaces

- a) The municipalities within the region will continue to operate the parks and open spaces within their respective municipalities and all residents of the region will be provided access to the parks and open spaces for the same fee.

3) Fire Services and Mutual Aid Agreements

- a) It is agreed by the RM and the Town that a Fire Department Cost Sharing Agreement shall be considered and be a separate stand-alone Agreement and shall be excluded from this Agreement.

4) Library

- a) It is agreed by the RM and the Town that the RM will provide annual per capita funding to the Town to cover the operation costs, books and capital maintenance, based on the recreation area population as designated by the RM, with the increase in funding to be phased in over a five year period based on the following amounts, and subject to Clause I, Funding Adjustments.

Year	Base Funding Per Capita
2009	\$
2010	\$
Year Two	\$
Year Three	\$
Year Four	\$
Year Five & beyond	\$

- b) The RM and the Town acknowledge that in addition to the operation costs, that a fund for capital maintenance should be separately identified for library facilities.
- c) It is agreed that the Town will contribute a minimum of the equivalent per capita amount to the library programs and facilities and where it does not, shall refund to the RM any excess contributions.
- d) It is agreed that the RM will be entitled to nominate a person for appointment to the Town Library Board and the Town agrees to appoint that person.

5) Agricultural Pest Control (Fungus and Weeds)

- a) The Town and the RM agree to work together to administer and maintain agricultural pest control programs within the region.
- b) It is agreed, if required, that the RM and the Town will enter into a stand alone separate Agreement to provide pest control.

6) Recreation and Culture

- c) The Town and RM agree recreation and culture facilities and programs require assistance from the taxpayers in order to subsidize youth and senior programs.
- d) For the purposes of this Agreement, the RM will provide an annual grant to the Town to assist in the cost of providing recreation and culture programs, except as elsewhere provided in this agreement, including the operation, and maintenance of all indoor and outdoor recreation and culture facilities located in the Town.
- e) The parties agree that the per capita grant formula will be based on the recreation area population as designated by the RM, with the increase in funding to be phased in over a five-year period based on the following amounts, and subject to Clause I, Funding Adjustments.

Year	Base Funding Per Capita With Pool	Base Funding Per Capita No Pool
2009	\$	\$
2010	\$	\$
Year Two	\$	\$
Year Three	\$	\$
Year Four	\$	\$
Year Five & beyond	\$	\$

- d) It is agreed that the Town will contribute a minimum of the equivalent per capita amount to the town recreation and cultural programs and facilities and where it does not, shall refund to the RM any excess contributions.

7) Water and Wastewater

- a) The Town agrees to provide water and wastewater services to businesses, industry and residential developments in the RM within the area identified in Schedule A (Map of proposed development areas in vicinity of the Town), subject to the RM paying the library, recreation and culture funding as outlined in Clauses 4a and 6e and subject to the payment of the appropriate water and wastewater facility expansion costs to the Town.
- b) The RM will be responsible for all costs associated with the infrastructure and over sizing required to connect into the Town water and wastewater systems. The Town acknowledges that the RM will cover these costs and will eventually recover their costs as new developments connect into the system.
- c) In recognition of providing water and wastewater services to properties in the RM, it is agreed that the RM will pay to the Town 10% of the municipal taxes collected for any developments serviced with town water and 10% for any developments served by town wastewater services from the time of service connection until the end of this Agreement for a maximum total of 20% of property taxes.
- d) The Town's responsibility for water/wastewater line maintenance shall end at the outlet of the meter vaults servicing the RM or at the point that water or wastewater lines cross the Town boundary.
- e) The Town shall establish water and wastewater rates similar to the rate charged within the Town.
- f) The Town will be allowed to recover capital costs for servicing development in the RM through a servicing fee, set by the Town, which will be collected by the RM and then provided to the Town. Alternatively, should services be extended to a development where a servicing fee has not been collected, the Town may charge water and wastewater rates appropriate to recover the capital costs over a period of time.
- g) The Town shall provide the RM with notice of any annual changes to the water and wastewater rates charged to the RM by December 31 of each year for rate change implementation by April 1 of the following year.

- h) The RM shall provide "as-built" drawings of all existing water system lines connected to Town's system, and shall provide, in a timely manner, drawings of any changes that might subsequently be carried out.
- i) The RM shall on an annual basis provide a listing of all "RM" customers supplied by the Town, so that the Town may determine its testing requirements in accordance with their "Approval to Operate".
- j) The Town shall have the right to review and approve the design of any new RM services connecting to their system.
- k) The Town shall contact the RM in the event of any service disruption, and the RM shall be responsible for notifying their customers. The RM shall be responsible for any precautionary start-up procedures required following such disruption of service.
- l) The RM agrees to administer the water and wastewater systems in accordance with the same standards, policies and bylaws as applicable to the users in the Town.
- m) In the event of any dispute concerning the accuracy of meters within the meter vaults, the Town shall ensure that any meter in question shall be tested in a timely manner. Should the meter be found to be accurate the RM shall pay all costs incurred for meter testing. Should the meter be found to be inaccurate, the Town shall pay all costs incurred for meter testing and repair.
- n) The Town agrees to enter into an agreement to administer service and maintain the water and wastewater systems in the RM based on the full recovery of costs, plus 10% for administration.

