

# VILLAGE OF BERWYN VIABILITY PLAN

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**January 2018**

A report concerning the viability of the Village of Berwyn  
by the Village of Berwyn Viability Review Team

**Viability Review Team**

**Village of Berwyn Viability Review**

**Alberta Municipal Affairs**

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# INTRODUCTION

Berwyn is a small rural community in northern Alberta and is located in the Municipal District (MD) of Peace, approximately 520 km northwest of the City of Edmonton and 40 kilometers southwest of the Town of Peace River. The village was established in 1936 when lands were withdrawn from the MD.

In November 2015, village council passed a resolution requesting that the Minister of Municipal Affairs conduct a viability review. 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. Following a viability screening, which included a review of the village's self-assessment questionnaire, a review of information internal to the ministry, and telephone interviews with elected officials and the Chief Administrative Officers from the Village of Berwyn and the MD of Peace, the Minister decided to initiate a viability review.

Prior to establishing a Viability Review Team (VRT), the village was encouraged to apply to Municipal Affairs for a grant to undertake a comprehensive infrastructure audit of the village's above and below ground infrastructure. On July 21, 2016, the Minister of Municipal Affairs approved a grant of \$100,000 for the Village of Berwyn to conduct an infrastructure audit. Following substantial completion of the audit, the VRT was established and became responsible for the development of a viability plan.

The development of the Village of Berwyn Viability Plan included consultation with residents, businesses and the MD of Peace (Appendix B: Viability Team Mandate). During this time, the VRT considered a number of factors including:

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

The purpose of the Berwyn Viability Plan is to provide village council, administration and the residents of Berwyn 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 which include limited non-residential assessment and economic growth over the past 10 years, rising costs of providing municipal services and administration leading to higher property taxes, and the reliance on grant funding for village operations.

The Village of Berwyn Viability Plan has 26 recommendations (Appendix H: Summary of VRT Recommendations) aimed to address the long-term viability issues facing the village. In particular, the community of Berwyn must consider if the implementation of the needed changes is feasible in view of the potential for increased property taxes, user fees, and/or changes to service levels. It must consider if the financial and social costs are too extensive, driving towards consideration to become a hamlet in the MD. The recommendations address three broad areas of viability concern:

- Municipal Administrative Capacity
- Infrastructure
- Economic Development

## PROJECT CHRONOLOGY

On November 27, 2015, village council requested the Minister of Municipal Affairs undertake a viability review for the village. As part of its request, the village answered the self-assessment questionnaire indicating that viability challenges included minimal growth in the municipality in the past 10 years, high property taxes compared with other municipalities in the region, a lack of interest in running for council or participating on village boards and committees, and unstable or stagnant major industries within the community. In a December 10, 2015 letter to the Minister of Municipal Affairs, the MD indicated their support of the viability review for the village.

On December 18, 2015, the Minister indicated to the mayor and council that a viability review screening would be undertaken to determine if the issues facing the village were viability-related. In February and March 2016, ministry staff undertook the viability screening which included a review of the results of the village's self-assessment questionnaire; a review of information internal to the ministry, including the village's performance of the key measures (Appendix A: Performance on Key Measures); and telephone interviews with elected officials and the Chief Administrative Officers from the Village of Berwyn and the MD.

On April 6, 2016, the Minister indicated that a viability review for the village would be undertaken. On July 21, 2016, the Minister approved a grant of \$100,000 for the village to undertake an infrastructure audit and the village contracted Velocity Group Inc. The infrastructure audit was completed and approved by village council on November 10, 2016.

In January 2017, the Village of Berwyn Viability Review Team (VRT)<sup>1</sup> was established. As part of its mandate, the VRT was to develop a plan to address the factors contributing to the long-term viability of the village and consult with residents, businesses and the MD (Appendix B: Viability Team Mandate).

In February 2017, the VRT held a public meeting in Berwyn where approximately forty individuals provided feedback regarding the viability of the village (Appendix E: Stakeholder Summary – February 16, 2017). A second public consultation session was held on June 13, 2017 in the village to review some of the VRT's preliminary findings. At this meeting, residents were to comment and discuss the infrastructure challenges facing the village and provide feedback as to how these challenges should be addressed (Appendix F: Stakeholder Summary – June 13, 2017).

In June 2017, the VRT finalized the Viability Plan Report and submitted it to Municipal Affairs for review and distribution to residents. With 2017 being a municipal election year, and to not interfere with the municipal election and democratic process, this report was released after the municipal elections were completed.

### Viability Factors

The VRT reviewed the input provided by the public and the data and information available to discuss what it means to be a viable community. The following list is a reflection of the concerns and questions that VRT considered in reviewing the viability of the Village of Berwyn:

- How will the Village:
  - maintain its identity/incorporated status and foster community spirit?
  - promote the area to attract and maintain residents and businesses?
  - sustain the services it offers and the infrastructure within the community?
  - maintain/anticipate increases to the cost of providing municipal services?
  - maintain/anticipate capital improvements that may be required and how these are funded?

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<sup>1</sup> A committee consisting of representatives from Municipal Affairs, the Village of Berwyn, the MD of Peace, the Alberta Association of Municipal Districts and Counties, Alberta Rural Municipal Administrators Association, Alberta Urban Municipalities Association, and the Local Government Administration Association.

- demonstrate the value residents receive from their tax dollars?
- pay for current operations and future upgrades to its municipal facilities?
- work with the school division to keep the school open?
- address resident concerns regarding the lack of communications/consultation?
- What is the:
  - potential of the community and its ability to attract residents and businesses?
  - assurance and certainty that services can be provided to the residents?
- Where will the community be in the future and what will be the financial impact on residents?

To answer these questions, the VRT gathered information regarding the village's finances, governance, infrastructure and how programs and services are delivered. The VRT determined that the Village of Berwyn was facing challenges with its long-term viability due to the following four key factors:

- The village has very few non-residential (business) taxpayers, and the lack of development and growth in the municipality will lead to a greater dependence on the village's residential tax base.
  - *Non-residential properties include commercial and industrial businesses (such as offices, banks, retail outlets, restaurants, hotels, and greenhouses, etc.). Diverse commercial and industrial sectors help in attracting residents and encourages further business development. The property tax rate is generally higher on non-residential properties than residential properties because it is generally believed these properties have a greater capacity to pay taxes than residential properties due to their ability to raise revenue for the property owners. When a higher tax rate is applied to non-residential properties, the tax burden on residential properties is reduced. As there are few non-residential properties, the village does not have this option and, therefore, the residents are responsible for almost all of the tax burden.*

*Property taxes are used to offset the expenses needed to operate the village. Since tax rates are based on property assessment, the larger the assessed value, the more a property owner will pay in property tax. If the property assessment values are lower than average, as with the case in the Village of Berwyn, then the corresponding tax rate will need to be higher to raise the required revenue to operate the village.*

- Residents will likely face tax or utility fee increases as infrastructure continues to age, improvements are undertaken (or as infrastructure projects are deferred), and as material and labour costs increase,
  - *The cost of providing services in the village has increased from \$811,755 in 2012 to \$1,049,823 in 2016 (an increase of \$238,068). Findings from the infrastructure audit indicate that the village is facing a projected \$5.5 million infrastructure deficit over the next 10 years; and although the population has remained relatively consistent over recent years, it remains 13 per cent lower than 1996 levels.*

*The VRT has acknowledged that every Alberta municipality has an infrastructure deficit. The role of the VRT is not to decide which infrastructure needs replacing; but rather, to ensure that the review and potential receiving municipalities have a plan to address the critical infrastructure that has an immediate effect on the health and safety of its residents. It is up to village council and administration to develop a plan to address these issues and determine how the necessary improvements and/or maintenance activities will be funded; this information is found under the section entitled "Infrastructure".*

