

VILLAGE OF CLYDE VIABILITY PLAN AND NEXT STEPS

MARCH 2016

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

Viability Review Team
Village of Clyde Viability Review
Alberta Municipal Affairs
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EXECUTIVE SUMMARY

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

VIABILITY PLAN

The Village of Clyde Viability Plan describes two options to ensure the long-term viability of Clyde:

OPTION 1: Clyde continues as an incorporated village and follows directives from the Minister of Municipal Affairs to ensure the long-term viability of the Village of Clyde.

OPTION 2: The Village of Clyde dissolves and becomes the hamlet of Clyde in Westlock County.

PRESENTATION OF THE VIABILITY PLAN TO COUNCIL AND RESIDENTS

The Village of Clyde council has invited the Viability Review Team to present the Village of Clyde Viability Plan to the village council and residents at a special council meeting.

The village council has scheduled the special council meeting for Monday, April 11, 2016, in the Clyde Community Hall.

At the special council meeting, the chair of the Village of Clyde Viability Review Team will:

- present an overview of the two viability options for the village;
- respond to questions regarding the viability plan; and
- explain the final steps in the viability review.

NEXT STEPS IN THE VILLAGE OF CLYDE VIABILITY REVIEW

VILLAGE OF CLYDE VIABILITY REVIEW TEAM

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

VILLAGE OF CLYDE COUNCIL

Following receipt of the Village of Clyde Viability Plan, the village council has the responsibility to determine the best viability option out of the two presented for Clyde and to inform the Minister of Municipal Affairs of its decision:

OPTION 1 - TO REMAIN INCORPORATED AS THE VILLAGE OF CLYDE

If the village council determines that the recommended actions required to ensure the long-term viability of Clyde 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 Clyde Viability Plan and wishes to remain incorporated as a village.

If the Minister accepts the Village of Clyde'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 Clyde Viability Plan to ensure the long-term viability of Clyde. The Ministry would monitor the completion of the directives and provide advisory assistance.

Option 2 – To dissolve and become the hamlet of Clyde in Westlock County

If the village council determines that the recommended actions required to ensure the long-term viability of Clyde are not acceptable for the village and the best option for Clyde is to dissolve to become a hamlet in Westlock County, the council would pass a resolution to inform the Minister of Municipal Affairs of its decision.

If the Minister accepts the Village of Clyde's decision to dissolve, the Minister must hold a vote of village electors on the proposed dissolution that would be conducted in accordance with the [Local Authorities Election Act](#).

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.

If the council votes to remain incorporated as a village, a vote of village electors does not occur.

Clyde 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 Clyde should be dissolved, the Minister must recommend to the provincial Cabinet that the Village of Clyde be dissolved to become a hamlet in Westlock County. Cabinet will determine if the village should dissolve.

If the electors vote that Clyde should not be dissolved, Clyde 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 Clyde Viability Plan.

PREVIOUSLY DISTRIBUTED REPORTS

The previously distributed Village of Clyde Viability Review reports, the Initial Findings Report (October 2014) and the What We Heard and Viability Determination Report (January 2015), are available on the Municipal Affairs website at <http://www.municipalaffairs.gov.ab.ca/1330> and a limited number of printed copies are available at the Village of Clyde offices.

VILLAGE OF CLYDE VIABILITY REVIEW

REQUEST AND INITIATION

In January 2013, following receipt of a sufficient petition from electors of the Village of Clyde requesting that a dissolution study be undertaken for the village, the Minister of Municipal Affairs advised that a study would proceed in the form of a viability review.

The Village of Clyde Viability Review began in May 2013 with the establishment of the Village of Clyde Viability Review Team which was tasked with leading the Village of Clyde Viability Review. The team consists of one elected and one administrative official from both the Village of Clyde and Westlock County, 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.

In October 2014, an Initial Findings Report, prepared by the viability review team, was provided to the public. The report outlined the village's performance on key measures of sustainability and indicators of viability, as outlined in the Municipal Sustainability Strategy.

STAKEHOLDER ENGAGEMENT

The viability review team was tasked with leading stakeholder engagement with residents, property owners, and other stakeholders. In addition to the stakeholder input form distributed to residents and property owners in March 2013, the Viability Review Team distributed a stakeholder workbook at the public meeting in the Village of Clyde in October, 2014. Feedback collected through the stakeholder input form, the workbook, and written submissions from residents was considered by the viability review team when determining the viability of the Village of Clyde.

In December 2014, the Viability Determination and What We Heard Report, prepared by the viability review team, was distributed.

ASSESSMENT OF MUNICIPAL VIABILITY

Municipal viability is assessed by considering eight broad areas:

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 and the previously distributed Initial Findings Report were developed based on these eight areas.

VIABILITY DETERMINATION

Based on the information compiled in the Village of Clyde Initial Findings Report and analyzed by the Village of Clyde Viability Review Team plus the input provided by Clyde residents, the viability review team determined that the Village of Clyde is trending towards non-viability in November 2014.

