VILLAGE OF BOTHA VIABILITY PLAN

AND NEXT STEPS

February 2017

A report concerning the viability of the Village of Botha
Drafted by the Village of Botha Viability Review Team

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EXECUTIVE SUMMARY

Botha is a rural bedroom community in central-east Alberta and is located in the County of Stettler anao.6, approximately 14 kilometres from the Town of Stettler, just off of Highway 12.

The Village of Botha council requested the viability review in response to residents' request at a council meeting and undertaking a self-assessment tool to assess the village's viability in October 2014. A viability review is a process where a municipality's governance, finances, infrastructure and services are reviewed to determine whether changes to the municipality are required for the community to remain viable. In October 2015, the Minister informed the Village of Botha council that a viability review would be undertaken for the village.

A Viability Review Team (VRT)[1] was established in January 2016 to determine if the Village of Botha was viable and develop a plan to address the factors contributing to the long-term viability of the village. The development of the Village of Botha Viability Plan included consultation with village residents and the County of Stettler (Appendix B: Viability Team Mandate). During this time, the VRT considered a number of factors including:

- o the village's finances,
- o municipal services,
- o long-term planning of services and infrastructure needs,
- o the current state of municipal infrastructure,
- o community demographics,
- o economic development and activity, and
- o municipal structure and the village's relationship with the County of Stettler.

The purpose of the Botha Viability Plan is to provide council, administration and the residents of Botha an opportunity to discuss and debate the future of their village. This document outlines the village's current finances, governance, services and infrastructure. It also highlights the village's viability issues including a declining population, increasing service costs and administrative and operational capacity.

The VRT came to the determination that the Village of Botha faces challenges and the village must take steps to ensure the community's long-term viability. These steps include a long-term arrangement for qualified and experienced administration of the municipality, funding important infrastructure repairs and/or replacement and determining the most affordable method of delivering municipal services. The outcomes of these decisions and those that follow could result in the village continuing with a detailed plan to address the current viability issues, or become part of the County of Stettler, where the priorities of the village would be evaluated equally among the other priorities of the county.

As part of their mandate, the VRT developed the Village of Botha Viability Plan complete with 25 recommendations (**Error! Reference source not found.**) aimed to address the long-term viability issues f acing the village. In particular, the community of Botha must consider if the implementation of the needed changes is feasible, including the potential for increased property taxes, user fees, and/or changes to services; or if the financial and social costs are too extensive, driving towards consideration to become a hamlet in the County of Stettler.

This report reflects the spirit of the Government of Alberta's Municipal Sustainability Strategy and the Village of Botha Viability Review Team's approach to determining the long-term viability of Botha.

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[1] A committee consisting of representatives from Municipal Affairs, the Village of Willingdon, County of Two Hills, the Alberta Association of Municipal Districts and Counties, the Alberta Rural Municipal Administrators Association, the Alberta Urban Municipalities Association, and the Local Government Administration Association.

NEXT STEPS IN THE VILLAGE OF BOTHA VIABILITY REVIEW

VILLAGE OF BOTHA VIABILITY REVIEW TEAM

After the presentation of the Viability Plan to the village council, the Village of Botha Viability Review Team will provide Municipal Affairs with feedback on the viability review process and the team's mandate will be complete.

VILLAGE OF BOTHA COUNCIL

Following receipt of the Village of Botha Viability Plan, the village council has the responsibility to indicate a preference to the Minister of Municipal Affairs for the next steps for the Village of Botha viability review. The choices the village council will decide from are:

Council Choice 1: Remain as a village and accept the recommendations found within the Viability Plan, including any directives that may be issued by the Minister of Municipal Affairs (option 1), or

Council Choice 2: Proceed with a public vote where the electors will decide from the following two options:

OPTION 1 - TO REMAIN INCORPORATED AS THE VILLAGE OF BOTHA

If the village council determines that the recommended actions required to ensure the long-term viability of Botha are acceptable for the village, the council would pass a resolution to inform the Minister of Municipal Affairs that it is prepared to follow the recommended actions in the Village of Botha Viability Plan and wishes to remain incorporated as a village

If the Minister accepts the Village of Botha's decision to remain incorporated, the Minister may issue a Ministerial Order providing directives to the village council to carry out all or some of the recommended actions in Option 1 of the Village of Botha Viability Plan, or any other actions believed necessary to ensure the long-term viability of Botha. The Ministry would monitor the completion of the directives and provide advisory assistance.

OPTION 2 – TO DISSOLVE AND BECOME THE HAMLET OF BOTHA IN THE COUNTY OF STETTLER.

If the village council determines that they prefer to put the question of dissolution to a vote of the electorate, the ministry of Municipal Affairs would administer a vote on a question of dissolution in accordance with the *Local Authorities Election Act*.

The vote question would ask Botha electors whether they are in favour of remaining a village and accepting recommendations, including any directives that may be issued by the Minister of Municipal Affairs (option 1) or dissolve the Village of Botha to become a hamlet in the County of Stettler.

COMMUNICATION WITH RESIDENTS

Residents will be informed of the council's decision, and if a vote on dissolution for the village electors is to be held by the Minister, notice of the time, date, and location of the vote will be provided to electors by Municipal Affairs.

Botha electors, who did not receive this report by mail, can request to have their name on the mailing list for notice of a vote on dissolution by contacting Municipal Affairs by email at viabilityreview@gov.ab.ca.

RESULTS OF A VOTE ON DISSOLUTION

If the result of a vote on dissolution is that village electors vote that Botha should be dissolved, the Minister must recommend to the provincial Cabinet that the Village of Botha be dissolved to become a hamlet in the County of Stettler. Cabinet will determine if the village should dissolve.

If the electors vote that Botha should not be dissolved, Botha would remain an incorporated village and the Minister could direct the village to carry out all or some of the recommended actions in Option 1 of the Village of Botha Viability Plan.

VILLAGE OF BOTHA VIABILITY REVIEW

REQUEST AND INITIATION

The village council requested the viability review in response to residents' request at a council meeting and undertaking a self-assessment tool to assess the village's viability in October 2014.

In October 2015, the Minister informed the Village of Botha council that a viability review would be undertaken for the village

VIABILITY REVIEW TEAM (VRT)

The Village of Botha Viability Review began in January 2016 with the establishment of the Village of Botha VRT. The team consists of one elected and one administrative official from both the Village of Botha and from the County of Stettler, and one representative each from the Alberta Association of Municipal Districts and Counties, the Alberta Urban Municipalities Association, the Alberta Rural Municipal Administrators Association, the Local Government Administration Association, and Alberta Municipal Affairs. The team is tasked with leading the Village of Botha Viability Review.

The Minister gave the Village of Botha Viability Review Team the mandate to collaboratively:

- evaluate the viability of the Village of Botha;
- lead public engagement of local residents, property owners, and other stakeholders in the affected municipalities;
- if required, develop a viability plan for Botha that focuses on partnerships between neighbouring municipalities, municipal associations, and Alberta Municipal Affairs;
- develop an implementation plan for the selected viability option; and
- provide feedback to Alberta Municipal Affairs on the municipal viability review process.

STAKEHOLDER ENGAGEMENT

The VRT is tasked with leading stakeholder engagement with residents, property owners, and other stakeholders. On March 31, 2016, the VRT distributed a stakeholder workbook at a public meeting. Feedback collected through the stakeholder workbook and written submissions from residents were considered by the viability review team when determining the viability of the Village of Botha.

WHAT WE HEARD

We received 31 completed workbooks – 28 from Botha residents and 3 from business owners.