- Over the past few years, operating grants from senior levels of government have declined. The reliance on these grants for continued village operations suggests that the village may need to increase revenues or reduce service levels to balance its budget.
  - *Operating grants are monies provided by senior levels of government to assist municipalities with covering some of the administrative expenses, or allowing municipalities to undertake special projects that they would not otherwise have been able to complete (e.g. review of bylaws and policies). In 2014, the Municipal Sustainability Initiative (MSI) operating budget was reduced by 40 per cent and Berwyn's operating allocation was reduced proportionately. Berwyn's 2016/17 allocation was \$58,604, compared to its 2013/14 allocation of \$112,592 (a reduction of \$53,988 or 48 per cent). Reduction in MSI operating was highlighted by village council and administration during the viability review screening as a potential viability concern. Having the*

*ability to accurately predict the level of operational funding received from other governments would assist the village in determining service levels for its residents.*

- The legislative requirements for municipalities are becoming more complex. Agreements with the MD and the Town of Grimshaw have enabled the village to provide a number of municipal services to residents. Continuing to work collaboratively with neighbouring municipalities in the future will become increasingly important as the changes to the *Municipal Government Act* come into effect.
  - *For example, Intermunicipal Collaboration Frameworks (ICF) will require municipalities to list all of the services that they provide to residents, identify which services are best provided on a municipal, intermunicipal, or third party basis, and outline how intermunicipal services are delivered. ICFs will require municipalities to outline how the transportation, water and wastewater, solid waste, emergency services, and recreation services will be delivered over the next five years.*

In June 2017, the VRT met separately with the village and MD councils to discuss the challenges and opportunities facing the Village of Berwyn. Discussions covered a range of topics including what role the MD could assume if the village was to remain incorporated, or what changes residents could expect if the village was to dissolve and become a hamlet.

The VRT has reviewed documents from the Village of Berwyn and the MD, and comments heard during the two stakeholder consultations. As part of its mandate, the VRT has developed a viability plan with 26 recommendations (Appendix H: Summary of VRT Recommendations). These recommendations categorized in the areas of governance, regional cooperation, operational and administrative capacity, finances and accounting, property taxes and assessment, infrastructure, service delivery and risk management, and community well-being. This document presents a summary of the VRT's findings, including how municipal services are delivered to village residents and the potential changes and impacts that village residents may face in the future. This document also includes the MD's responses up to June 2017.

## NEXT STEPS IN THE PROCESS

This document is the Viability Plan Report. A copy of this report has been mailed to village residents and will be presented in a public meeting at 6:30 p.m. on January 22, 2018 in the Village of Berwyn at the Elks Hall. Following the meeting, the public will have 30 days to provide written comments to the Minister regarding the long-term viability of the village, and may informally indicate their preference to remain a village or to become a hamlet.

Based on the information contained in this report and the comments received from the public, the Minister will determine which one of the following two options for next steps will occur:

- *No public vote will be held. The Village of Berwyn will remain as an incorporated municipality, and directives will be issued. The village council and administration would be directed to complete a list of actions based on the recommendations contained within this report that will ensure the long-term viability of the Village of Berwyn. These actions would need to be completed within the time specified by the Minister; or*
- *A public vote will be held on a question of dissolution. A notice of public vote, as well as a notice for a public information session, will be mailed to residents of the village. Municipal Affairs staff, not affiliated with the Berwyn Viability Review, would administer the vote in accordance with the Local Authorities Election Act, Municipal Government Act and the Interpretation Act. On the day of the vote, electors would be asked to choose between (A) or (B):*



**A. Remain as a village by accepting the recommendations found within the Viability Plan, including any directives that may be issued by the Minister of Municipal Affairs, or**

***What does this option mean:** The Village of Berwyn would remain a municipality, and the Minister of Municipal Affairs would issue directives requiring village council and/or administration to implement the recommendations found within this report.*

**B. Dissolve the Village of Berwyn, and Berwyn becomes a hamlet in the MD of Peace.**

***What does this option mean:** The Minister of Municipal Affairs would be required to recommend to Cabinet that the Village of Berwyn be dissolved and become a hamlet within the MD of Peace. Following the date of dissolution, Berwyn would be part of the MD of Peace and the MD would provide programs and services in the hamlet.*

## Questions

For further information regarding the Berwyn Viability Plan, please contact:

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## OPTIONS FOR BERWYN

The following pages within the report provide details on the Village of Berwyn's finances and governance, as well as programs and services that are offered to residents. It is based on information collected throughout the viability review process and is reflective of the most current information available at the time of writing.

The structure of this document reflects the spirit of the Government of Alberta's Municipal Sustainability Strategy and the Viability Review Team's (VRT) approach in determining the Village of Berwyn's long-term viability. The remainder of the document explores the following key areas that were considered of greatest importance to the VRT:

- Sustainable Governance
- Regional Cooperation
- Operational and Administrative Capacity
- Municipal Finances and Accounting
- Property Taxes and Assessment
- Infrastructure
- Service Delivery and Risk Management
- Community Well Being

Within each of these sections, an overview of the current state of the village is presented, along with the potential impacts that residents may face should the village remain as an incorporated entity or dissolve and become a hamlet. At the end of each section, the VRT has provided a number of recommendations, that should the village remain, the Minister of Municipal Affairs may require village council and/or administration to implement.

## Definitions

The following definitions are provided below for your reference when reviewing this document.

**Property assessment** is the process of assigning a dollar value to property for taxation purposes and is used to distribute the tax burden among property owners in a municipality.

**Taxation** is the process of applying a tax rate to the assessed value of a property to determine the taxes payable by the owner of that property.

**Property taxes** are calculated by multiplying the assessed value of a property by the tax rates that are set by the village's property tax bylaw. Municipalities levy property taxes for municipal purposes and to fund requisitions from other governing bodies.

**Equalized assessment** is a means of comparing property wealth among Alberta municipalities. The assessed values of all properties in Alberta are brought to a common level which is used for cost-sharing programs such as education funding. The value is calculated by Alberta Municipal Affairs and it may differ from the property assessment recorded in the municipal tax bylaw.

**Accumulated surplus** is the amount by which all assets (financial and non-financial), exceed all liabilities. An accumulated surplus indicates that a government has net resources (financial and physical) that can be used to provide future services.

**Net Financial Assets (or Net Financial Debt)** is the difference between the sum of all of a municipality's financial assets and the sum of all of its liabilities.

## Option 1.

### **The Village of Berwyn remains as a village and completes directives issued by the Minister of Municipal Affairs.**

This option would allow Berwyn to continue as a village but would require changes to its finances and operations in order for the village to achieve viability. These adjustments may require reductions in village services, increases to utility fees and other user charges, as well as potential increases in property taxes. In considering this option, the VRT acknowledged the following:

#### Potential Benefits to Remaining as a Village

- provides the opportunity to use the information that was gained as part of the viability review to improve municipal services and administration for village residents
- strong relationships already exist with the MD and Town of Grimshaw which are needed in the development of ICFs
- residents can typically expect a faster response if municipal service delivery is retained by the village
- will be able to utilize information in the infrastructure audit to access grant funding
- decision making is maintained within the village and is based on priorities of village residents

Potential Challenges to Remaining as a Village

- may be difficult to maintain current levels of service and undertake required infrastructure projects without increasing property taxes or user/utility fees
- possibility that services levels will be different in the future and residents may not support reductions in the areas of administration, public works or infrastructure
- in the long term, it may be difficult to attract and retain qualified staff
- the village requires operational grant funding and the ability to secure/access stable long-term funding for operations is difficult
- population reductions and limited non-residential assessment will have an impact on future tax rates for the municipality
- ensuring that enough individuals are putting their names forward to run for municipal council

**Option 2. The Village of Berwyn dissolves and becomes a hamlet in the MD.**

This option would see the orderly dissolution and wind-down of village operations. Berwyn would become a hamlet in the MD of Peace. There would no longer be a village council, and residents would be eligible to run and vote in MD elections and would be represented by the councillor for Division 3. Municipal services in Berwyn would be delivered by the MD. All of the village's assets, liabilities, functions and obligations would be transferred to the MD. In considering this option, the VRT acknowledged the following:

Potential Benefits to Becoming a Hamlet in the MD

- residents may benefit from savings as a result of economies of scale and elimination of service duplication
- the MD is able to access additional resources including provincial funding to address transitional costs and high priority infrastructure concerns
- the MD office is located in the village

Potential Challenges to Becoming a Hamlet in the MD

- special taxes, local improvement charges, or fees could be levied to pay for infrastructure projects in Berwyn
- projects/services within the village will be considered along with other projects/services throughout the MD
- residents may experience changes to service levels in the future
- some residents may perceive a loss of community identity
- the MD and Town of Grimshaw will lose a partner when applying for grants and/or delivering services
- there will be an impact to current employees of the village
- MD council will determine how financing and the infrastructure deficit will be addressed
- the service levels that hamlet residents receive may create additional requests from other hamlets or MD residents

If this option is chosen by village electors, the Minister of Municipal Affairs would recommend to the Provincial Cabinet that the village be dissolved. The Lieutenant Governor in Council may approve an Order in Council (O.C.) that would indicate the effective date of dissolution, and the legal matters addressed as part of a municipal dissolution.