VIABILITY FACTORS

The viability review team came to this determination based on the following viability factors:

1. The village does not know the overall condition of the village's infrastructure, what infrastructure upgrades or replacements are required, or how future infrastructure projects could be funded.
2. The village's finances are projected to show deficits due to anticipated cuts to provincial government grants for the village's operations. In 2015, the village proposed to subsidize operating expenses from reserves to maintain current tax rates. This practice could result in the eventual depletion of the village's financial reserves.
3. The village has experienced difficulties in attracting and retaining municipal staff and councillors.
4. The village's utility system does not consistently operate in full cost recovery.
5. The village has experienced a lack of development and growth.
6. The village has a high amount of outstanding property taxes.
7. Feedback received at the public meeting indicate concern regarding the unpaid property taxes and the potential that the village may not be viable five to ten years in the future.

The actions the Village of Clyde is taking to address these viability factors and how they could be addressed to ensure the long-term viability of Clyde is included in the Village of Clyde Viability Plan.

VIABILITY PLAN

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

- an overview of the current situation in the village;
- the actions that the village council would need to take to address the viability factors to ensure the long-term viability of the Village of Clyde (Option 1);
- a description of what Clyde residents could expect to occur if the village dissolves to become a hamlet in Westlock County (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.

VIABILITY PLAN OPTIONS FOR CLYDE

CURRENT STATUS OF CLYDE

Currently the Village of Clyde is an incorporated municipality. This means that within its boundaries, the village council has the responsibility to provide services to residents and the authority to pass bylaws and collect property taxes or other revenues to support those services.

OPTION 1: CLYDE CONTINUES AS THE INCORPORATED VILLAGE OF CLYDE

If this option is chosen, Clyde would continue as an incorporated village. However, changes to the finances, operation, and practices of the village are required to achieve long-term viability as described under **Clyde remains a village and implements changes to achieve viability** in the following sections of this report.

OPTION 2: CLYDE DISSOLVES AND BECOMES A HAMLET IN WESTLOCK COUNTY

If this option is chosen, the Village of Clyde would dissolve and become the hamlet of Clyde in Westlock County. The county would then be responsible for governing, servicing, and levying taxes on Clyde residents in addition to the rural population it already serves. What residents could expect to happen if Clyde becomes a hamlet is described under **Clyde dissolves and becomes a hamlet in Westlock County** in the following sections of this report.

Readers of this report may wish to review the previous Village of Clyde Viability Review reports, *Initial Findings*, *What We Heard*, and *Viability Determination*, for information about the current situation in the village.

SUSTAINABLE GOVERNANCE

Option One - Clyde remains a village and implements changes to achieve viability	Option Two –Clyde dissolves and becomes a hamlet in Westlock County
Council Representation and Local Decision Making	
<p>Council representation will not change. Clyde residents will continue to be represented by a five-member council elected by village electors and will be eligible for election to the village council.</p> <p>Council meetings will continue to be held on a monthly basis in the village offices.</p> <p>A viability factor was that the village has experienced difficulties in attracting councillors. In five of the past eight municipal elections, the number of persons nominated for office was the same as that required to be elected. Candidates were acclaimed and elections did not occur.</p>	<p>Residents of Westlock County are represented by seven councillors elected from seven electoral divisions, which are based on population and geographic area.</p> <p>Council meetings are held on the second and fourth Tuesday of the month during the day at the county office in the Town of Westlock.</p> <p>Clyde village council will dissolve. Clyde residents will become part of Division One, currently represented by Councillor Ron Zadunayski or be represented until the next general election by a councillor from Clyde.</p> <p>Prior to the next general election in October 2017, the county council would review the electoral boundaries to ensure equitable representation between an odd number of electoral divisions.</p> <p>Clyde residents will be eligible for election to the county council.</p>
Municipal Bylaws and Policies	
<p>Village council will continue to develop bylaws and policies that govern Clyde.</p>	<p>The county will review village bylaws and ensure consistency with county bylaws.</p>

Option One - Clyde remains a village and implements changes to achieve viability	Option Two –Clyde dissolves and becomes a hamlet in Westlock County
<p>A viability factor was that the village has approximately 375 bylaws dating back to 1914. Some of the bylaws and policies may not be relevant to the governance of the village in 2015. The council and administration are reviewing village bylaws to make current those that apply and repeal those that are no longer relevant.</p>	<p>Existing village bylaws will remain in force for Clyde until the county repeals or replaces them with a county bylaw.</p> <p>Some of the current county bylaws address:</p> <ul style="list-style-type: none"> • Unightly premises; • Dog control; • Fire Protection; and • Land Use.
Strategic and Sustainability Planning	
<p>In 2009, the village developed an integrated community sustainability plan (ICSP) for the period 2009 to 2018 to guide the development of the village.</p> <p>The village council approves capital projects as part of the annual capital budget process and throughout the year at regular council meetings.</p> <p>According to the ICSP, the village would prepare a 10-year capital plan and associated budget in 2010. The 10-year capital plan was not prepared.</p> <p>As part of the infrastructure audit process, the village accepted a 10-year capital plan for information in December 2015.</p>	<p>The county engaged its hamlet residents in the development of hamlet municipal sustainability plans.</p> <p>Clyde will be considered within the county’s budget and business planning cycle.</p> <p>Projects identified for Clyde will be prioritized along with the needs of the county as a whole.</p>
Communications and Community Engagement	
<p>No changes to communications and community engagement are anticipated in the village.</p> <p>Council will continue to support village organizations through the annual budget process.</p>	<p>The county communicates with its residents through the county website and newsletters.</p> <p>The county supports community organizations and individuals through awards and grants including the Westlock County community capital and community project grants as described on the Awards and Grants page on the county’s website.</p>
<p><u>VIABILITY REVIEW TEAM RECOMMENDATIONS FOR VIABILITY IF CLYDE REMAINS A VILLAGE</u></p> <p>The Village of Clyde council should:</p> <ul style="list-style-type: none"> • conduct comprehensive strategic planning annually to ensure that it is implementing the recommendations resulting from the viability review; • continue to provide residents with information about running for village council; • enable councillors to take advantage of training opportunities provided by Municipal Affairs and the associations; and • continue the review of bylaws governing matters in the village. <p>Residents are encouraged to consider becoming a village councillor in the next municipal election.</p>	