1. What is important to you about Botha being a village?
    - Local decision making   (11)
    - Services provided locally   (9)

- Safety/Privacy (5)
- Local identity (4)
- Nothing (4)
- Community (2)

2. What do you think the top priorities for the Village of Botha should be?
   - Bylaw enforcement (16)
   - Snow removal (10)
   - Maintenance of infrastructure (9)
   - Maintain existing services (6)
   - Sell the vacant lots (5)
   - Lower taxes (4)
   - Office hours (3)
   - Economic development (3)

3. Are the property taxes and utility rates in Botha affordable for the current service levels?
   - NO to both (24)
   - YES to both (6)
   - NO to taxes and YES to utilities (1)

4. What other viability issues should the Botha VRT be reviewing?
   - Economic growth (10)
   - Bylaw enforcement (8)
   - Finances (5)
   - Maintenance of infrastructure (3)
   - Selling vacant lots (3)

5. Do you consider Botha to be sustainable as a village over the long term?
   - No (18)
   - Yes (7)
   - Unsure (6)

Note:
- Not all respondents answered all the questions; and
- 4 respondents commented that renters should not be able to vote

ASSESSMENT OF MUNICIPAL VIABILITY

Municipal viability is assessed by considering eight broad areas and the Botha VRT has considered these areas in forming its recommendations for Botha:

Sustainable governance addresses topics such as council practices and procedures, compliance with legislation, citizen engagement, and strategic planning.

Regional co-operation addresses the municipality's approach to collaborating with neighbours for the benefit of local and regional residents.

Operational and administrative capacity addresses the capacity of the municipality to operate on a daily basis and support council decisions.

Financial stability addresses the municipality's capacity to generate and manage revenues sufficient to provide necessary infrastructure and services to the public.

Infrastructure addresses the municipality's capacity to effectively and efficiently manage public infrastructure on behalf of residents.

Service delivery addresses the capacity of the municipality to provide essential services that meet residents' expectations and any appropriate standards.

Community well-being addresses local community characteristics that contribute to the vitality of the community and the long-term viability of the municipality.

Risk management addresses the capacity of the municipality to identify and manage key risks on behalf of residents.

This Viability Plan was developed based on these broad eight areas.

VIABILITY DETERMINATION

Based on the information compiled in this report and analyzed by the Village of Botha V RT plus the input provided by Botha residents, the viability review team determined that the Village of Botha is not clearly viable in September 2016.

VIABILITY PLAN

The viability review team's task, with the assistance of the councils and administrations of the Village of Botha and the County of Stettler, was to draft a viability plan for Botha that provided:

- an overview of the current situation in the village;
- the actions that the village council would need take to address the viability challenges to ensure the long-term viability of the Village of Botha (Option 1);
- a description of what Botha residents could expect to occur if the village dissolves to become a hamlet in the County of Stettler (Option 2); and
- the results of the infrastructure audit as the viability review team determined that the overall condition of the village infrastructure and how projects could be funded were viability factors.

SUSTAINABLE GOVERNANCE

As the governing body of the municipality, an elected council sets the overall direction of the municipality through the creation and review of policies and programs.

Council activities include the passing of bylaws, adoption of policies, setting budgets, raising revenues through property taxes and business taxes, fees for services, borrowing, fines, adopting plans and bylaws for the use and development of land, and providing a variety of services required or desired by residents.

Option One – Botha remains a village and implements changes to achieve viability	Option Two – Botha dissolves and becomes a hamlet in the County of Stettler
Council Representation and Local Decision Making	
Council representation will not change. Botha residents are represented by a three-member council elected by village electors and are eligible for election to the village council. There have been 2 by-elections since the last municipal general election in 2013. Both by-elections were filled by acclamation (only 1 candidate ran, therefore no vote was conducted).	Residents of the County of Stettler are represented by seven councillors elected from seven electoral divisions, which are based on population and geographic area. Botha village council will dissolve. Botha residents will become part of Division Botha-Gadsby, currently represented by County Councillor Greggory Jackson. Botha residents will be eligible for election to the county council.

Option One – Botha remains a village and implements changes to achieve viability	Option Two – Botha dissolves and becomes a hamlet in the County of Stettler
With new changes to the *Municipal Government Act*, the Village of Botha council will be required to adopt a code of conduct for councillors.	

Municipal Bylaws and Policies	
The village council is responsible for the development and review of bylaws and policies that govern Botha. The village has approximately 420 bylaws. The village's enforced bylaws address issues including animal control, utilities, parking and noise. Bylaws are enforced by the designated enforcement officer, the village CAO, by way of a letter to the offending resident. Health and safety concerns should be enforced.	The county will review village bylaws and ensure consistency with county bylaws. Existing village bylaws will remain in force for Botha until the county repeals or replaces them with a county bylaw. Some of the current county bylaws address: • Unsightly premises; • Dog control; • Fire Protection; and • Land Use. The County is currently undertaking policy and bylaw review taking place right now and plans to do so annually. Botha residents will have the opportunity to make representation to county council on the repeal of any existing bylaws and the adoption of new bylaws.

Strategic and Long-term Planning	
The Village of Botha currently has no strategic planning documents beyond the annual municipal budget. With new changes to the *Municipal Government Act*, the Village of Botha will be required to prepare multi-year financial plans in the future, including a 3-year operational plan and a five-year capital plan.	The County of Stettler has a Strategic Plan for 2015-2018 in place. Strategic priorities for the county include fiscal planning, municipal collaboration, infrastructure and growth, communication and organizational excellence. Going forward, Botha will be considered within the county's budget and business planning cycle. Future projects identified for Botha will be prioritized along with the needs of the county as a whole.

Communications and Community Engagement	
Council meetings are open to the public to observe and delegations to council are scheduled at the beginning of meetings. Regular monthly council meetings are held at 7:00p.m. on the fourth Thursday of the month. The village provides information to residents through newsletters included with utility billings, website and community bulletin board. The village does not have a formally adopted citizen engagement plan and does not hold regular annual meetings to include residents in the budget process or provide annual reports.	County council meetings are open to the public and delegations to council can be scheduled upon request. Council meetings are typically held on the second Wednesday of the month beginning at 10 a.m. at the county office in the Town of Stettler. Meeting agendas and minutes are communicated through the county website. The county communicates with ratepayers through its website, in-person, by phone, by email, quarterly magazine, direct mail outs and social media.

Option One – Botha remains a village and implements changes to achieve viability	Option Two – Botha dissolves and becomes a hamlet in the County of Stettler
With new changes to the *Municipal Government Act*, the Village of Botha will be required to adopt a Public Participation Policy. The village has had two petitions circulated in recent years, one concerning the administration of the village and the other to request the Minister of Municipal Affairs undertake a viability review. In response to the first petition, the village council held a public meeting to hear concerns. In response to the second, the village council decided to request the Minister undertake the viability review, on behalf of the residents.	The county holds an annual public meeting for the purposes of reviewing the budget, and various other meetings in regards to specific projects as they arise. The County of Stettler has communications policy and a social media policy by which communication methods are outlined. A public participation policy will be developed in accordance with the *Municipal Government Act* and the county's existing policies.
Council Training Opportunities and Participation	
It is important that councillors regularly update their knowledge of municipal government through participation in municipal education and training. In both 2015 and 2016, Botha council did not budget for professional development of councillors. With new changes to the *Municipal Government Act*, the Village of Botha will be required to offer training to newly elected officials after all elections starting in 2017.	Council regularly participates in training, and has access to training opportunities through various organizations such as Alberta Association of Municipal Districts and Counties (AAMDC). County councillors attend AAMDC conferences in the spring and fall to connect with other councillors of rural municipalities and share best practices. The County's budget for councillor training is $10,000 for 2016. Both government provided and in-house training is provided to councillors upon election to county council.