I. FUNDING ADJUSTMENTS

- 1) RM ASSESSMENT – the annual increase in the base funding provided by the RM for libraries, recreation and culture under Clauses H.4.a and H. 6.e is conditional on the RM having access to water and sewer services and will be phased in over a maximum of five years. Increases in base funding after 2009 will be based on the accumulated increase in new assessment in 2009 and subsequent years.

Accumulated less than 2%	no change
2% but less than 4%	Year Two
4% but less than 6%	Year Three
6% but less than 8%	Year Four
8% plus	Year Five

Year Five base funding shall be in place no later than 2015.

- 2) CHANGES IN PROVINCIAL LEGISLATION AND OR REGULATIONS REGARDING THE CALCULATION OF PROPERTY ASSESSMENT – the cost sharing arrangements in this agreement are based on the current Act and regulations regarding assessment. In the event the Province changes these regulations in a manner that will materially affect the RM's ability to collect revenue the parties to this agreement, agree to revisit the per capita funding amounts for recreation, culture and libraries.
- 3) POPULATION ADJUSTMENTS – the Federal Census population statistics will be used to calculate the populations for the Town and the area within the RM serviced by Town (recreation district). The RM agrees to phase in the population adjustment from the 2006 Federal Census beginning in 2009 based on adding 4% in 2009, 4% in 2010 and adjustments

to reflect the actual population increase resulting from the 2011 census. The RM and the Town also agree to increase their respective populations beginning in 2009, based on 2.6 people per new housing start in the previous year, subject to adjustment of population numbers at the time of each Federal Census without recalculation of past funding.

- 4) REDISTRIBUTION OF FUNDS – In the event not all the funds are utilized, the RM may hold, at the request of the Town, the funds in reserve for up to one year. In the event the Town cannot utilize and/or provide the matching municipal funds for a given year, the unused portion of their allocation may be redistributed to operational expenses of the RM.

J. INDEMNITY

- 1) The Town shall indemnify and hold harmless the RM, its employees and agents from any and all claims, actions and costs whatsoever that may arise directly or indirectly out of any act or omission of the Town, its employees or agents in the performance of this Agreement. Such indemnification shall survive termination of this Agreement.
- 2) The RM shall indemnify and hold harmless the Town, its employees and agents from any and all claims, actions and costs whatsoever that may arise directly or indirectly out of any act or omission of RM, its employees or agents in the performance of this Agreement. Such indemnification shall survive termination of this Agreement.
- 3) The RM shall not be liable or responsible for any bodily or personal injury or property damage of any nature whatsoever which may be suffered or sustained by the Town, its employees or agents in the performance of this Agreement.
- 4) The Town shall not be liable or responsible for any bodily or personal injury or property damage of any nature whatsoever which may be suffered or sustained by the RM, its employees or agents in the performance of this Agreement.

K. BOUNDARY ALTERATIONS

- 1) The Town and the RM agree that during the term of this agreement that they will work together to support the growth of both communities. The RM agrees to support annexation requests by the Town for purposes of ensuring the orderly and planned development of the Town, and agrees to enter into an annexation agreement with the Town.
- 2) When the supply of available land within the Town boundaries has been reduced to less than 10 years of growth, the RM will support annexation requests that will normally provide for the Town to have sufficient land for 25 years of growth. The Town and the RM agree that the cost sharing formulas within this agreement will be adjusted following an annexation by the Town to reflect the appropriate cost sharing based on the revised populations.
- 3) The Town agrees, in the event of annexation, the Town will reimburse the RM for the appropriate/proportionate share of the infrastructure costs that have not been recovered through servicing fees.
- 4) The RM and Town agree, in the event of annexation, to adjust the referral area and begin discussions on future growth trends and corridors within each municipality.

L. DISPUTE RESOLUTION

In the event that a dispute over any issue related to or addressed under this agreement should occur between the RM and Town:

- 1) The Committee will meet and attempt to resolve the dispute;
- 2) In the event the Committee is unable to resolve an issue, the next step will be to seek the assistance of mediation through the Saskatchewan Municipal Board.
- 3) In the event a dispute cannot be resolved through Steps 1 and 2, either party may apply to the Saskatchewan Municipal Board to appoint an arbitrator whose decision shall be final and binding upon both parties. The Arbitration Act of Saskatchewan in force from time to time shall apply to arbitration proceedings commenced pursuant to this Agreement.

IN WITNESS WHEREOF the parties have affixed their corporate seals as attested by the duly authorized signing officers of the parties as of the first day above written.

Rural Municipality of _____ No. ###

Town of _____

Reeve

Mayor

RM Administrator

Town Administrator