REGIONAL CO-OPERATION

Option One - Clyde remains a village and implements changes to achieve viability	Option Two - Clyde dissolves and becomes a hamlet in Westlock County
Intermunicipal Relationships	
<p>No changes are anticipated in the intermunicipal relationships between the village and its municipal neighbours.</p> <p>The village continues to pursue options to deliver services on a regional basis with its neighbours with the Town of Westlock and Westlock County as a partner in a project funded by the provincial government.</p>	<p>Clyde will be represented by Westlock County in its relationships with the Town of Westlock and other neighbouring municipalities.</p>
Membership in Regional Organizations	
<p>No changes are anticipated in membership in regional organizations.</p> <p>The Village of Clyde will likely continue to be a member of the Alberta Urban Municipalities Association (AUMA) and to cooperate with neighbouring municipalities to provide regional services and represent Clyde's interests by participating as a member of the regional organizations.</p>	<p>Membership in the regional organizations will continue under Westlock County.</p> <p>Services that are already provided on a regional basis, such as Library Services and Family and Community Support Services would continue to be provided on a regional basis.</p> <p>The only significant change will be that as a rural municipality Westlock County is a member of the Alberta Municipal Association of Municipal Districts and Counties. The county is an associate member of the AUMA.</p> <p>Clyde residents will continue to receive services through regional partnerships and be represented by Westlock County councillors on the regional organizations.</p>
VIABILITY REVIEW TEAM RECOMMENDATIONS FOR VIABILITY IF CLYDE REMAINS A VILLAGE	
<p>The Village of Clyde council should:</p> <ul style="list-style-type: none"> continue to pursue opportunities to enhance regional partnerships to provide programs and services to Clyde residents in the most effective and efficient manner. 	

OPERATIONAL AND ADMINISTRATIVE CAPACITY

Option One - Clyde remains a village and implements changes to achieve viability	Option Two - Clyde dissolves and becomes a hamlet in Westlock County
Administration Office	
<p>The village will continue to be administered from the village office.</p> <p>It is not anticipated office hours will change.</p>	<p>The county will provide services to Clyde residents from the county offices in the Town of Westlock. The county office is open Monday to Friday from 8:00 a.m. to 4:30 p.m.</p> <p>The county would evaluate whether the municipal office building in Clyde should be retained as a satellite office, used for a different county purpose, or sold.</p>

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Human Resources and Contracted Services	
<p>The village's ability to attract and retain qualified administrators and staff has been a major factor in the viability of the Village of Clyde and was identified as a viability factor.</p> <p>All municipalities in Alberta must appoint a Chief Administrative Officer. From March 2013 to December 2015, the village contracted services to fill this position.</p> <p>In December 2015, the village council appointed the assistant administrator to the position of Acting Chief Administrative Officer.</p> <p>To address retention of staff and as part of succession planning, the village supports staff development by funding training that is offered through the University of Alberta Faculty of Extension. One staff member plans to complete training as a local government administrator in June and another is pursuing certification as a planner.</p>	<p>The county administrator will be responsible for the management of Clyde. The provision of municipal services will be handled by county staff and contractors. The county will evaluate its needs and determine if additional staff are required.</p> <p>Records and liabilities associated with village employees will be transferred to the county.</p>
<p><u>VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF CLYDE REMAINS A VILLAGE</u></p> <p>The Village of Clyde council should:</p> <ul style="list-style-type: none"> • continue to support staff learning opportunities; and • conduct a salary compensation review and compensate staff with salaries and benefits comparable to neighbouring municipalities. 	