VIABILITY REVIEW TEAM RECOMMENDATIONS FOR LONG-TERM VIABILITY IF BOTHA REMAINS A VILLAGE

The Village of Botha council should:
- Prepare a plan and schedule to review all bylaws to confirm whether the village should keep them as-is, amend, or repeal them.
- The village council should complete an assessment of all new legislative requirements resulting from the review of the *Municipal Government Act*, and ensure all new requirements are planned and budgeted for including councillor training, a municipal development plan, an intermunicipal development plan and an intermunicipal collaboration framework.

- Develop a strategic plan (5 years or more) to help achieve goals for the village and guide decision-making.
- Review strategic planning annually to ensure that recommendations resulting from the viability review are implemented on an ongoing basis.
- Approve a policy that ensures the council carries out strategic planning on an annual basis and ensures the chief administrative officer reports to council on the progress of the goals of the strategic plan quarterly to the council.
- Develop and make available, information packages about running for municipal election in Botha.

REGIONAL CO-OPERATION

Regional Cooperation is when a municipality collaborates with its municipal neighbours and other organizations to share information, services, and otherwise support one another. Regional cooperation can take any number of forms including intermunicipal agreements, private-public partnerships, regional partnerships, service sharing and/or regional service delivery arrangements.

Regional collaboration can lead to:

- cost savings through economies of scale, reduced administration/ duplication and cost sharing,
- access to new financial resources (e.g. financial incentives from government, pooling of resources, etc.)
- ability to provide a service or level of service quality that could not normally be provided,
- access to additional resources, including human resources/technical expertise and equipment, supplies and infrastructure,
- consistency in service delivery across administrative boundaries,
- innovation,
- sharing risks and responsibilities across multiple partners,
- building relationships and social capital, and
- the ability to improve performance and meet legislative standards.

Option One - Botha remains a village and implements changes to achieve viability	Option Two - Botha dissolves and becomes a hamlet in the County of Stettler
Intermunicipal Agreements and Regional Governance	
The Village of Botha is involved in many regional initiatives to provide services to village residents. These are: • Contracted administrative services provided by the County of Stettler; • Family and Community Support Services and water services provided by agreement by the Town of Stettler; • Stettler Regional Fire Department; • Stettler and District Ambulance Association; • Stettler Waste Management Authority; and • County of Stettler Housing Authority. The Village of Botha is a member of the Alberta Urban Municipalities Association. With new changes to the *Municipal Government Act*, the Village of Botha will be required to establish an intermunicipal collaboration framework with the County of Stettler to address planning and service delivery.	Regional service agreements would transfer to the county. Botha residents would be represented by the county in its relationships with other municipalities. The County is a contributing member to the following regional services: • Family and Community Support Services • Stettler Regional Fire Department • Stettler District Ambulance Association • County of Stettler Housing Authority • Shirley McClellan Regional Water Services Commission • Starland-Stettler Regional Water Services • Stettler Waste Management Authority • Stettler Library The County of Stettler is a member of the Alberta Association of Municipal Districts and Counties and the Federation of Canadian Municipalities The County of Stettler is also a member of the Red Deer River Municipal Users Group.
VIABILITY REVIEW TEAM RECOMMENDATIONS FOR LONG-TERM VIABILITY IF BOTHA REMAINS A VILLAGE • The Village of Botha council should continue to participate in all of its regional partnerships.	

OPERATIONAL AND ADMINISTRATIVE CAPACITY

Activities related to the administration of a municipality include: general administration, property assessment and taxation, licensing administration, municipal census-taking, budgeting and accounting, audit and legal functions, public relations, and election processes and plebiscites.

In some instances, smaller municipalities contract with larger municipalities to deliver some or all of these functions.

Option One - Botha remains a village and implements changes to achieve viability	Option Two – Botha dissolves and becomes a hamlet in the County of Stettler
Administration Office	
Currently the village office is open on Thursday mornings. For the remainder of the business week, the chief administrative officer is available by phone or in person at the County of Stettler offices located in Stettler.	The county will provide services to Botha residents from the county offices in the Town of Stettler. The county office is open Monday to Friday from 8:30 a.m. to 4:30 p.m. The county has a 24-hour emergency contact number for bylaw enforcement, service disruption reporting and emergency situations, and maintains a ratepayer request line on its website for citizens to relay their concerns. The county does not maintain or operate any administration offices in any of its hamlets. The county will have to evaluate the function of the existing Botha office and determine its use thereafter.
Human Resources and Contracted Services	
All municipalities in Alberta must appoint a Chief Administrative Officer, (CAO). Currently the village contracts with the County of Stettler to provide CAO and other administrative services. The village employs one seasonal public works employee and contracts for snow removal. A local volunteer assists with cemetery and library administration.	The county chief administrative officer will be responsible for the management of the County of Stettler, including Botha as a hamlet. The provision of municipal services will be handled by county staff and contractors. Records and liabilities associated with village employees and contracts will be transferred to the county. The county has 80 full time employees and a number of seasonal staff to carry out the functions of the county.
Technology Resources	
Currently, the village maintains its financial records using QuickBooks software.	The County of Stettler uses Diamond software, a Microsoft-based IT system specifically developed to manage municipal financial records. If Botha dissolves, the County of Stettler would add Botha to its system.

FINANCIAL STABILITY

The municipal fiscal year is from January 1st until December 31st. All municipalities in Alberta must adopt an operating and capital budget that shows their expected expenditures and revenues; the revenues each year must be sufficient to cover the expenditures for that year. In the village, the budget cycle begins in the fall when the CAO begins to gather information on projects to include in next year's budget.

At the end of each fiscal year, municipalities prepare financial statements, which must be audited by an independent auditor appointed by council. The financial statements are public information and are available in May of the following year.

Section 208 of the MGA assigns responsibility for the financial affairs of the municipality to the CAO. Maintaining financial records, ensuring revenues are collected, managing deposits, paying for expenditures, budgeting and tracking performance against budgets, applying for and managing grants, and investing municipal reserves are all responsibilities of the CAO. Council has a responsibility to ensure accurate reporting on the financial affairs of the municipality occurs, to review and approve budgets and mill rates, and to ensure an effective audit process occurs.

Property assessment is the process of assigning a dollar value to a property for taxation purposes. In Alberta, most property is taxed "according to market value," meaning that the amount of tax paid is based on the value of the property. Property taxes are a primary source of revenue for municipalities and are used to finance local programs and services. Each municipality is responsible for ensuring that each property owner pays his or her share of taxes.

The assessed value is used to calculate the amount of taxes that will be charged to the owner of the property. Taxation is the process of applying a tax rate to a property's assessed value to determine the taxes payable by the owner of that property. As some types of properties are difficult to assess, Municipal Affairs prescribes rates and procedures for "regulated properties" (e.g. farmland, linear property, machinery and equipment, railway property, etc.).

Each year, village council determines the services that are required and the amount of money they need to operate the village. After the non-tax revenues (e.g., grants, fees, permits, etc.) are subtracted, the remainder is the amount of money the municipality needs to raise through property taxes in order to provide services for the year. This revenue requirement is then used to calculate the tax rate. The tax rate is the percentage of assessed value at which each individual property is taxed in a municipality. A municipality may adjust its tax rate on a yearly basis depending on its revenue requirement. The tax rate a municipality chooses to set depends on the assessment base in the municipality and the amount of money it needs to generate using the property tax.

If council requires more revenue to run the municipality and the assessment base in the municipality has remained the same or has gone down, council will have to increase its tax rate to generate the required

revenue. If the assessment base in a municipality increases, and the tax rate remains the same, more tax dollars will be collected compared to the previous year. To collect the same amount of revenue, council would reduce its tax rate to reflect the increased assessment base.