On the effective date of dissolution, the MD would be responsible for providing services and addressing the ongoing needs of Berwyn residents. At that point, the MD would be able to determine how services would be delivered and how the revenue necessary to provide these services would be raised. If the costs of providing municipal services are higher in the former village than other parts of the MD, or if infrastructure repairs/replacements are required, the MD would be able

to assign a separate tax rate or charge a special levy under the *Municipal Government Act* (Appendix I: References from the *Municipal Government Act*).

## POTENTIAL IMPACTS TO RESIDENTS

### Sustainable Governance

Local government is the most accessible and responsive level of government. It is made up of local citizens elected by the community, which together form a municipal council. Officials elected to serve on municipal council are to look after the interests of the municipality and must base their decisions on what is best for the entire municipality. The effectiveness of a municipal council depends on the information provided and the elected officials' ability to vote in consideration of the municipality as a whole. Residents have expectations that their councillors will represent them in an ethical and informed manner. Public perceptions, including the openness and transparency of local government, will influence how the public interacts with council.

The legal framework for local government in Alberta is outlined within the *Municipal Government Act (MGA)* and the *Local Authorities Election Act (LAEA)*. Municipal governments consist of a council, made up of councillors that represent the electorate in the municipality, and a Chief Elected Official, known as a mayor or reeve. A fundamental duty of a councillor is to "*consider the welfare and interests of the municipality as a whole and to bring to council's attention anything that would promote the welfare or interests of the municipality*" (MGA, section 153). The MGA specifies that a municipal council must not exercise a power or function or preform a duty that is assigned to the chief administrative officer, but rather a municipal council is responsible for:

- (a) *developing and evaluating the policies and programs of the municipality;*
- (b) *carrying out the powers, duties and functions expressly given to it under this or any other enactment.*

Council activities include the passing of bylaws, adoption of policies, establishing budgets, raising funds through property and business taxes, borrowing, setting fines and fees for services, adopting plans for the use and development of land, and providing a variety of services required or desired by local residents. In addition, council is responsible for anticipating challenges and recognizing the opportunities that the municipality may face through the development and implementation of long-range plans.

One of the cornerstones of an open and transparent government is the requirement to conduct meetings that are open and accessible to the public. Providing citizens with the opportunity to observe and engage their elected representatives fosters trust and confidence in the decision-making process and allows for meaningful participation and contribution from informed citizens. Open meetings act as venues for education and enable both elected officials and members of the public to make informed decisions.

#### HOW BERWYN OPERATES TODAY

- Village council consists of five elected officials. The mayor is elected annually from within council at the organizational meeting. Village council holds regular meetings on the second and fourth Thursday of each month in the municipal office.
- In 2007 and 2010 the village held elections. However, in the 2013 general election and the 2016 by-election,

councillors were acclaimed. In 2016, the village inquired to Municipal Affairs to reduce the number of councillors from five to three, however due to community interest, village council remains at five members. Eight candidates ran for five councillor positions during the 2017 municipal general election.

- The village does not have a formal strategic and/or sustainability plan.
- The village contracts bylaw enforcement from the Town of Grimshaw.
- Operational and capital priorities are determined by council with input from administration staff.
- Public participation at council meetings requires that prior written notice be given by delegation representative(s) so that they can be added to the agenda three days before they plan to attend the meeting.
- The village makes public announcements in the Mile-Zero News and through a monthly newsletter. The village also provides information to residents through their website, the Community Services Facebook page, the community services sign by the post office, and as needed within the utility bills.
- The village is currently working on a Road Closure Bylaw, Utility Bylaw and plans to update and revise its Community Services Bylaw.
- The village currently has a Municipal Development Plan and an Intermunicipal Development Plan with the MD of Peace and the Town of Grimshaw.
- The village, as part of its annual budgeting process, provides funds to undertake professional development activities for council and staff.

**OPTION 1: IF BERWYN REMAINED A VILLAGE**

- Council representation would not change; residents would be encouraged to run for municipal office.
- No changes are anticipated in the area of communications and community engagement. Residents are encouraged to attend council meetings and follow the procedures outlined within the procedural bylaw.
- Village council would continue to develop bylaws and policies that govern the village. Although no bylaw changes are proposed at this time, bylaw enforcement is ongoing and additional resources will be required to ensure municipal bylaws are enforced.
- Bylaw enforcement would continue by contract with the Town of Grimshaw.
- The village will continue working with its municipal neighbours, including the MD and the Town of Grimshaw on areas of mutual interest.

**OPTION 2: IF BERWYN BECAME A HAMLET**

- Residents of the MD are represented by five councillors, elected from five electoral divisions, which are determined based on population and geographic area. The Reeve is elected within council at the annual organizational meeting.
- Village council will dissolve and Berwyn will become part of Division 3. Due to the population of the village, the MD may need to consider adjusting the electoral boundaries within the MD before the next general municipal election in 2021.
- Berwyn residents will be eligible to run and vote for MD Council.
- Hamlet residents would receive information from the MD through the website ([www.mdpeace.com](http://www.mdpeace.com)), Facebook, the Mile Zero Newspaper, and mail.
- MD bylaws are enforced both by contract and by the administration staff at the MD.
- The MD encourages public participation by hosting public meetings, having open houses and allowing residents the opportunity to ask questions of council in accordance to their procedural bylaw.
- The concerns of hamlet residents would be addressed through their councillor, attendance at open houses and through public meetings.

VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF BERWYN REMAINS A VILLAGE:

1. The village must review the legislative requirements resulting from updates to the *Municipal Government Act* and develop a plan to ensure the village remains compliant; including developing a councillor code of conduct, municipal development plan, and Intermunicipal Collaboration Framework.
2. Village Council must participate in a workshop to develop a long-term vision, goals and action plan for the municipality, and as a result of this workshop develop a strategic plan for the municipality. The strategic plan should include information from the infrastructure audit and the viability plan as well as prioritize municipal projects and initiatives, demonstrate efficient service delivery and encourage input from village residents. The strategic plan, once adopted, should be reviewed as part of the annual budgeting process.
3. Village Council and administration must develop a public participation policy that will identify who should be given specific information, when that information should be delivered and what communications channels will be used to deliver this information. The policy should include goals and objectives as well as opportunities to encourage feedback from village residents, and be consistent with the legislative requirements.
4. Village Council should provide more information to the public regarding the services that the municipality provides and where municipal tax dollars are being spent. At a minimum, this information should be given to residents on an annual basis, and be in the form of a report to residents or provided as an informational sheet.
5. The village should encourage electors to run for municipal office by hosting information sessions/open house on what it means to be an elected official. These sessions should outline the opportunities and challenges facing the municipality and how they align with the responsibilities of being an elected official.
6. Village council and administration should continue to take advantage of training opportunities provided by Municipal Affairs and other municipal associations.
7. The village must begin working with the MD to develop an Intermunicipal Collaboration Framework (ICF) by identifying the core services it wishes to provide together and how these services will be delivered.
8. To ensure effective communication between the village and MD on areas of mutual interest, village and MD council and administration should consider meeting on a semi-annual basis.