FINANCIAL STABILITY

Option One - Clyde remains a village and implements changes to achieve viability	Option Two - Clyde dissolves and becomes a hamlet in Westlock County
Financial Position	
<p>If Clyde 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.</p> <p>According to the village's audited financial statements:</p> <ul style="list-style-type: none"> • As of December 31, 2008, the village had deferred grant revenue of \$105,341; and • As of December 31, 2014, the village had deferred grant revenue of \$823,267 <p>The deferred grant monies consists 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.</p> <p>During this 6-year period, the village was eligible to receive a total of \$1,351,883 in capital grant</p>	<p>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.</p> <p>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 Clyde.</p>

Option One - Clyde remains a village and implements changes to achieve viability	Option Two - Clyde dissolves and becomes a hamlet in Westlock County
<p>funding and according to the audited financial statements for the same time period expended \$1,291,543 on tangible capital assets. Appendix A shows the differences between grants received by the village and grants used.</p> <p>As of December 31, 2014, the village had cash and temporary investments totalling \$1,341,106, which included the deferred grant revenue (restricted amount) of \$823,267.</p> <p>There could be a number of reasons for these amounts not being in agreement. One being that grant reporting was not up to date at the end of 2014. The amounts require reconciliation.</p>	
Municipal Borrowing and Debt	
<p>The village's lack of current debt will be a positive contributor to its long-term viability.</p> <p>If necessary, the village has the capacity to borrow up to \$1,046,439 for future projects.</p> <p>Annual payments on debentures could be funded through utility fees or property taxes.</p>	<p>Village liabilities will transfer to the county.</p> <p>If the liabilities exceeded the assets of the village, the county could impose additional taxes on properties in Clyde to pay for the excess liabilities.</p>
Municipal Revenues	
<p>One of the viability factors for all municipalities is that increasing expenses require greater revenues. In 2013, the Government of Alberta began to phase out the Municipal Sustainability Initiative (MSI) operating funding to municipalities.</p> <p>The village's allocation was:</p> <ul style="list-style-type: none"> • \$108,872 for the 2013/14 funding year, • \$61,446 for the 2014/15 funding year, and • \$63,118 for the 2015/16 funding year. <p>To address any reductions in grant revenues, the village would have to make up the revenue difference through increases in property taxes and user fees, finding new revenue sources, or reduction in expenses through reduction or elimination of services.</p> <p>Another revenue source for the village is franchise fees from utility service providers. The village puts revenue from franchise fees in general revenues:</p> <ul style="list-style-type: none"> • FortisAlberta is 13 per cent of the delivery charge; and • ATCO Gas is 9.46 per cent. 	<p>The county will receive the village's rights to revenues on the date of dissolution including village property taxes and utility fees.</p> <p>Unexpended grants previously allocated to the village will transfer to the county.</p> <p>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.</p> <p>The county would assume the assets (including cash, temporary investments, equipment, and facilities), liabilities, rights, duties, functions, and obligations of the Village of Clyde upon dissolution.</p> <p>The county would evaluate the physical assets and utilize as many as possible in the operation of the county.</p> <p>Agreements with the village become agreements with the county. The county would be responsible for negotiating the franchise agreement with FortisAlberta and ATCO Gas.</p>
Municipal Expenses	
<p>With the rising costs of providing services, village residents may face increases in taxes, user fees increases, or reduction in service delivery in order for the village to have sufficient revenue to fund the</p>	<p>The costs associated with administering the hamlet would be the responsibility of the county.</p> <p>The county could use the proceeds of the sale of</p>

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<p>estimated expenditures.</p> <p>A viability factor was that in 2015, the village proposed to subsidize operating expenses from reserves to maintain current tax rates.</p> <ul style="list-style-type: none"> The village did not subsidize operating expenses from reserves in 2015. <p>The subsidy of operating expenses from reserves to maintain current tax rates could result in the depletion of the village's financial reserves intended for emergent and capital projects and is not a recommended practice.</p>	<p>Clyde assets and unrestricted cash and investment amounts to ensure hamlet revenues offset the hamlet expenses.</p>
Property Assessment	
<p>Assessment is the process of assigning a dollar amount to property, in comparison to other properties in a municipality, based on the market value of the property.</p>	<p>If dissolution occurred, the county's assessor will be responsible for determining the assessed value of properties in Clyde.</p> <p>Assessed values of property are not expected to change significantly as assessors determine assessment based on the same methods and information.</p>
Municipal Taxes	
<p>The high amount of outstanding property taxes is one of the viability factors the viability review team based the determination that Clyde is trending towards non-viability on.</p> <p>The village has taken measures to recover the outstanding amounts.</p> <ul style="list-style-type: none"> The village is following the tax recovery process legislated in the <i>Municipal Government Act</i>, which gives the village the ability to sell a property in order to recover arrear amounts owed to the village. The village has contracted services, as it did on a previous occasion, to collect the outstanding amounts. <ul style="list-style-type: none"> Approximately 90 per cent of past arrears has been collected to date. The cost of collection of the outstanding taxes is added to the property taxes and is at no cost to the village; and The property tax recovery process is included in the job description of village staff to ensure that the annual tax recovery process is followed. 	<p>Property taxes previously levied by the village will be owed to the county.</p> <p>Future county tax rate bylaws and the county's tax due dates and tax penalty schedule will apply to properties in Clyde.</p> <p>Westlock County charges late payment penalties on current taxes unpaid of two per cent on July and 10 per cent on November 1, and on the total outstanding property taxes 18 per cent on April 1.</p> <p>For residential properties in Clyde, the county has the ability to designate the residential properties as a sub-class of residential properties in the county as a whole in accordance with Sections 297 and 354 of the <i>Municipal Government Act</i>. The residential tax rate could be different for a residential sub-class assigned as the hamlet of Clyde from the tax rate for other hamlets in the county.</p> <p>This means that if the county determines through its budget process expenses associated with Clyde are higher than those associated with other residential areas in the county, the county could impose a higher tax rate on Clyde residential properties than those in the rest of the county.</p> <p>At this time, the county has not determined if there is a need to designate the area of Clyde as a sub-class for assessment and taxation purposes.</p>