Option One – Botha remains a village and implements changes to achieve viability	Option Two – Botha dissolves and becomes a hamlet in the County of Stettler
Financial Position	
If Botha remains a village, the village may need to raise additional revenues through increases in property taxes or user fees to fund maintenance and upgrades to the village's existing infrastructure. According to the village's audited financial statements: • As of December 31, 2011, the village had deferred grant revenue of $521,476; and • As of December 31, 2015, the village had deferred grant revenue of $262,427. The deferred grant monies consist of grant monies received from the Alberta Municipal Sustainability Initiative, the Alberta Basic Municipal Transportation Grant, and the Federal Gas Tax fund that must be expended on approved projects. During this 5-year period, the village was eligible to receive a total of $$846,213 in capital grant funding and according to the audited financial statements for the same time period expended $1,005,670 on tangible capital assets. Appendix A shows the differences between grants received by the village and grants used. As of December 31, 2015, the village had cash and temporary investments totalling $ 343,915 which included the deferred grant revenue (restricted amount) of $262, 427.	As part of dissolution, all village assets will be transferred to the county. Assets include, but are not limited to, cash, investments, reserves, buildings, infrastructure, vehicles, machinery, and equipment. All money transferred from the village to the county and all money received from the sale of village assets must be used to pay off or reduce liabilities of the former village, or for projects in the new hamlet of Botha and most be accounted for separately. The County of Stettler accesses grant money on a project by project basis, and recently has utilized grant monies to complete the water distribution system in the hamlet of Erskine, complete a number of rural water distribution lines, resource road, gravelling and other important infrastructure projects. These projects are determined through an annual priority setting and budget process. For the first five years after dissolution, the County of Stettler will receive the grant allocations that would have been calculated for the Village of Botha. After the five years, the Village of Botha's population will be included with the population County of Stettler for purposes of grants calculation, and the county's portion of the grant will include Botha. The County of Stettler currently has 11 million dollars in reserves, with 70 % committed to projects, and the remainder available for capital expenditures as council sees fit. There is also a plan in place for the transfers of money to reserves annually.
Municipal Borrowing and Debt	
If necessary, the village has the capacity to borrow up to $334,386 for future projects. This amount represents approximately 25% of its borrowing capacity. In 2015, the village used approximately 35% of their debt servicing capacity by making payments totalling $25, 731. This is a significant change from 2014 when the village used 90% of its debt servicing capacity ($57,705). Annual payments on debentures could be funded through utility fees or property taxes.	Village liabilities (debt) will transfer to the county. If the liabilities exceed the assets of the village, the county could impose additional taxes on properties in Botha to pay for the excess liabilities. The county is in a solid financial position, with 17% of our debt servicing capacity used.

Municipal Revenues	
Municipal revenues are the ways municipalities receive funds that are used to offset expenses. The main sources of revenues for municipalities are property taxes, transfers from other levels of government, user fees, charges and penalties, and franchise fees. It is important that municipalities have sufficient revenues to cover all expenses, because municipalities are not allowed to budget for deficits. Municipal councils are tasked with deciding what expenditures are desired and necessary, and determining the best way to cover these expenditures. A detailed breakdown of Botha revenues from 2011-2015 can be found in Appendix D: Village of Botha Financial Information: 2011 – 2015.	The county will receive the village's rights to revenues on the date of dissolution including village property taxes and utility fees. Unexpended grants previously allocated to the village will transfer to the county. The county will also be eligible to apply for grants to assist with the funding of projects associated with the dissolution of the village subject to the conditions of the grant guidelines. The county would assume the assets (including cash, temporary investments, equipment, and facilities), liabilities, rights, duties, functions, and obligations of the Village of Botha upon dissolution. The county would evaluate the physical assets and utilize as many as possible in the operation of the county. Any agreements with the village become agreements with the county.
Municipal Expenses	
Municipal expenses are the areas where council has chosen to spend revenues to provide programs, services and infrastructure within the municipality. Councils must consider what items they choose to spend public resources on, as well as the level of funding they wish to spend on each of these expense items. A detailed breakdown of Botha expenses from 2011-2015 can be found in Appendix D: Village of Botha Financial Information: 2011 – 2015.	The costs associated with administering the hamlet would be the responsibility of the county. The County of Stettler Council will include the village of Botha's
Property Assessment	
Property Assessment is done by Municipal Property Consultants.	If dissolution occurred, the county's assessor will be responsible for determining the assessed value of properties in Botha. The County currently holds a contract with Wildrose Assessment Services. Assessed values of property are not expected to change significantly, as property assessment is based on the same methods and information throughout the province.
Municipal Taxes	
A high amount of outstanding property taxes (arrears) is considered to be a key measure of viability for municipalities for two main	Property taxes previously levied by the village will be owed to the county.

reasons. First, a high degree of unpaid taxes may suggest the property owners have limited capacity to pay the taxes that have been levied. This can point to a broader socio-economic condition in the municipality. Second, it indicates the municipality's ability to pay for its expenses and maintain a good financial position and cash flow.

Municipal Affairs measures all municipalities' rate of unpaid current property taxes and deems anything above 5 per cent to be a potential viability concern. In 2014, the Village of Botha experienced a 11.7 per cent rate of unpaid current property taxes.

Based on the village's 2016 municipal property tax bylaw, a property owner in Botha with a residential property valued at $100,000 can expect to pay the following taxes:

Tax Rate/ Requisition	Mill Rate	Taxes based on $100,000 assessment
Municipal	8.0678	$806.78
School Foundation	2.3917	$239.17
Seniors Foundation	0.3411	$34.11
Total	**10.8006**	**$1,080.86**

A Commercial Property in the Village of Botha can expect:

Tax Rate/ Requisition	Mill Rate	Taxes based on $64,560 assessment
Municipal	8.0678	$520.86
School Foundation	7.9094	$510.63
Seniors Foundation	0.3411	$22.02
Total	**16.3183**	**$1,053.51**

Village of Botha taxes are due on the last working day in July.

Tax Penalties in the Village of Botha are as follows:
12% on August 1 of current tax year
12% on January 1 or all outstanding taxes

Future county tax rate bylaws and the county's tax due dates and tax penalty schedule will apply to properties in Botha.

The County of Stettler has the following breakdown for Municipal tax rates:

Class	Municipal	Town Rec	ASFF	Tax Rate
Residential	4.3935	.3170	2.4930	7.2035
Farmland	12.8337	.3170	2.4930	15.6437
Non-Residential	13.4715	.3170	2.4930	17.7185
Machinery & Equipment	13.4715	.3170		13.7885

The County of Stettler Municipal Levy includes requisitions for:
Seniors Housing
Recreation Capital Projects
Stettler Waste

The Town Recreation Levy is an additional levy paid directly to the Town of Stettler to support recreation for the entire community.

The County of Stettler also has a minimum levy of $50.

If Botha had been a hamlet in the County of Stettler in 2016, a residential property could have expected to pay:

Tax Requisition	Mill Rate	Taxes based on $100,000 assessment
Municipal	4.3935	$439.35
Town of Stettler Recreation	.3170	$31.70
School Foundation	2.4930	$249.30
Total	**7.2035**	**$720.35**

A commercial property in Botha could have expected in 2016 to pay:

Tax Requisition	Mill Rate	Taxes based on $64,560 assessment
Municipal	13.4715	$869.72

	Town of Stettler Recreation	.3170	$20.46
	School Foundation	3.9300	$253.72
	Total	**17.7185**	**$1143.90**

The County of Stettler taxes are due on the last working day in October.

Penalties are assessed on November 1 of the current tax year and February 1 of each year on all outstanding taxes.