## Regional Cooperation

Regional cooperation is when a municipality collaborates with its neighbours to work together to share information, services or otherwise support one another. Typically, the benefits of regional cooperation are financial in nature, and in many cases, result in considerable costs savings due to economies of scale, the sharing of knowledge and reduced administration and duplication of municipal services. Regional cooperation can take any number of forms including intermunicipal agreements, private-public partnerships, regional partnerships, service sharing and/or regional service delivery arrangements.

In some cases, only municipal partners are involved, while in others, municipalities collaborate with municipal associations, the private sector, community groups and/or other levels of government. Regional cooperation has led 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 budgets),
- ability to provide a service or level of service quality that could not normally be provided,
- access to new or improved human resources, technical expertise or 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.

### HOW BERWYN OPERATES TODAY

- Berwyn has worked cooperatively with its neighbours to provide services and undertake capital projects. Some of the benefits realized from these co-operation efforts include:
  - Intermunicipal Development Plan (IDP) with the Town of Grimshaw and the MD (coordinated by Mackenzie Municipal Service Agency)
  - Fire Services, Recycling, Recreation, Family and Community Support Services (FCSS), Weed Control and Inspection, and Water Meter Reading offered in partnership with the MD
  - Water Operator, Bylaw Officer offered in partnership with the Town of Grimshaw
- The village has a strong relationship with the MD of Peace and the Town of Grimshaw and as a result has benefited from funding to undertake a:
  - Regional Municipal Service Delivery Study (Regional Collaboration Program Grant)
  - Regional Land Use Planning Framework Paper (Regional Collaboration Program Grant)
  - Emergency Services Water Tanker Truck Purchase (Alberta Community Partnership Grant)
- The Village is currently a member of the following 17 regional boards and committees:
 

<ul style="list-style-type: none"> <li>▪ Assessment Appeal Board</li> <li>▪ Berwyn Arena Society</li> <li>▪ Berwyn Women's Institute Library Board</li> <li>▪ Community Services Board</li> <li>▪ Development Appeal Board</li> <li>▪ Doctor Retention Committee</li> <li>▪ Emergency Management</li> <li>▪ Grimshaw Gravels Aquifer Advisory Association</li> <li>▪ Lac Cardinal Regional Economic Development Board</li> <li>▪ Long Lake Regional Waste Commission</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mackenzie Municipal Service Agency</li> <li>▪ Mighty Peace Tourist Association</li> <li>▪ North Peace Housing Foundation</li> <li>▪ Alberta Coordinated Action for Recycling Enterprises (C.A.R.E.)</li> <li>▪ Peace Library System</li> <li>▪ Peace Regional Economic Development Alliance</li> <li>▪ Water North Coalition</li> </ul>
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OPTION 1: IF BERWYN REMAINED A VILLAGE

- The village would retain the ability to partner with other municipalities (such as the MD and the Town of Grimshaw) for the purposes of securing grants or providing enhanced municipal services.
- The village will continue to work with the MD and neighbouring municipalities to provide municipal services to its residents and undertake joint capital projects wherever feasible.
- Berwyn will be required to complete an Intermunicipal Collaborative Framework (ICF) agreement with the MD.

OPTION 2: IF BERWYN BECAME A HAMLET

- Neighbouring municipalities that would have collaborated with the village for granting purposes may need to find another municipality to collaborate with in the future as the village would lose incorporated status, and as a hamlet would not be eligible for many grants.
- As the MD is currently a member of most of the same boards and committees, participation would continue as normal.
- With the dissolution of the village, membership within the Long Lake Regional Waste Commission would cease. The MD would become responsible for the provision of waste services and would try to maintain the same or similar level of service.

VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF BERWYN REMAINS A VILLAGE:

9. Village council should continue working with the Lac Cardinal Regional Economic Development Board, ensuring that a clear mandate exists, the board functions effectively, and that participation from other regional organizations is encouraged. Participation on the board should be used to promote residential and commercial property development within the village as well as what the region has to offer.
10. Annually at its organizational meeting, village council should re-evaluate which boards and committees the village is a member of to ensure effective and efficient use of village resources.



## Operational and Administrative Capacity

Municipal administration manages the community's day-to-day programs and services. Administration carries out the municipal council's decisions and manages community functions, like snow clearing and road maintenance. The *Municipal Government Act (MGA)* distinguishes between the powers, duties and functions of council and administration. A municipal council is explicitly not to perform a power, duty or function of the administration. This separation helps define the administrative roles and responsibilities.

Every council is required to appoint a chief administrative officer (CAO) and designate one or more individuals with the responsibilities to carry out the powers, duties and functions of the CAO. The CAO is the administrative head of a municipality. Sections 207 and 208 of the *MGA* outline the roles and responsibilities of the CAO, including:

- being the administrative head of the municipality,
- ensuring that the policies and programs of the municipality are implemented,
- advising and informing council on the operation and affairs of the municipality, and
- performing the duties, functions and powers assigned by the *MGA*, other statutes and council.

In fulfilling these duties, it is the responsibility of the CAO to ensure that the organization has the administrative capacity and necessary supports in place to operate and support council decisions.

### HOW BERWYN OPERATES TODAY

- The municipal office is located at 5006 51 Street and is open five days a week between 8:30 am – 4:30 pm and is closed from 12pm-1pm.
  - The municipality has a website ([www.berwyn.ca](http://www.berwyn.ca)).
  - Residents are able to pay utility bills and taxes at the local ATB branch, on-line or at the municipal office.
  - In addition to the CAO, the village employs 2 public works staff (one of which conducts water testing for the village under the supervision of the water operator from the Town of Grimshaw), one administrative clerk, one community services director, one part-time receptionist and secretary of council.
- Information gathered during the stakeholder sessions suggests that residents are passionate about their community and understand the challenges and opportunities facing the village.
- In 2016, the cost of providing administrative and legislative services in the village was \$368,927, this equates to approximately 74% of the revenue collected from municipal taxes.
- The village contracts:
  - Assessment services from KCL Consulting Inc.
  - Water operator, Bylaw Officer/Animal control officer from the Town of Grimshaw
  - Planning and Development Services from Mackenzie Municipal Services Agency
  - Garbage, Landfill and Recycling from Long Lake Regional Waste Management Services Agency
  - Economic Development Officer from Lac Cardinal Regional Economic Development Board
  - Audit services from Meyers Norris Penney

OPTION 1: IF BERWYN REMAINED A VILLAGE

- The village's Chief Administrative Officer will continue to be responsible for the management and day-to-day operations of the village. Village staff and contractors will handle the provision of municipal services
- As part of the annual budget process, the village will continue to determine if staffing is at an appropriate level for the services and programs the village provides.
- The village will continue to implement a records management and retention policy to ensure that village records are properly maintained and stored.
- The village will discuss the development and implementation of a public engagement strategy; including what information should be shared; with the purpose to improve communications between village council, administration and village residents.

OPTION 2: IF BERWYN BECAME A HAMLET

- The MD's Chief Administrative Officer will be responsible for the management of the hamlet. MD staff and contractors will handle the provision of municipal services.
- Currently the MD does not have hamlet policy and as such, the MD would try to maintain the same or similar level of service delivery over the short-term. In the long-term, the level of service delivery hamlet residents could expect would be similar with that of the Hamlet of Brownvale.
- The MD would evaluate whether the municipal office in Berwyn should be retained for some other purpose or sold.
- Administration and public works would be provided from the MD office in Berwyn.

VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF BERWYN REMAINS A VILLAGE:

11. Village council should continue to support learning opportunities for staff by completing a long-term staffing plan, developing a staff succession plan, and including resources for staff training in the annual budget.
12. If the village is to remain viable, council must find a way to reduce the costs associated with administering the village or seek additional revenue sources. Consideration should be given towards ensuring utility rates are charged on a full cost recovery basis,

## Municipal Finances and Accounting

The municipal fiscal year is from January 1<sup>st</sup> until December 31<sup>st</sup>. 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 late fall when council and the CAO have a budget planning meeting. In 2017, the village adopted its final budget in April.

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 considered public information and are available in May of the following year. For the 2014 - 2016 fiscal years, the village filed their financial statements with Municipal Affairs before the legislated May 1<sup>st</sup> deadline.