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Special Taxes and Local Improvement Taxes	
<p>The <i>Municipal Government Act</i> 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 Clyde does not levy special or local improvement taxes.</p>	<p>If dissolution occurred, the county could impose special or local improvement taxes on properties in Clyde to fund services or projects that will benefit the area of Clyde.</p> <p>These taxes will be in addition to the county taxes levied on all property in the county.</p>
<p><u>VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF CLYDE REMAINS A VILLAGE</u></p> <p>The Village of Clyde council should:</p> <ul style="list-style-type: none"> • Provide information about property assessment and taxation processes to property owners. • Consider imposing local improvement taxes for projects that benefit an area of the village and not the village as a whole; • Include the infrastructure projects in the 10-year capital plan as part of the annual budget process; • Provide residents with information outlining how municipal funding is spent as part of a year-end report; and • Reconcile grants received with the cost of completed projects and deferred grant revenue. 	

INFRASTRUCTURE

An analysis of the grants for capital projects that the village was eligible to receive in the six-year period, 2009-14, and the village's expenditures on capital projects during that time period (Appendix A) demonstrates the Village of Clyde:

- was eligible for total grant funding of \$1,351,883;
- received an average of \$230,218 in grant funding per year;
- had total capital expenditures of \$1,291,543; and
- expended an average of \$215,257 per year on capital expenditures.

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Infrastructure Audit	
<p>The state of village infrastructure has been assessed in separate audits:</p> <ul style="list-style-type: none"> • Water distribution system - March 2010 • Wastewater collection system - March 2011 • Roadways - September 2006 <p>However, the village did not develop a long-term strategy to address priorities and funding of the infrastructure needs identified in the reports.</p> <p>The current practice of the village is to address infrastructure repairs and maintenance as part of the annual budget process and as they arise during the year.</p> <p>The fact that the village did not know the overall condition of the village's infrastructure, what infrastructure upgrades or replacements were required, or how future infrastructure projects could be funded was a viability factor.</p>	<p>If dissolution occurs, the county will receive the infrastructure audit and recommended 10-year capital project plan.</p> <p>The county has a number of options to impose additional taxes on properties in Clyde to partially or fully fund the projects.</p> <p>It will be the responsibility of the county council to determine which projects will be completed and how they will be funded.</p> <p>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 Westlock County would receive a funding allocation equivalent to that which would have been calculated pre-restructuring for a subsequent five years, if Clyde dissolves to become a hamlet in the county.</p>

Option One - Clyde remains a village and implements changes to achieve viability	Option Two - Clyde dissolves and becomes a hamlet in Westlock County
<p style="text-align: center;">Village of Clyde Infrastructure Condition Assessment (Audit)</p> <p>In 2015, 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.</p> <p>The completed infrastructure assessment was accepted for information by the village council at its meeting on December 17, 2015. To prioritize the proposed improvements, the conditions of the existing infrastructure components were scrutinized in accordance with the following criteria:</p> <ul style="list-style-type: none"> • public health; • environmental impacts; • public safety; • present level of service; and • degree of maintenance required. <p>Based on this criterion, the report recommends that prioritization of infrastructure upgrades be considered in the following increments, depending on budget availability and upgrading efficiencies:</p> <ul style="list-style-type: none"> • Priority 1 (Immediate): Present condition may impact public health and safety and the environment. • Priority 2 (2 – 10 years): Present condition impacts existing level of services and public safety. • Priority 3 (10 – 20 years): Present degree of maintenance required. <p>Based on the current condition of the infrastructure, the assessment:</p> <ul style="list-style-type: none"> • informs council of the infrastructure deficits and the liabilities associated with the deficiencies; • provides recommendations and a summary of the costs of each priority and infrastructure type recommended for upgrades and/or replacements in the next ten years totalling \$9,195,116 (Appendix B); and • recommends a work-plan, based on an annual budget of \$200,000, of project and associated cost that the village could complete in the next ten years with a total cost of \$2,130,634. <p>The work-plan, based on the village’s proposed annual budget of \$200,000 would not complete all the projects listed as Priority 1 that are recommended for immediate work as the present condition may impact public health and safety and the environment.</p>	
<p style="text-align: center;"><u>VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF CLYDE REMAINS A VILLAGE</u></p> <p>The Village of Clyde council should:</p> <ul style="list-style-type: none"> • Establish an ongoing operations and maintenance plan for village infrastructure; • Approve a 10-year capital plan; • Review the 10-year capital plan annually at budget time, extending the plan for an additional year, and develop a policy to ensure that this occurs; and • Consider increases to revenues by taking on debt, increasing taxes and/or utility fees and pursuing other grant programs to fund infrastructure projects. 	