Special Taxes and Local Improvement Taxes

The *Municipal Government Act* authorizes municipalities to impose special taxes and local improvement taxes on property in any area of a municipality to fund a service or project that will benefit that area. At this time, the Village of Botha does not levy special or local improvement taxes.	If dissolution occurs, the county could impose special or local improvement taxes on properties in Botha to fund services or projects that will benefit the area of Botha. These taxes will be in addition to the county taxes levied on all property in the county.

VIABILITY REVIEW TEAM RECOMMENDATIONS FOR LONG-TERM VIABILITY IF BOTHA REMAINS A VILLAGE

The Village of Botha council should:
- The village council should, as part of the annual budget process, undertake a service capacity review to align program and service levels, and council and residents' expectations with available resources and funding.
- The village council should review its revenue sources to ensure that a proper balance from taxes, franchise fees and user fees exist.
- Develop a 10-year capital plan.
- The village council must continue to ensure that the audited financial statements and financial information returns are submitted to Municipal Affairs each year by May 1st, pursuant to Section 276(3) of the MGA.
- The village should continue to enforce the tax penalty bylaw, continue to add outstanding utility fees to the assessment role when appropriate, and follow the legislative requirements for tax recovery.
- The village should communicate with the residents of how annual budget is spent.

INFRASTRUCTURE

Municipal infrastructure, often referred to as public works, is the set of physical assets that are financed, constructed, and maintained by a municipality, most often providing a benefit to the public. Common categories of municipal infrastructure include public buildings, roadways and sidewalks, public spaces (parks, benches, etc.), public services (water, sewer and garbage service provision),

Option One - Botha remains a village and implements changes to achieve viability	**Option Two - Botha dissolves and becomes a hamlet in the County of Stettler**
Village of Botha Infrastructure Audit	
In 2016, the village received a grant from the Government of Alberta to assess the overall state of its infrastructure and include a recommended 10-year capital plan to address emergent and future infrastructure needs.	

Option One - Botha remains a village and implements changes to achieve viability	Option Two - Botha dissolves and becomes a hamlet in the County of Stettler
The completed infrastructure assessment was completed by MPE Engineering Ltd. and accepted for information by the village council at its meeting on August 3, 2016.	
The infrastructure audit assessed all of the village's capital assets, including water, sanitary and storm water infrastructure, road system, sidewalks, municipal buildings and other infrastructure such as parks, the cemetery and sewage lagoon site. In addition, the infrastructure audit report makes recommendations for short-term (next 10 years) and long-term capital investment prioritization.	If dissolution occurs, the county will receive the infrastructure audit and recommended 10-year capital project plan.
	The county may be eligible for some grant funding of critically needed infrastructure upgrades and repairs in Botha if dissolution occurs. The county also has options to impose taxes on properties in Botha to partially or fully fund projects as well.
Water system: The PVC distribution system is in good condition. The pump station requires upgrades due to its condition, and the fire pump station should be upgraded to increase level of fire protection for the village. Once the fire pump is upgraded, the village should complete looping projects and additional hydrants to ensure coverage of the village.	It will be the responsibility of the county council to determine which projects will be completed and how they will be funded.
	According to the 2015 Municipal Sustainability Initiative (MSI) capital program guidelines, restructuring will not negatively affect MSI capital funding allocations to municipalities for a set period of time following dissolution. This means that the County of Stettler would receive a funding allocation equivalent to that which would have been calculated pre-restructuring for a subsequent five years, if Botha dissolves to become a hamlet in the county.
Sanitary system: The system is generally in good working condition, but there are locations of poor condition that require repair or replacement. The VCT pipe is at the end of it design life, and while the sites in poor condition should be repaired or replaced first, all of the VCT pipe should be replaced in the next 10-20 years. The discharge valve at the lagoon is not functioning and should be replaced. The lagoon will require a storage cell expansion in the next 15 years.	Water System: It is the county's general practice to ensure the lines are looped for proper circulation of water – this project will likely be undertaken fairly quickly if the village dissolves. The water system is already maintained, under contract, by the County of Stettler so they are familiar with the system and its immediate needs.
Storm water system: Drainage throughout the ditch system could be improved with a series of culvert upgrades and ditch cleaning. There are a number of low lying areas in the village that act as overland storm water storage, but do provide effective evaporation. The village should complete a storm drainage master plan to determine appropriate storage and outfall for the village.	Sanitary System: The County of Stettler already maintains the sanitary system and lagoon under an existing contract, so the maintenance of this system will not change significantly.
	Storm Water System: The County of Stettler has been working with the Village of Botha on a number of projects in the past addressing storm water drainage, and will use this knowledge to further address immediate concerns for storm water.
Road system: The village's paved roadway network has a fair-to-marginal overall condition with marginal to poor ride quality. There is overall an inadequate level of structural condition of the roadway system. The alley portion of the network has the most deterioration and is in the poorest condition. The results show that the network needs substantial investment in resurfacing over the next 10 years.	Road System: The county has a general practice of not paving back alleys or laneways – back alleys in Botha will be repaired, but will likely not be replaced with pavement, rather an adequately structured gravel road. Existing paved roads in the village would be maintained to the county's acceptable standard, and replacement of

Option One - Botha remains a village and implements changes to achieve viability	Option Two - Botha dissolves and becomes a hamlet in the County of Stettler
Sidewalks: The village's sidewalks are overall in fair to good condition. There are some localized areas of poor condition where replacements should be undertaken. Municipal buildings and other infrastructure: The parks, playgrounds, cemetery and waste transfer station are all in good working condition. The outhouse pits at the baseball diamonds should be decommissioned. Preliminary environmental assessments were conducted of 10 public sites to assess risk of environmental contamination. The post office site is considered to be at high environmental risk due to its proximity to underground fuel storage tanks. The community hall is at moderate risk due to the site previously used as a blacksmith shop with the potential for residual metals and hydrocarbons in the area. The waste transfer site is considered to be a moderate risk because of evidence of hydrocarbon staining. Further assessment is recommended. A capital plan has been developed that outlines the recommendations for capital investment over the next 10 years. The total cost of the 10-year Capital plan is estimated to be $3,120,000, with $1,246,000 in the first two years.	pavement in the village will fall under the priority setting functions of the budget process. The County is capable of coordinating repair work for paved roads with other projects throughout the county. Sidewalks: The county will maintain existing sidewalks, and proposed new sidewalks for the repair of existing sidewalks will be at the discretion of our public works department and council. The county does not maintain a policy directly relating to sidewalks. Municipal Buildings and Other Infrastructure: The County has a department for mowing, weed control and also has Stettler waste management to manage the waste transfer site.
Funding of Infrastructure Projects	
The village currently relies on the Municipal Sustainability Initiative (MSI) capital funding from the Government of Alberta to fund infrastructure projects.	The County of Stettler funds infrastructure projects through a combination of reserves, Grant funding from the federal and provincial governments, and on occasion, may levy a special tax to complete a specific community need.

VIABILITY REVIEW TEAM RECOMMENDATIONS FOR LONG-TERM VIABILITY IF BOTHA REMAINS A VILLAGE

The Village of Botha council should:
- The village should undertake risk assessment of current state of infrastructure, specifically alleyways and sidewalks.
- Village council should approve and fund a 10-year capital plan through approved funding sources such as municipal taxes, utility fees, or grant programs.