The municipality is responsible for 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. 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.

In 2016, the village reported \$1,287,644 in expenses and \$908,853 in operating revenue plus \$286,313 in capital revenues. The majority of municipal expenditures were allocated to roads, administration, and water supply and distribution. Municipal revenues included \$496,776 from municipal taxes; \$126,373 from government transfers or grants; \$207,183 from utility revenue, sales and user fees; and \$78,521 from investments, franchise agreements and rental income (Appendix C: Financial Position). As of December 31, 2016, the village reported \$183,376 net financial assets and \$106,762 in long-term debt. In 2015, the village applied for an operating line of credit with a limit of \$100,000. As of December 31, 2016, the balance owing was \$0. In 2016, the village's available debt limit for projects in the community is \$1.25 million.

The financial position of a municipality can be considered by reviewing two key figures reported on the financial statements: Net Financial Assets (or Debt) and Accumulated Surplus. Net Financial Assets (or Debt) is equal to total financial assets less the total liabilities. Since 2012, the village has had more than the required financial assets to cover its liabilities. The Accumulated Surplus of a municipality is considered a measure of the "wealth" of a municipality. This amount consists of the equity in capital assets of the village plus any reserve balances.

Municipalities have access to several different revenue sources to fund operations and capital improvements. The primary source of revenue is property taxes. Other revenue sources include grants (federal, provincial or municipal), franchise fees, and user fees (costs a consumer pays for a program or service).

Franchise fees are collected by private utilities providers, and are paid to the municipality as a charge to access municipal land to construct, maintain and operate distribution systems serving municipal residents. Village council establishes the rate. In some cases, the franchise fee is a percentage of the energy charge and the delivery charge, which fluctuates with the price of gas or electricity changes. In other cases, the fee is based on delivery costs and is not subject to market price fluctuations. In 2017, the village will receive an estimated amount of \$8,000 from ATCO Electric Ltd. and \$36,500 from ATCO Gas Inc. in franchise fee revenue. The revenue received from franchises fees is placed into general revenue.

Transfers or grants from senior levels of government that are not expended within that year are carried over as deferred revenue. Depending on the program, these grants could be paid prior to project completion or upon project completion. The amount of deferred revenue should not exceed the municipality's financial assets. As of December 31, 2016, the village reported \$564,661 in deferred revenue and \$945,576 in financial assets.

Appendix C: Financial Position and Appendix D: Annual Revenues and Expenses provide additional details on the financial position of the municipality over the past five years.

**OPTION 1: IF BERWYN REMAINED A VILLAGE**

- In 2016, the village reported a total accumulated surplus of \$2,951,519, which includes \$291,347 of reserves (of which \$187,860 is unrestricted and \$103,487 is restricted).
- The remaining amount of \$2,660,172 is the equity in village capital assets. Approximately 42% per cent of the useful life of village assets remain.
- Since 2012, the reserve balance has not exceeded \$150,000. Should an unforeseen repair to infrastructure be required, the village may have to reallocate grants or borrow additional funds to complete projects. Should revenues continue to decrease, it is unlikely that the village would be able to establish reserves, resulting in potential service reductions or postponement of critical infrastructure repairs.

**OPTION 2: IF BERWYN BECAME A HAMLET**

- The MD would assume the assets, liabilities, rights, duties, functions and obligations of the village upon dissolution.
- To ensure compliance with the *Municipal Government Act (MGA)*, any money transferred from the village to the MD and any monies received from the sale of village assets (including but not limited to, cash, investments, reserves, buildings, infrastructure, vehicles, machinery, and equipment) must be used to reduce village liabilities or for projects specific to the hamlet.
- Any unexpended grant funding paid to the Village of Berwyn is transferred to the MD to be spent in accordance with the approved grant guidelines.
- The MD may also be eligible to receive grant funding to assist with costs associated with the dissolution of the village, subject to the conditions of the grant guidelines.
- The MD will receive the village's rights to revenues on the date of dissolution. In addition, the MD would be able to levy additional taxes or local improvement levies to supplement revenues received for the hamlet.
- The MD would determine which assets are no longer required and through public tender, public auction or advertisement in the local paper, would sell the asset.
- Agreements with the village become agreements with the MD. The MD would be responsible for maintaining or renegotiating the franchise agreement with ATCO Electric Ltd. and ATCO Gas Inc.

**VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF BERWYN REMAINS A VILLAGE:**

13. Village council must develop an infrastructure reserve policy that distinguishes the type of reserves that exist and puts monies away in these restricted reserve accounts for future capital projects. The reserve policy must incorporate the long-range capital plan and be reviewed on an annual basis. The infrastructure reserve policy, if followed, will ensure that sufficient funds are in place for each project.
14. Village council should review its revenue sources to ensure that a proper balance from taxes, franchise fees and user fees exist.
15. Village councillors should be encouraged to take municipal finance and budgeting training offered through the Elected Officials Education Program.

## Property Taxes and Assessment

Property assessment is the process of assigning a dollar value to a property for taxation purposes. In Alberta, property is taxed “according to value,” meaning that the amount of tax paid is based on the value of the property.

As some types of properties are difficult to assess, Municipal Affairs prescribes rates and procedures for “regulated properties” (e.g. linear property, machinery and equipment, railway property) since:

- they seldom trade in the marketplace; and when they do trade, the sale price usually includes non-assessable items that are difficult to separate from the sale price,
- they cross municipalities and municipal boundaries, or
- they are of a unique nature.

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. 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.

Under the *Municipal Government Act*, municipalities are responsible for collecting taxes for municipal and educational purposes. Property taxes are a way of distributing the cost for local government services and programs fairly throughout a municipality. The property tax system is comprised of two distinct processes:

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. licences, grants, fees, and permits) 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.

If council requires more revenue to run the municipality and the assessment base in the municipality has remained the same, 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.

### HOW BERWYN OPERATES TODAY

- Non-residential assessment increased by 5.5 per cent from 2012 – 2016. Assessment is currently comprised of 90 per cent residential and 10 per cent non-residential.
- Currently, there are 15 commercial properties within the village. Businesses do not require a business licence.
- In 2017, an individual with a residential property valued at \$100,000 can expect to pay \$1,433 in property taxes including education property taxes and other requisitions; whereas a commercial property owner, with a similarly assessed property, can expect to pay \$3,153 in property taxes including education property taxes and other requisitions. In 2017, including requisitions the:
  - residential tax rate was 14.333 mils, and
  - non-residential tax rate was 31.5306 mils.
- The Village of Berwyn has signed a four-year contract with KCL Consulting Inc. to provide municipal assessment services. Costs of this contract are expected to average \$8,600 per year.
- The village follows the tax recovery process outlined in the *Municipal Government Act (MGA)*, which includes notice, registration on property title and potential property sale at auction.

- After six months, unpaid utility fees are transferred to the municipal tax roll. To assist residents with tax payments, the village allows for a monthly payment plan when the account is current.
- In 2016, the tax penalties were 12 per cent on the current taxes unpaid after July 15<sup>th</sup> and an additional 12 per cent on the total outstanding balance on January 1<sup>st</sup> of the following year and again each July and January thereafter until paid.
  - At the end of 2016, the village had \$80,497 in uncollected taxes, which negatively impacts the village's cash flow.
- More than 13 per cent of the taxes levied in 2016 remained unpaid on December 31, 2016. There were no tax sales in 2016.

**OPTION 1: IF BERWYN REMAINED A VILLAGE**

- The village will continue to ensure collection on overdue accounts by following the tax recovery and adding amounts to the tax roll processes outlined within the *MGA*.

Annually, village council will be responsible to determine the tax rate to balance the municipal budget, in consideration of the property values in Berwyn.