SERVICE DELIVERY

Option One - Clyde remains a village and implements changes to achieve viability	Option Two - Clyde dissolves and becomes a hamlet in Westlock County
Utility Services	
<p>No changes are anticipated in how water, wastewater, and solid waste (garbage) services are provided.</p>	<p>Of the nine hamlets in the county, the six larger communities have water distribution, wastewater collection, and garbage pick-up services.</p> <p>No changes are anticipated in utility services to Clyde residents should dissolution occur.</p>

Option One - Clyde remains a village and implements changes to achieve viability	Option Two - Clyde dissolves and becomes a hamlet in Westlock County
Utility Rates	
<p>The fact the village's utility system does not consistently operate in full cost recovery was a viability factor.</p> <p>Utility fees may increase as the village continues to fund the full cost of providing water, wastewater, and garbage services through utility fees and not to subsidize them with property taxes.</p> <p>The cost of the treated water is controlled by the water commission. Wastewater utility rates are based on a per cent of the cost of metered water. If water rates increase, wastewater rates would increase accordingly.</p> <p>Costs associated with solid waste, garbage pick-up, and recycling services are fully passed on to the residents through the utility fees.</p> <p>As of March 2014, the village's bimonthly utility rates are:</p> <p>Water base rate: \$40 plus Water usage: \$3.45 per cubic metre; and For water services outside village boundaries: Water base rate: \$60.75 plus Water usage: \$4.05 per cubic metre Wastewater: 35 per cent of water usage cost (minimum \$19)</p> <p>Solid waste \$19 Recycling \$4.35</p> <p>Any surpluses from utility fees are added to general revenues.</p>	<p>The county's water and sewer services are not presently paid 100% by the residents in current county hamlets.</p> <p>As of March 2015, the monthly hamlet utility rates in Westlock County are:</p> <p>Water usage: \$3.95 per cubic metre (Minimum of \$37.62)</p> <p>Waste water: \$12.64</p> <p>Garbage pick-up: \$10.00</p> <p>Additional costs associated with water services are funded from general revenues.</p> <p>If dissolution occurs, the county would assess the costs associated with provision of utility services in Clyde and may change utility rates accordingly.</p> <p>The Clyde residents would receive utility bills monthly.</p> <p>No changes in water and wastewater services are anticipated. Clyde residents would receive garbage pick-up twice monthly the same as the residents in the other county hamlets.</p>
Road Maintenance	
<p>No changes are anticipated in the way the village maintains village roads.</p>	<p>In the winter, hamlet roads get done in a timely manner. The county contracts private contractors to plow out back alleys as the county graders are too big.</p> <p>The county monitors the maintenance needs for the county as a whole and prioritizes accordingly.</p>
Land Use Planning and Development	
<p>No changes are anticipated in the village's planning and development processes.</p> <p>The village is training staff in municipal planning processes to better serve its residents' planning and development needs.</p>	<p>Westlock County has a Planning and Development Department that processes all development applications (site specific and subdivisions).</p> <p>Hamlet residents were engaged by the county in the development of the hamlet municipal sustainability plans.</p>
<p><u>VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF CLYDE REMAINS A VILLAGE</u></p> <p>The Village of Clyde council should:</p> <ul style="list-style-type: none"> Continue to review utility rates annually, on a full-cost recovery model, that could also include expenses associated with maintenance and capital infrastructure projects. 	

Option One - Clyde remains a village and implements changes to achieve viability	Option Two - Clyde dissolves and becomes a hamlet in Westlock County
<ul style="list-style-type: none"> • Include in the utility fee bylaw that any increase in the cost for water from the commission is passed on automatically to the user and communicate this policy to the residents • Develop a policy to ensure that surplus collected through a utilities fee goes into capital reserves for future capital projects associated with the utility. 	

COMMUNITY WELL-BEING

Option One – Clyde remains a village and implements changes to achieve viability	Option Two – Clyde dissolves and becomes a hamlet in Westlock County
Community Groups and Volunteerism	
<p>The village would continue to support community organizations and events.</p> <p>The council recognizes the importance of volunteer work to the community and the residents' pride to live in the close-knit community of Clyde.</p> <p>The attendance at the village's 100th anniversary celebrations in June 2014 demonstrated the number of people who care for Clyde.</p>	<p>Clyde community groups would be eligible for county support the same as other groups in the county.</p> <p>Information about a variety of county grants and awards available for community members and organizations is published on the county website.</p>
<u>VIABILITY REVIEW TEAM RECOMMENDATIONS FOR VIABILITY IF CLYDE REMAINS A VILLAGE</u>	
<p>The Village of Clyde council should:</p> <ul style="list-style-type: none"> • Continue to budget financial support for community groups on an annual basis. 	