SERVICE DELIVERY AND RISK MANAGEMENT

Option One - Botha remains a village and implements changes to achieve viability	Option Two - Botha dissolves and becomes a hamlet in the County of Stettler
Utility Services	
Acquiring, treating, and supplying water includes the source, treatment, transmission, and distribution of the water, along with the maintenance of facilities and water lines. Wastewater collection, treatment, and disposal includes sanitary sewers, storm water collection, lagoons, treatment plants and equipment, manholes, lift-stations, and the removal and treatment of sludge from lagoons and treatment plants. Waste management includes collection of garbage and other waste materials, including recycling initiatives. Costs associated with waste management include those for the operation of transfer and landfill sites and the equipment used for collection and disposal of waste.	
The Village of Botha has a service agreement to purchase water from the Town of Stettler. It is received via waterline to the village's reservoir. The village has a service agreement with the County of Stettler to provide water monitoring and maintenance services. Village residents take their garbage and recycling to the transfer station, from where the Stettler Waste Management Authority hauls waste to the landfill. No changes are anticipated in how water, wastewater, and solid waste (garbage) services are provided.	If dissolution occurs, ownership of utility facilities and responsibility for utility services would transfer to the county.
Utility Rates	
Water: The village charges a flat rate of $60.00 per month within the village for water services. For water utility customers outside of the village's boundary, the village charges either $80.00 per month, or if metered, or $2.50 per cubic meter if consumption is over 35 cubic meters for domestic use only. Water rates have been structured to fully fund the purchase cost of the treated water from the Town of Stettler, however, there are no reserves for infrastructure. Wastewater: The village charges a flat rate of $20.00 per month within the village and does not provide wastewater service outside of the village boundary. Garbage: Garbage fees are $10.00 per month.	Water: The County of Stettler would install water meters on all properties and begin charging water based on usage. This is consistent with their cost recovery stance on utility services. Utility rates do include a transfer to reserves for replacement of water systems across the county, and are not kept area specific. The county would explore their options in regards to the source of the water. The County of Stettler is a member of the Shirley McClellan Regional Water Service Commission and could tie the village into that distribution system rather than purchase the water directly from the Town of Stettler. The current rate for water is a $20/month administration charge and $2.71 per cubic meter of consumption. The water users outside of the village will be charged the same rates as above – and are already metered. Wastewater: Wastewater charges in communal systems is a flat rate of $18.00/month. Garbage: County residents are requisitioned for waste management on their taxes and do not

	receive a monthly bill relating to waste management. Transfer sites are managed by Stettler Waste Management Authority
	The County has 24 hours on-call service for water emergencies and maintains a strict testing and maintenance schedule for all of their water and wastewater systems by certified staff.

Road Maintenance

The maintenance of roads includes sidewalks, medians, boulevards, street lighting, street signs, traffic signals, railway crossings, and public parking facilities.

The village contracts for snow removal. When there is a snowfall, the village CAO contacts the contractor to authorize the clearing. The village has no road service standard policy.	Snow removal will be coordinated by the County of Stettler. The county has plow trucks specifically designed to clear snow in hamlets. Snow will be removed from main streets only (no back alleys) and the time to respond varies on the severity and duration of the snow incident, but generally, all snow is cleared from county owned roadways within 4-7 days. Snow is cleared in a manner, which minimizes backtracking or excessive travel and may affect the actual priority of snow removal. Road maintenance will be handled by the public works department, which handles maintenance already for 2,777 km of road and 4 hamlets. There are several policies in place at the county pertaining to the maintenance of roadways and streets.

Land Use Planning and Development

Land use planning and development includes services provided by municipal planning offices, development officers, subdivision and development appeal boards, as well as research or studies involving planning and zoning for the municipality, and economic development projects funded wholly or partly by the municipality.

The village is a member of Parkland Community Planning Services. In the previous 5 years, there were 3 development permits issued for the village, and so far in 2016 there have been 5 new permits including one new housing start. In December 2015 the village approved an updated land use bylaw and Subdivision Development and Appeal Bylaw, after a major review. The village currently holds 13 residential lots for sale, In 2016, the village has sold 1 lot.	If dissolution occurs, the village's Land Use Bylaw would remain in force until the county repeals and replaces it with the county's Land Use Bylaw. The County of Stettler has a planning and Development Department that will handle all of the Land Use Planning and Development functions from our office here in the Town of Stettler. Property Owners in Botha would make development permit applications and subdivision applications to the County of Stettler. Building, Plumbing, Gas, Electrical and Sewage Disposal Permits would need to be acquired by developers, from an accredited company. The County of Stettler is not accredited.

	The County of Stettler Tax Department will also take over the sale and development of the residential lots along 50th avenue.
Fire and Emergency Services	
Municipalities are required to have in place plans and procedures for disasters, and municipalities provide services to respond to local emergencies, such as fire, police, ambulance, 911 dispatch, etc.	
Fire service is provided by the Stettler Regional Fire Authority, which is administered by the Town of Stettler, which also where the nearest fire hall is located. The village pays an annual requisition to the authority. The village owns a water pump located at the water pump house that the fire trucks hook up to for water suppression. The village also has a network of fire hydrants. For ambulance service, the village is a member of the Stettler and District Ambulance Authority which is administered by the County of Stettler and to which the village also pays an annual requisition. The nearest ambulance is located in the Town of Stettler and provide Advanced Life Support service.	If dissolution occurs, responsibility for the operation of the services would transfer to the county. No changes would be expected to the delivery of these services, including the inspection of buildings for fire codes.
Policing and Bylaw Enforcement	
The village provides bylaw enforcement in a variety of ways, including contracted services for animal control, ad hoc external services for other kinds of enforcement such as stop orders, and the village CAO undertakes other enforcement duties as required. Policing is provided by the RCMP located in the Town of Stettler detachment.	The County of Stettler employs two community peace officers who are responsible for bylaw enforcement for all hamlets within the County of Stettler. They maintain a 24-hour emergency phone and do investigations of bylaw infractions as they are reported. Animal control is provided by an contracted source and regularly patrols the County of Stettler, the Village of Botha would be added to that patrol should they dissolve.
Risk Management	
The village purchases insurance through the AAMDC. There are no current insurance claims, lawsuits, or investigations open for the village (i.e. workers compensation, occupational health and safety, labour	The County of Stettler has a dedicated staff member to Risk Management, and manages all of its insurance through the Alberta Association of Municipal Districts and Counties. Where the Village of Botha has provided additional named insured for Community groups. The County of Stettler continue the service for those groups.
VIABILITY REVIEW TEAM RECOMMENDATIONS FOR LONG-TERM VIABILITY IF BOTHA REMAINS A VILLAGE The Village of Botha council should: • The village council should review utility rates annually as part of the budget process. • The village council should undertake a comprehensive policy review, including developing a service standards and maintenance policy. • The village council should undertake a risk assessment for all service delivery. • The village council should engage with the public to further align service level expectations with the municipal budget, communicate with the public about the budget process and annual budget decisions.	

COMMUNITY WELL-BEING

Community well-being addresses local community characteristics that contribute to the vitality of the community and the long-term viability of the municipality. Although these characteristics can be different between neighbouring municipalities or regions within the province, this section captures the spirit of the community through the programs and services that are offered, how the public participates in community events and how individuals volunteer within their community.