**OPTION 2: IF BERWYN BECAME A HAMLET**

- The MD would assume the assets, liabilities, rights, duties, functions and obligations of the village upon dissolution.
  - Property taxes would be owed to the MD and the MD would utilize the tax recovery process available to all municipalities for delinquent accounts.
  - The MD can levy additional taxes or local improvement levies to supplement revenues received from hamlet residents; and consequently, service levels may decrease given the reduced amount of revenue.
  - Infrastructure projects would be funded through the portion of MSI capital that would be allocated to the village following dissolution and any transitional and infrastructure grants offered through the Alberta Community Partnership (ACP) program and the Alberta Municipal Waste Water Program (AMWWP).
- An individual with a residential property valued at \$100,000 can expect to pay \$728 in taxes (including requisitions); where as a non-residential property owner, with a similarly assessed property, can expect to pay \$1,770. In 2017, including requisitions the
  - residential tax rate was 7.2797, and
  - non-residential tax rate was 17.696.

The above represents an amount that is applied to all MD property owners; should the village dissolve, property owners within the hamlet would pay this amount, plus an additional amount to receive urban services and for capital repairs and replacement of infrastructure.

- June 1<sup>st</sup> is the MD's tax deadline. A payment received after this date is subject to a 1 per cent per

	<p>month penalty, and a further 10 per cent is applied after January 15<sup>th</sup> of the following year.</p> <ul style="list-style-type: none"> <li>No changes are expected in municipal assessment services as KCL Consulting Inc. also provides assessment services to the MD.</li> </ul>
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**VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF BERWYN REMAINS A VILLAGE:**

16. The village must continue to follow the tax recovery and adding amounts to the tax roll provisions for overdue accounts outlined in the *MGA*.
17. The village must improve communication by providing electors with information regarding property assessment and taxation processes and how unpaid property taxes negatively affect the municipality’s cash flow and could potentially lead the municipality to borrow funds to cover operating expenses.
18. The village must continue to work with the Lac Cardinal Regional Economic Development Board and surrounding municipalities to help diversify the economy and grow the village’s assessment base.

## Infrastructure

In 2016, the village received \$100,000 under the Alberta Community Partnership program, and as part of the viability review, and commissioned Velocity Engineering Inc. to undertake a comprehensive infrastructure assessment and develop a ten-year capital plan of its municipal infrastructure. The infrastructure assessment included a review of the water distribution, wastewater collection and treatment, roads and storm water drainage and public buildings and parks. The following table provides a high-level summary of the estimated costs to complete the infrastructure projects in the Village of Berwyn, as outlined within the 2016 Infrastructure Audit.

**Table 1: Estimated Costs of Infrastructure Repairs (in 2017 dollars)**

	Water	Sanitary Sewer	Roads	Buildings/Parks	Total
<b>Years 1-5</b> (2017-2021)	801,000	640,000	1,652,000	107,000	3,200,000
<b>Years 6-10</b> (2022-2026)	518,000	400,000	1,421,000	5,000	2,344,000
<b>Total</b>	<b>\$1,319,000</b>	<b>\$1,040,000</b>	<b>\$3,073,000</b>	<b>\$112,000</b>	<b>\$5,544,000</b>

A summary of the infrastructure audit key findings and recommendations are provided within the body of this report and found within Appendix G: 10 year Capital Plan. For more information, residents are encouraged to contact the village office.

### Water Supply and Distribution Systems

The existing water distribution system was primarily constructed in the mid 1950’s and 1960’s. Between 1977 and 1981, the municipality built a reservoir, pump house and a third well. This system provided distribution feed directly from three (3) wells while the reservoir was filling and from the pump house until reservoir levels dropped to again initiate the fill cycle. Due to some failures of electrical systems in the pump house, an upgrade was completed in 2016. Most of the pump house infrastructure is original and requires significant upgrades to ensure uninterrupted service and fire protection.



Based on the 2011 well installation report, the village water use has drastically increased from 2003 to 2009. Although current consumption volumes have not been reviewed, the licensed annual diversion volumes were exceeded in years 2006 through 2009. The water distribution system constructed in the mid-1950's through mid-1970's is constructed with Asbestos Cement Pipe. Improvements to the water distribution system undertaken from the late 1970's to the present day were completed with Polyvinyl Chloride (PVC) pipe. Public Works has indicated that the water service lines are mostly varying types of plastic/polyethylene and some copper pipe.

The Asbestos Cement (AC) Pipe is anticipated to be in relatively good condition as it does not experience high flow rates. The PVC pipe is expected to be in good to excellent condition. Valves, hydrants and curb stops are in poor condition and have not been maintained in the past years.

Two locations have been identified that require new mains to provide water system looping. Looping of mains and the use of isolation valves provides flexibility for servicing an area and minimizing outages during emergency repairs or for planned maintenance and upgrade work. Alberta Environment Standards also require the operators to have the ability to flush a water system if necessary. A flushing point or hydrant should be constructed on dead end lines.

The proposed upgrades to the water distribution system over the next 10 years are estimated to cost approximately 1.3 million dollars.

### **Sanitary Collection and Lagoon Assessment**

The existing sanitary sewer system was primarily constructed in the mid-1950's to mid-1960's with major expansion and upgrade completed in 1977 through 1981. In this latter era, the sewage lagoon was relocated southeast of the Village. A new main was extended parallel to the highway for commercial and industrial development and residential subdivisions were developed to the southeast and northwest.

The sanitary sewer system consists of gravity flow services and mains that flow to a lagoon treatment system downwind to the south and east of the Village. This lagoon treatment system was constructed in 1980, was designed for a population of 1,000, and consists of four anaerobic treatment cells, one aerobic facultative treatment cell and a twelve-month storage cell. The gravity sanitary sewer collection system consists of vitrified clay tile (VCT) pipe and polyvinyl chloride (PVC) pipe. All collection mains are 200mm diameter and the sanitary sewer trunk main to the lagoon is 250mm diameter. Service lines are typically 100mm diameter and of the same pipe type as the main.

As part of the 2016 infrastructure audit, video camera inspections were completed for select areas throughout the village to provide an overall representation of the various ages and types of infrastructure. Particular focus was directed to two problematic areas located to the east of 50th Street on 49th Avenue and 52nd Avenue. Pipe zones that were inspected are in poor condition exhibiting protruding services, cracked pipe, root infiltration, ground water seepage, pipe sags and broken and offset joints. Both areas require replacement of the mains to provide appropriate gravity flow.

The engineer noted that there is much infrastructure within older areas of the village that has not been included for rehabilitation within the next 10 years. The village anticipates the installation of cold-mix asphalt within these areas and due to the shorter life span of this road surfacing material the rehabilitation of the sewer system in these areas is anticipated to take place after the three (3) to ten (10) year service life and within the 11 to 20-year Capital improvement horizon.

### **Roads and Drainage**

The Village of Berwyn's road system consists of a mixture of hot-mix asphalt pavement surfacing and gravel surfacing. The hot-mix areas date from 1970-2009. Most areas have concrete curb and gutter drainage, discharging to surface or arterial road ditches. Many of the streets have isolated base failures that will continue to expand and the asphalt surfaces



are showing signs of fatigue and wear. As indicated previously the rehabilitation of underground water and sewer systems should occur prior to the surface infrastructure improvements.

In general, the drainage within the Village is towards the east and south. 50th Street, being the old highway, remains as a rural type ditch drainage system. North of 52nd Avenue only the east side has a ditch and the west developed side consists of curb, gutter and sidewalk. The old highway east on 53rd Avenue, the northeast industrial park and 50th Avenue east of 47th Street all have ditch drainage.

Aside from corrugated steel pipe culverts at road and driveway crossings, the only piped storm sewers within the Village are the catch basin and discharge pipe at the end of the 51st Street cul de-sac and in the southeast residential subdivision, which has no ditches nor curbs. The engineer's indicated that these catch basins were not located by Public Works, appear to be buried, and are currently not in use.

The majority of the Village was converted from swale/ditch drainage to concrete swale and curb and gutter drainage around 1965. At this time, only granular surfacing was installed. The majority of these roads remain as gravel surfacing today. The engineer's noted that the concrete structures are in fair condition and should be reviewed in detail when these roads become due for an upgrade to hot-mix asphalt surfacing. It is anticipated that concrete replacements may be necessary at some service crossings, main crossings and at concrete drainage swale locations.