RISK MANAGEMENT

Option One – Clyde remains a village and implements changes to achieve viability	Option Two – Clyde dissolves and becomes a hamlet in Westlock County
Fire and Emergency Services	
<p>Westlock County would continue to administer the village fire department and emergency management services and to provide financial assistance to the Clyde Volunteer Fire Department.</p> <p>Through a mutual fire aid agreement with Westlock County expenses associated with fire and emergency services are shared between the village and county.</p> <p>In 2014, the village purchased land in the village to build a new Clyde Fire hall in partnership with Westlock County.</p> <p>At this time, there are no plans for a new fire hall.</p>	<p>The responsibility for the emergency management services and the fire department would transfer to the county.</p> <p>The county does not anticipate any changes to the operation of the Clyde Volunteer Fire Department.</p>
Occupational Health and Safety Requirements	
<p>In 2015, the village reviewed the Occupational Health and Safety Requirements for a municipality to ensure that it met legislated standards.</p>	

Option One – Clyde remains a village and implements changes to achieve viability	Option Two – Clyde dissolves and becomes a hamlet in Westlock County
Policing and Bylaw Enforcement	
<p>Policing is provided by the Westlock RCMP detachment.</p> <p>In 2014, the village contracted animal control services.</p> <p>The village now has a staff person trained as a bylaw officer and provides bylaw enforcement in-house. Ongoing support and training is provided through membership in the Alberta Municipal Enforcement Association.</p>	<p>Policing is provided by the Westlock RCMP detachment.</p> <p>Westlock County funds an enhanced RCMP officer, through the Westlock Detachment, for additional police services in the county.</p> <p>Bylaw enforcement in Clyde will be consistent with other parts of the county and will be conducted by the Westlock County Peace Officer, who has authority to issue fines and stop orders.</p>
<p><u>VIABILITY REVIEW TEAM RECOMMENDATIONS FOR VIABILITY IF CLYDE REMAINS A VILLAGE</u></p> <p>The Village of Clyde council should:</p> <ul style="list-style-type: none"> • Ensure that the village continues to follow all Occupational, Health, and Safety requirements. 	

APPENDICES

APPENDIX A: ANALYSIS OF GRANT REVENUES AND CAPITAL EXPENDITURES

Grant Revenue for Capital Projects

Grant Program	2014	2013	2012	2011	2010	2009	Total	Average
MSI Capital	\$205,269	\$168,791	\$168,992	\$167,886	\$166,482	\$45,548	\$922,968	\$153,828
Alberta Transportation*		\$30,180	\$29,580	\$29,580	\$29,580	\$28,200	\$147,120	\$29,424
Federal Gas Tax Fund	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$31,795	\$281,795	\$46,966
Total	\$255,269	\$248,971	\$248,572	\$247,466	\$246,062	\$105,543	\$1,351,883	\$230,218

*2009 to 2010 – the Street Improvement Program; and *2011 to 2014 – the Basic Municipal Transportation Grant.

Expenditures on Capital Projects

	2014	2013	2012	2011	2010	2009	Total	Average
Purchase of TCAs*	\$70,081	\$208,322	\$289,809	\$173,592	\$420,739	\$129,000	\$1,291,543	\$215,257

*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

A surplus in grant revenues becomes deferred grant revenue to be spent on capital projects in future years.

A deficit in grant revenues could be funded from deferred grant revenue from previous years, property taxes or other municipal revenue sources.

Balance	2014	2013	2012	2011	2010	2009	Total	Average
Surplus/Deficit	\$185,188	\$40,649	-\$41,237	\$73,874	-\$174,677	-\$23,457	\$60,340	\$10,057

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

- was eligible for total grant funding of \$1,351,883;
- received an average of \$230,218 in grant funding per year;
- had total capital expenditures of \$1,291,543; and
- expended on average \$215,257 per year on capital expenditures.

APPENDIX B; INFRASTRUCTURE AUDIT: PRIORITIZATION OF UPGRADES

The information in Appendix B is taken from the Village of Clyde Infrastructure Condition Assessment which the village council accepted for information at its meeting in December 2015.

1.3 Prioritization of Upgrades

To prioritize the proposed improvement, the conditions of the existing infrastructure components were scrutinized in accordance with the following criteria:

- public health;
- environmental impacts;
- public safety;
- present level of service; and
- degree of maintenance required.

Based on this criterion, the report recommends that prioritization of infrastructure upgrades be considered in the following increments, depending on budget availability and upgrading efficiencies:

- Priority 1 (Immediate): Present condition may impact public health and safety and the environment.
- Priority 2 (2 – 10 years): Present condition impacts existing level of services and public safety.
- Priority 3 (10 – 20 years): Present degree of maintenance required.

Table 7.2.1: Table of Priorities – the costs of each priority and infrastructure type

Priority	Water	Wastewater	Sidewalks	Total
Priority 1 (Immediate)	\$961,750	\$1,864,516	\$831,000	\$3,657,266
Priority 2 (2 – 10 years)	\$4,280,250	\$1,066,600	\$0	\$5,346,850
Priority 3 (10 – 20 Years)	\$40,000	\$151,000	\$0	\$191,000
TOTAL	\$5,282,000	\$3,082,116	\$831,000	\$9,195,116

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

The information in Appendix C is taken from the Village of Clyde Infrastructure Condition Assessment which the village council **accepted for information** at its meeting in December 2015.

After discussion with the Village, an annual capital budget of \$200,000 was used in developing a 10-year Capital Funding Plan. (This amount aligns with the average annual expenditure of \$215,257 by the village on capital projects from 2009 to 2015 derived from the VRT's analysis of grant revenues and capital expenditures in Appendix A.)