Option One – Botha remains a village and implements changes to achieve viability	Option Two – Botha dissolves and becomes a hamlet in the County of Stettler
Demographics	
According to the 2011 federal census, the Village of Botha has a population of 175, which is a 5 per cent decrease from 2006. Approximately 1/3 of the population is under the age of 18, and 2/3 of the population over 18. The median age in Botha is 37.5.	The County of Stettler has current population of 5,214 residents and that number would increase to 5,389. The population of the County of Stettler has decreased by about 1% from last year. Median age in the County of Stettler is 40.6.
Economic Vitality	
There is one business operating in the Village of Botha (bed and breakfast); however, there are 12 non-residential properties listed on the property assessment roll. The Village of Botha does not have a business licencing bylaw. The largest employer in the village is the Botha School. Most other employed residents work in Stettler. There are several residential properties for sale in the village. The village office frequently fields calls from realtors inquiring about the village on behalf of clients.	There are 111 businesses located in the County of Stettler. The County does not have a business licencing bylaw, but development permits are required for businesses to be located on your property.
Community Groups and Volunteerism	
There is a sense of community in the village. The Botha school is active in the community and undertake community initiatives such as tree planting, park clean-up, day-use of community facilities, etc. Over time, community groups have consolidated into the Both Community Centre Society, which is a non-profit organization that operates the community hall and the arena, and organize community special events such as the Christmas market, community dinners, and are developing a Canada 150 legacy trail along the decommissioned rail line. The Seniors Centre is run by a volunteer group and is well attended by the community. From time to time, the school and community centre society request village council for funding from the village for special events. These requests are considered as they are received.	The County of Stettler supports our communities and their community groups as our council knows the importance of volunteers to the viability of a community. The County would not require a board member position at the Botha Community Center and there will be no changes to the allocations under the Recreation Operation Assistance Grant and the Recreation Special Project Funding. Our council will also entertain requests for funding, donations, attendance of assistance with various community projects.

Option One – Botha remains a village and implements changes to achieve viability	Option Two – Botha dissolves and becomes a hamlet in the County of Stettler
Community Facilities	
The village owns a number of community facilities, including the Community Hall, the arena, the post office building, the municipal office, and the land that the seniors centre is located on. The Botha Community Centre operates the hall and the arena. The Seniors Centre own their own building on village land. Canada Post leases the post office building from the village. The Cemetery is owned by the Woodland Cemetery Fund. The Botha library is provided pace in the municipal office building free of charge.	The Facilities which are owned by the Village of Botha will become the property of the County of Stettler. It is the intention of the county to continue to lease these properties to the community groups who are currently maintaining them and honour the agreements in place that the Village of Botha entered into. There will be no changes to the management of those facilities unless it is requested from the managing organizations. The cemetery will continue to be managed by the Woodland Cemetery fund, and the County will look at the options for administering the paperwork for the Cemetery.
Parks and Recreation	
Municipalities provide recreation facilities, programs, and activities based on local priorities that often involve partnerships with local volunteer organizations and community groups.	
In addition to the community facilities, the village has one playground, Memorial Park, and ball diamonds and a field being held to develop as a future campground.	If dissolution occurs, ownership of village facilities would transfer to the county and agreements between the village and community organizations for operation of the facilities would become agreements with the county.
Library Services	
The Botha library is run by volunteers as a "take it or leave it" style library, where there is no tracking of book circulation. The Village of Botha does not contribute to the Town of Stettler library or the regional library system, but Village of Botha residents may purchase library membership to the Town of Stettler library.	County residents enjoy the benefits of being members of the Stettler Library Board, and those benefits will be passed onto residents of Botha, including the current consideration by the Stettler Library to waive membership fees for those residents of member municipalities. The operation of the Take it or Leave It library at the Village Office would have to be reviewed, and considerations would have to be made as to the willingness of community members to maintain it.
Housing Foundation – Senior Housing	
The Village of Botha is member of the County of Stettler Housing Authority and council membership on board. There are no seniors housing facilities in Botha, the nearest are located in Town of Stettler and Village of Donalda.	This service would not change.

Family and Community Support Services (FCSS)	
Botha participates in the Government of Alberta's (GOA) Family and Community Support Services (FCSS) program that is funded through an 80/20 funding partnership between the GOA and participating municipalities. The Village of Botha contributes to the Stettler Regional FCSS. In 2016, there were adjustments made to how their contribution is calculated, and for the purposes of the funding formula, Botha is combined with the County of Stettler's contribution.	Since the Village of Botha turned over its FCSS allocation to Stettler in 2016, this service will also remained unchanged.

VIABILITY REVIEW TEAM RECOMMENDATIONS FOR LONG-TERM VIABILITY IF BOTHA REMAINS A VILLAGE

The Village of Botha council should:

- Continue to support community groups through small grants, agreements on facilities, etc.

APPENDICES

Appendix A: Performance on Key Measures

The Municipal Sustainability Strategy outlines ten key measures of sustainability for municipalities in Alberta. The key measures were designed so that a municipality triggering three of the ten key measures, or measure #3, will be flagged for further review. If flagged, Alberta Municipal Affairs initiates contact with the municipality to review the cause(s) of the trigger and to discuss options for assisting the municipality to strengthen performance if necessary. The ministry would also advise the relevant municipal association. The key measures are:

Municipal Sustainability Strategy Key Measures	Triggered	
	2015	2014
1. Has your municipality reported an accumulated deficit, net of equity in tangible capital assets, for the past three fiscal (calendar) years?	No	No
2. Does your municipality have less than a 1:1 ratio of current asset to current liabilities?	No	No
3. Has your municipality received a "qualified audit opinion", "denial of opinion" or an "adverse opinion" with respect to your most recent annual financial statements?	No	No
4. Has your municipality reached 80% of its debt or debt service limit?	No	Yes[2]
5. Based on the annual audited financial statements, have provincial & federal grants accounted for more than 50% of your municipality's total revenue in each of the past three fiscal (calendar) years?	No	No
6. Has your municipality's non-residential assessment base declined over the past 10 years?	No	No
7. Does your municipality have more than 5% of current property tax unpaid for the most recent completed fiscal year?	Yes[3]	Yes[4]
8. Has your municipality experienced a decline in population of the municipality over the last 20 years?	No	No
9. Is the remaining value of the tangible capital assets less than 30% of the original cost?	No	No
10. Has your municipality missed the legislated May 1 reporting date for the annual audited financial statements in each of the last 2 years?	No	Yes[5]

In addition to the key measures, the village council also completed a self-assessment questionnaire comprised of 124 questions covering eight broad subject areas. The questionnaire highlights best practices, identifies key areas of strength and those areas where improvement may be desirable. The self-assessment questionnaire is on the Municipal Affairs website at: www.municipalaffairs.alberta.ca/1330.cfm

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[2] 90% of debt service limit, but was due to making a large payment on debenture.
[3] 2015 – 14.5% of current property tax unpaid.
[4] 2014 11.7 % of current property tax unpaid.
[5] 2015: Submitted August 31, 2015 and June 27, 2014.

APPENDIX B: VIABILITY TEAM MANDATE

The Minister established the VRT in January 2016 comprised of representatives from the Village of Botha, the County of Stettler, the AAMDC, the AUMA, the ARMAA, the LGAA and Municipal Affairs. The VRT's mandate is to:

- **Lead the Viability Review Process** which includes conducting the viability analysis, developing reports that lead to a determination of viability for the Village of Willingdon, and if applicable, develop a viability plan with support from Municipal Affairs.

- **Engage stakeholders** by sharing information and facilitating opportunities for the residents of the Village of Willingdon to provide input that will help to contribute to the viability determination of their community.

- **Liaise between member organizations and the VRT** by allowing for two-way communication between members of the VRT and the organization's they represent.

- **Provide advice** and recommendations to the Minister of Municipal Affairs on the Viability Review Process.

APPENDIX C: ANALYSIS OF GRANT REVENUES AND CAPITAL EXPENDITURES

Grant Revenue for Capital Projects

Grant Program	2015	2014	2013	2012	2011	Total	Average
MSI Capital	$129,577	$144,610	$125,868	$127,312	$126,681	$654,048	$130,810
Alberta Transportation*	N/A	N/A	$13,833	$14,166	$14,166	$42,165	$8,433
Federal Gas Tax Fund	$50,000	$50,000	$50,000	N/A	N/A	$150,000	$30,000
Total	**$179,577**	**$194,610**	**$189,701**	**$141,478**	**$140,847**	**$846,213**	**$169,243**

*2011 to 2014 – the Basic Municipal Transportation Grant.