The 10-year capital road plan costs are summarized within Appendix G: 10 year Capital Plan. The table also provides a description of the condition and improvements. The underground improvements within the capital water and sewer plans are coordinated with the recommended road improvements.

#### **Municipal Buildings and Parks:**

The existing building and park infrastructure was primarily constructed in the 1980's with the Administration Office, Berwyn Arena and Public Works Storage Yard constructed in the 1960's. The following is a list of municipal buildings and parks that were assessed as part of the 2016 infrastructure audit.

- Municipal Office
- Fire Hall
- Arena
- Library and Craft Centre
- Public Works Shop
- Public Works Storage Yard
- Tower Park and Glenmeyer Park

Over the next 10 years, Velocity Engineering Inc. estimates that \$112,000 will be required in building upgrades and maintenance. A detailed listing of the recommended building improvements are included in Table 16: Recommended Infrastructure Projects – Municipal Buildings (2017 – 2027) found within Appendix G: 10 year Capital Plan.

#### **Asset Management:**

Municipalities have been required to account for their tangible capital assets (TCA) since 2009. Accounting for TCAs required municipalities to develop an inventory of all assets in the municipality and determine the value of the infrastructure in consideration of the remainder of its useful life. As of the end of 2015, the village reported 42 per cent of the useful life remaining in its TCAs.

With the completion of the infrastructure audit in 2016, the village has good understanding of the infrastructure demands and the current state of assets within the village. The engineers have provided the village with a number of recommendations, many of which include ongoing maintenance and monitoring of infrastructure. Currently the village

does not have an asset management plan. If a plan was to be developed, it could assist the village in making decisions regarding infrastructure and how services could be delivered in consideration of current and future needs. It would also assist decision makers to manage risks and opportunities while making the best use of resources.

*Asset management is the process of making decisions about the use and care of infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities, and makes the best use of resources.*

*Building Community Resilience through Asset Management: A Handbook & Toolkit for Alberta Municipalities  
Alberta Municipal Affairs and Consulting Engineers of Alberta*

Additional information on asset management including toolkits, case studies and policy guides can be found at <http://municipalaffairs.alberta.ca/asset-management>.

**Financial Impact of the Capital Plan:**

Based on the information provided by Velocity Engineering Inc. and their recommended ten-year capital plan, additional funds may be required by either the village or the MD (should the village dissolve) in order to address the infrastructure deficiencies. To fund infrastructure projects, a municipality may use grants, pass local improvement levies or special taxes, or specify how different types of residential properties are assessed and set different tax rates for each assessment class (Sections 137, 297 and 354, Appendix I: References from the *Municipal Government Act*).

**THE CURRENT INFRASTRUCTURE SITUATION IN THE VILLAGE**

- The village uses grants from the provincial and federal governments to fund their infrastructure projects.
- Projects are completed based on the highest priority.
- Based on the 2016 infrastructure audit, the village has a \$5.5 million infrastructure deficit.
  - \$3.2 million (57%) requires upgrading or replacement within the next five years (2017-2022).

Both the village and MD were requested by the VRT to identify how the capital projects listed within the infrastructure audit (Appendix G: 10 year Capital Plan) would be funded. Both municipalities have indicated that not all of the infrastructure projects would be funded (Table 2: 10-Year Infrastructure Costs) and that both municipalities felt that cost savings could be achieved through staging the infrastructure projects. The following table indicates the percentage and associated costs of infrastructure projects that either the village or MD is willing or able to complete.

**Table 2: 10-Year Infrastructure Costs**

	Infrastructure Audit	Village	MD
Water	1,319,000	1,245,000 (94%)	1,319,000 (100%)
Sanitary Sewer	1,040,000	720,000 (69%)	1,040,000 (100%)
Roads	3,073,000	450,000 (15%)	1,536,500 (50%)
Buildings / Parks	112,000	50,000 (45%)	50,000 (45%)
<b>Total</b>	<b>\$5,544,000</b>	<b>\$2,465,000 (44%)</b>	<b>\$3,945,500 (71%)</b>

The decision to incur long-term debt is left with municipal council. At the time of writing this report, both the village and the MD indicated that it would borrow the necessary funds to complete the infrastructure projects. Based on the 2016 financial statements, the village is able to borrow a maximum of \$1,256,518, while the MD is able to borrow a maximum of \$5,638,152. Both municipalities have indicated that residents would be responsible for covering the costs of the borrowing, either through service reductions, increases to utility rates or increases to property taxes. More information on the potential impact to residents are within the Financial Analysis of Viability Options portion of this document.

**OPTION 1: IF BERWYN REMAINED A VILLAGE**

- The village would use the infrastructure audit to decide on the priorities for 2017 and beyond.
  - On June 21, 2017 there was additional work done on the main street water lines. Based on some preliminary excavation it appears that portions of the waterline are in better condition than what was indicated within the engineer’s report. The village has decided to postpone underground infrastructure work in this area for five years and then the village will re-evaluate
- Council will consider developing and adopting asset management policies to better manage and anticipate infrastructure needs within the village.
- The village will use grants from the provincial and federal governments to complete the highest priority projects.
  - On June 27, 2017, the village was notified that they would be receiving a federal grant for \$139,000 from the Canada Water Wastewater Fund to complete water reservoir and pumphouse upgrades that were identified within the infrastructure audit.

**OPTION 2: IF BERWYN BECAME A HAMLET**

- According to the 2016 Municipal Sustainability Initiative (MSI) capital program guidelines, restructuring will not affect MSI capital funding allocations to municipalities for a set period following dissolution.
  - This means that should the village dissolve, the MD would receive a funding allocation equivalent to that which would have been calculated prior to restructuring for a subsequent five years.
- If critical infrastructure repairs or replacements are required following dissolution, the MD may be eligible to apply for grants to pay for these projects.
- Infrastructure priorities in Berwyn will be based on the village’s infrastructure assessment. However, Berwyn infrastructure projects will be considered along with infrastructure needs in other parts of the MD, including the Hamlet of Brownvale. The MD’s public works department will make recommendations to council regarding the highest priorities and available grants.
- Existing hamlet facilities would continue to be used and maintained as necessary.
- The MD may impose special taxes or local improvement levies on hamlet residents to pay for infrastructure projects in the future within the hamlet.

**VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF BERWYN REMAINS A VILLAGE:**

19. Village council should establish an ongoing operations and management plan for village infrastructure.
20. Village council should develop and approve a 10-year capital plan and implement the recommendations found within the 2016 infrastructure audit. The Capital plan will identify the necessary projects, the timing of initiating and completing each project and the required funding for each project.
21. Village council should consider taking on debt, increasing taxes and/or utility fees and pursuing other grant programs to fund infrastructure projects.
22. Village administration should communicate to electors the importance of establishing and maintaining a cost recovery model with respect to the fees charged to maintain, operate and provide municipal services.

## Service Delivery and Risk Management

There are ever-increasing expectations for municipal councils to make informed choices about the services they provide to their citizens. This is evident for municipalities whether facing times of positive economic growth or periods of fiscal constraint. Council has a critical role to play in reviewing services a municipality provides. Sections 153 and 201 of the *Municipal Government Act* prescribe the role and duties of council. Many of the broad areas prescribed require council to consider the welfare and interests of the municipality as a whole in developing and evaluating the policies and programs of the municipality.

Every municipality provides certain services and programs that citizens feel are essential (e.g., water and wastewater management, roads, fire protection, waste management and land use planning). The effective delivery of these services is crucial to the operations of a municipality. In addition, municipal services and programs help foster community pride and promote economic development. Poor levels of service can undermine quality of life in municipalities and erode trust in local government. Moreover, how a municipality responds to emergencies can also have an impact on the trust citizens have in their municipality.