Table 6.1: Village of Clyde 10-year Capital Funding Plan

Item	2016	2017	2018	2019	2020
Install Water Main for Looping - WDP to 50 Street	\$169,100				
Replace Sidewalk - 55 Avenue, 53 Street to 54 Street, north side	\$28,500				
Install Water Main for Looping - 50 Street to 51 Street		\$226,761			
Lagoon Berm Repairs			\$242,300	\$249,000	\$255,680
Annual Totals	\$197,600	\$226,761	\$242,300	\$249,000	\$255,680

* WDP = Water Distribution Plant

Item	2021	2022	2023	2024	2025
Replace Sanitary Sewer - 50 Street, 50 Avenue to MH15	\$233,657				
Replace Water Main - 50 Street, 50 Avenue to 48 Avenue		\$242,000	\$83,266		
Replace Sidewalk - 50 Street, 50 Avenue to 48 Avenue			\$82,817	\$84,820	
Replace Sanitary Sewer - 49 Street, 50 Avenue to MH9				\$115,009	\$117,725
Annual Totals	\$233,657	\$242,000	\$166,083	\$199,829	\$117,725

* MH = Manhole

Total budget for the 10-Year Capital Funding Plan \$2,130,634 – and average of \$213,063 annually

Note: As part of the Village of Clyde Infrastructure Condition Assessment, the 10-Year Capital Funding Plan was accepted for information by the village council in December 2015 but not approved or adopted as the village's plan.

APPENDIX D: VILLAGE OF CLYDE FINANCIAL INFORMATION: 2009 - 2014

Financial information published October 2014 in the Village of Clyde Initial Findings Report is updated in the following tables to include information taken from the village's 2014 audited financial statements.

Table 6 (updated): Operating Revenues for the Village of Clyde, 2009 - 2014

Revenue Source	2014	2013	2012	2011	2010	2009
Net Municipal tax	\$315,007	\$279,023	\$307,637	\$319,296	\$312,145	\$302,656
User fees and sales of goods	\$249,427	\$244,173	\$227,993	\$197,370	\$183,914	\$184,530
Government transfers for operating	\$64,446	\$110,072	\$96,630	\$104,386	\$84,601	\$71,522
Licenses and permits	\$4,955	\$4,692	\$10,673	\$5,637	\$7,076	\$3,873
Penalties and costs on taxes	\$11,659	\$13,869	\$9,518	\$9,410	\$8,496	\$16,730
Investment income	\$3,971	\$6,609	\$2,414	\$1,319	\$16	\$207
Other	\$31,029	\$32,256	\$22,023	\$22,150	\$4,429	\$1,489
Clyde 100 Celebration	\$17,856					
Total Revenue	\$678,539	\$690,694	\$676,888	\$659,568	\$600,677	\$581,007

Reference: Village of Clyde Audited Financial Statements
 Note: Government Transfers excludes grants for capital purposes.

Table 7 (updated): Operating Expenses for the Village of Clyde, 2009 - 2014

Expense Type	2014	2013	2012	2011	2010	2009
Council	\$24,360	\$18,360	\$16,599	\$21,004	\$34,117	\$28,416
Administration	\$202,360	\$180,384	\$126,107	\$117,062	\$164,253	\$140,810
Fire protection services	\$16,722	\$15,752	\$14,293	\$14,071	\$17,857	\$15,279
Bylaw enforcement	\$165	\$436	\$910	\$1,068	\$5,192	\$4,898
Roads, street, walks, lighting	\$91,065	\$139,881	\$86,863	\$70,811	\$111,510	\$112,831
Water supply and distribution	\$108,777	\$165,463	\$119,182	\$101,914	\$49,929	\$109,429
Wastewater treatment and disposal	\$14,278	\$28,486	\$19,685	\$15,566	\$44,123	\$33,303
Waste Management	\$34,887	\$35,363	\$31,927	\$30,077	\$23,566	\$26,564
Family and community support (FCSS)	(\$1,451)	\$4,355	\$3,484	\$2,639	\$3,074	\$4,545
Land use planning, zoning, development	-	\$6,399	-	-	\$867	\$21,220
Parks and recreation	\$42,564	\$36,405	\$40,163	\$56,996	\$27,561	\$42,620
Ambulance services (recovery)	-	-	-	-	(\$4,984)	\$4,984
Culture	\$2,163	\$2,163	-	-	-	-
Loss on disposal of tangible capital assets	-	\$1,800	-	-	-	-
Total Expenses	\$662,438	\$635,247	\$459,213	\$431,208	\$477,065	\$544,899

Reference: Village of Clyde Audited Financial Statements
 Note: Excludes capital purchases and related amortization expense

Table 8 (updated): Net Financial Assets for the Village of Clyde, 2009 - 2014

	2014	2013	2012	2011	2010	2009
Net Financial Assets (Net Debt) at yearend	\$775,114	\$579,047	\$727,839	\$504,179	\$292,081	\$174,205

Table 20 (updated): Overall Utility Balances, 2010 - 2014

Year	Revenue	Expenses	Surplus/Deficit
2014	\$208,023	\$157,924	\$50,099
2013	\$195,746	\$264,254	(\$58,508)
2012	\$227,396	\$204,555	\$22,841
2011	\$168,741	\$204,912	(\$36,171)
2010	\$209,542	\$213,026	(\$3,484)

Reference: Village of Clyde Financial Information Returns (FIR) to Municipal Affairs

QUESTIONS

For further information, please contact:

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