Expenditures on Capital Projects

	2015	2014	2013	2012	2011	Total	Average
Purchase of TCAs*	$10,885	$682,733	$63,924	$177,587	$70,541	$1,005,670	$201,134

*In a municipality's audited financial statements, the amount expended on the purchase of tangible capital assets (TCAs) equates to the amount the municipality expended on capital projects.

Balance – Grant Revenues Remaining

Unused grant revenues in a given year become deferred grant revenue to be spent on capital projects in future years.

Balance	2015	2014	2013	2012	2011	Total	Average
Surplus/Deficit	$262,427	$167,750	$476,452	$539,018	$521,476	$1,967,123	$393,425

The analysis demonstrates that from 2009 to 2014, the Village of Botha:

- has a limited capacity to fund additional capital projects through existing grants allocations;
- should have cash or investments that match the village's deferred grant revenue. It is not clear from the statements how these funds are earmarked for capital projects.

APPENDIX D: INFRASTRUCTURE AUDIT: 10-YEAR CAPITAL FUNDING PLAN

The information in Appendix C is taken from the Village of Botha Infrastructure Audit

Village of Botha 10-year Capital Funding Plan

Item	2016	2017	2018	2019	2020
Road Works	$334,000	$175,000	$34,000	$21,000	
Water System	$7,000	$675,000	$77,000	$500,000	
Sanitary System			$333,000		$220,000
Storm Water			$60,000		
Other	$55,000				
Total	**$396,000**	**$850,000**	**$504,000**	**$521,000**	**$220,000**

Item	2021	2022	2023	2024	2025
Road Works		$7,000			$95,000
Water System					
Sanitary System		$300,000			
Storm Water	$50,000	$10,000	$30,000	$60,000	
Other					
Total	**$50,000**	**$317,000**	**$30,000**	**$60,000**	**$95,000**

APPENDIX E: VILLAGE OF BOTHA FINANCIAL INFORMATION: 2011 - 2015

Operating Revenues for the Village of Botha, 2011 - 2015

Revenue Source	2015	2014	2013	2012	2011
Net Municipal tax	$111,387	$113,654	$112,081	$108,440	$107,119
User fees and sales of goods	$122,183	$86,666	$103,042	$168,709	$179,961
Government transfers for operating	$32,177	$31,782	$39,184	$52,063	$65,851
Penalties and costs on taxes	$3,485	$2,726	$5,689	$4,493	$3,974
Investment income	($1,037)	$2,594	$240	$9	$387
Other	$29,305	$19,062	$12,489	$11,030	$10,091
Total Revenue	$297,500	$256,484	$272,645	$344,744	$367,383
Reference: Village of Botha Audited Financial Statements					

Operating Expenses for the Village of Botha, 2011 - 2015

Expense Type	2015	2014	2013	2012	2011
Legislative	$8,562	$5,035	$5,175	$5,863	$6,092
Administration	$134,370	$103,330	$52,905	$56,994	$65,015
Emergency services	$11,528	$12,584	$13,096	$12,528	$500
Protective services	$3,712	$8,348	$7,103	$10,003	$16,517
Transportation services	$103,652	$232,916	$171,926	$182,106	$18,490
Water and wastewater	$153,625	$95,654	$112,403	$166,105	$139,136
Waste Management	$9,100	$8,050	$7,525	$7,000	$6,845
Subdivision	$4,366	$4,044	$4,492	$23,912	$6,522
Parks and recreation	$13,950	$13,836	$20,392	$27,775	$31,157
Cemetery	$6,737	$5,036	$5,319	$4,148	$4,324
Culture	-	$8,254	$5,785	$9,292	$13,453
Amortization of tangible capital assets	$111,999	$256,135	$187,167	$187,167	$187,096
Total Expenses	**$449,602**	**$497,087**	**$406,121**	**$505,726**	**$495,147**
Reference: Village of Botha Audited Financial Statements Note: Excludes capital purchases and related amortization expense					

Net Financial Assets for the Village of Botha, 2011 - 2015

	2015	2014	2013	2012	2011
Net Financial Assets (Net Debt) at year end	$321,178	$278,173	$309,819	$258,165	$236,342

Overall Utility Balances, 2011 - 2015

Year	Revenue	Expenses	Surplus/Deficit
2015	$119,918	$162,725	($42,807)
2014	$103,496	$103,704	($208)
2013	$176,168	$119,928	$56,240
2012	$322,078	$173,105	$148,973
2011	$156,292	$168,994	($12,702)
Reference: Village of Botha Financial Information Returns (FIR) to Municipal Affairs			

APPENDIX F: VIABILITY REVIEW TEAM RECOMMENDATIONS

SUSTAINABLE GOVERNANCE

1. Prepare a plan and schedule to review all bylaws to confirm whether the village should keep them as-is, amend, or repeal them.
2. The village council should complete an assessment of all new legislative requirements resulting from the review of the *Municipal Government Act*, and ensure all new requirements are planned and budgeted for including councillor training, a 3-year operating budget, a municipal development plan, an intermunicipal development plan and an intermunicipal collaboration framework.

3. Develop a strategic plan (5 years or more) to help achieve goals for the village and guide decision-making.
4. Review strategic planning annually to ensure that recommendations resulting from the viability review are implemented on an ongoing basis.
5. Approve a policy that ensures the council carries out strategic planning on an annual basis and ensures the chief administrative officer reports to council on the progress of the goals of the strategic plan quarterly to the council.
6. Develop and make available, information packages about running for municipal election in Botha.

REGIONAL COOPERATION

7. The Village of Botha council should continue to participate in all of its regional partnerships.

OPERATIONAL AND ADMINISTRATIVE CAPACITY

8. Determine long-term solution for recruiting and maintaining appropriate administrative services for the operation of the village.
9. Acquire computer software that is better suited for municipal financial records management.
10. The village council should complete the long-term staffing plan, and develop a staff succession plan.

11. Analyze the trend of administrative costs going up and plan for subsequent revenue increases.
12. Review the office hours to be more aligned resident expectations and budget accordingly.

FINANCIAL STABILITY

13. The village council should, as part of the annual budget process, undertake a service capacity review to align program and service levels, and council and residents' expectations with available resources and funding.
14. The village council should review its revenue sources to ensure that a proper balance from taxes, franchise fees and user fees exist.
15. Develop a 10-year capital plan.
16. The village council must continue to ensure that the audited financial statements and financial information returns are submitted to Municipal Affairs each year by May 1st, pursuant to Section 276(3) of the MGA.
17. The village should continue to enforce the tax penalty bylaw, continue to add outstanding utility fees to the assessment role when appropriate, and follow the legislative requirements for tax recovery.
18. The village should communicate with the residents of how annual budget is spent.

INFRASTRUCTURE

19. The village should undertake risk assessment of current state of infrastructure, specifically alleyways and sidewalks.
20. Village council should approve and fund a 10-year capital plan through approved funding sources such as municipal taxes, utility fees, or grant programs.

SERVICE DELIVERY AND RISK MANAGEMENT

21. The village council should review utility rates annually as part of the budget process.
22. The village council should undertake a comprehensive policy review, including developing a service standards and maintenance policy.
23. The village council should undertake a risk assessment for all service delivery.
24. The village council should engage with the public to further align service level expectations with the municipal budget, communicate with the public about the budget process and annual budget decisions.

COMMUNITY WELL-BEING

25. Continue to support community groups through small grants, agreements on facilities, etc.

QUESTIONS

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