### HOW BERWYN OPERATES TODAY

The following services are provided through separate contractual agreements:

- **Waste Management Services:**
  - The village is a member of the Long Lake Regional Waste Management Services Commission.
- **Fire and Emergency Services / Emergency Management:**
  - Section 11.2(1) of the *Emergency Management Act* states that a local authority shall maintain an emergency management agency to act as the agent of the local authority in exercising the local authority's powers and duties under this Act.
  - The village has an emergency management plan that is reviewed annually and amended as needed.
  - A mutual aid agreement exists between the Village of Berwyn, MD of Peace, Town of Grimshaw, County of Northern Lights, Town of Peace River, Northern Sunrise County, Village of Nampa, MD of Smoky River, Town of McLennan and Village of Donnelly.
  - The operational costs of the fire department are shared with the MD of Peace and outlined within a memorandum of agreement.
- **Bylaw Enforcement and Policing Services**
  - Section 555(1) of the *Municipal Government Act (MGA)* states that a person who is appointed as a bylaw enforcement officer is, in the execution of enforcement duties, responsible for the preservation and maintenance of the public peace.
  - Bylaw enforcement is administered through contracts with the Town of Grimshaw, while the Peace River RCMP detachment provides policing services to the village.
- In accordance with Bylaw No. 632, the following charges are applied on a monthly basis with unpaid utility balances transferred to the tax roll after six months:

Service	Residential (base)	Commercial (base)	Consumption
<b>Water</b>	\$12.00	\$16.00	\$1.50 m <sup>3</sup>
<b>Sewer/Wastewater</b>	\$13.00	\$17.00	
<b>Garbage</b>	\$18.00	\$21.00	
<b>Recycling</b>	\$3.00	\$3.00	
<b>Total</b>	\$46.00	\$57.00	

**OPTION 1: IF BERWYN REMAINED A VILLAGE**

- The completion of the 2016 infrastructure audit has identified a number of concerns regarding the village’s infrastructure that will need addressing in the future. How the village chooses to proceed could reduce the village’s level of liability and exposure to risk.
- The opportunity to partner with the Town of Grimshaw or the MD to reduce tendering costs exists; however, since the village has not recently tendered any large capital projects, these conversations have not yet occurred.

**OPTION 2: IF BERWYN BECAME A HAMLET**

- The MD would be responsible for providing services to hamlet residents.
- No changes are anticipated in how utility services are provided to village residents should dissolution occur.
- If dissolution occurs, the MD would assess the costs associated with the provision of utility services in the village and may change utility rates accordingly.
- The responsibility for the emergency management services and the fire department would transfer to the MD.
- Bylaws and enforcement will be consistent throughout the MD. Traditionally, enforcement has been administered by the MD or contracted to a third party.
- Section 135(1)(d) of the *Municipal Government Act* states that bylaws and resolutions of the old municipal authority that apply specifically to the area of land continue to apply to it until repealed or others are made in their place by the new municipal authority.
- If Berwyn becomes a hamlet, the MD may impose additional taxes or local improvement levies to offset hamlet specific costs. In addition, the MD may annually set a separate mill rate for residential properties within the hamlet in accordance to Section 297 of the *MGA* (Appendix I: References from the *Municipal Government Act*).

**VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF BERWYN REMAINS A VILLAGE:**

23. The village should continue to review utility rates annually, on a full-cost recovery model, and be inclusive of expenses associated with the maintenance and capital infrastructure projects.
24. Village council should, as part of the annual budget process, complete a service capacity review to align service levels and council expectations with available funding resources.
25. Village council must develop a policy to ensure that any surplus funds collected through utilities fees go into a capital reserve fund for projects associated with that utility.

## 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.

### COMMUNITY WELL-BEING WITHIN BERWYN

- According to the 2016 Federal Census, the average age of village residents is 40 years, with 40 per cent of the residents over the age of 50 and 26 per cent of the residents under the age of 19.
  - The 2016 Federal Census indicated the population of the Village of Berwyn was 538.
  - Over the past twenty-years (1995-2015), the population of Alberta has increased 35 per cent, while the population within the village has decreased 13 per cent.
- Berwyn 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. Programs are provided to Berwyn residents through the Berwyn FCSS, of which the MD helps to fund.
  - The Berwyn FCSS facilitates Kids Club, Family Day celebrations, Summer Fun for Kids, Community Day, snow removal for seniors, income tax preparation for low-income residents and also helps with Oktoberfest, Super Saturday and free family skates at the arena.
  - The FCSS Board is comprised of one elected official and three members at large. The village appoints one elected official to the board. In 2016, the village will contribute \$4,000.
- The North Peace Housing Foundation, established in 1960, is a not-for profit organization that is municipally and provincially governed through a twelve-member Board of Directors, the village appoints one director. The foundation operates the Autumn Lodge just outside of Berwyn. In 2016, the village's requisition from the foundation was \$12,000 and in 2017 it will increase to \$14,000.
- The Autumn Lodge is slated to close by April 30, 2018, and residents may be transferred to other North Peace Housing Foundation facilities in the region,
- The village is a member of the Peace Library System and the Berwyn Library is operated by the Berwyn Library Board.
- The following organizations and initiatives are important to ensure the community well-being within the village:
  - Berwyn Arena Society
  - Doctor Recruitment and Retention Committee
  - Mighty Peace Tourism Association
  - Elks Community Hall

**OPTION 1: IF BERWYN REMAINED A VILLAGE**

- The village would continue to support community organizations and events.

**OPTION 2: IF BERWYN BECAME A HAMLET**

- The MD is a member of Peace Library System and supports the Brownvale Community Library.
  - Section 10.1(1) of the *Libraries Act* states that when a municipality is dissolved, any library boards formed by that municipality are also dissolved, and that all the rights, assets, and liabilities of the library board pass to the dissolving municipality immediately prior to that municipality's dissolution. These assets are then passed to whatever municipality the dissolving municipality is dissolved into.
  - Before dissolution, the Village of Berwyn Library Board could ask the Peace Library Board if it is willing to operate the Berwyn library as a branch library.
  - If the Peace Library Board will not operate the Berwyn library, residents will need to travel to another library that is part of the Peace Library system.
- Berwyn community groups would be eligible for financial support the same as other groups in the MD, provided that they meet the requirements as specified within the MD's Grants, Donations and Funding Policy.
- The MD allows non-profit organizations to request insurance coverage as an Additional Named Insured. The MD pays the premium and then invoices the organization.

**VIABILITY REVIEW TEAM RECOMMENDATIONS TO ACHIEVE VIABILITY IF BERWYN REMAINS A VILLAGE:**

26. Village administration should continue to budget financial support for community groups on an annual basis.



# FINANCIAL ANALYSIS OF VIABILITY OPTIONS

*The VRT acknowledges that this assessment has limitations and a more comprehensive review or the inclusion of additional data, additional revenue from grants, increased non-residential assessment or cost savings from tendering infrastructure projects, would significantly affect the VRT's financial analysis and estimates.*

## Municipal Operations

In undertaking the financial analysis for the municipal operations, the VRT used the 2017 operational budget that was approved by village council in April 2017.

The MD was also provided a copy of the 2017 operational budget that was approved by village council and was asked to estimate how much it would cost to operate the village for a year. Based on the budget information, the MD estimated that approximately \$132,000 could be saved from eliminating duplication that would result should the village dissolve. With the expenses known, the MD focused on estimating the revenues that could be generated. It was assumed that revenue sources that the village budgeted (e.g. user fees, franchise fees, grants) would be held constant under the MD, with the exception of revenue collected from municipal taxes.

Table 3: Property Tax Impact, illustrates that if the 2017 MD's municipal tax rates were applied to the assessment base of the village a revenue shortfall of approximately \$287,000 would result; with nearly 82 per cent of this shortfall coming from difference in the residential tax rates between the village and MD. For the MD to provide municipal services to hamlet residents, either tax revenue would have to increase or service levels would have to decrease.

At the time of writing this report, the MD has indicated that, if dissolution were to occur, properties within the former village, in the short-term, would be subject to a different municipal tax rate than other properties in the MD.

**Table 3: Property Tax Impact**

Assessment Class	Assessed Value	Village 2017 Tax Rate	MD 2017 Tax Rate	Revenue
Residential	\$33,163,940	11.3640	4.2346	(\$236,439)
Non-Residential	\$3,656,040	27.3423	13.4341	(\$50,849)
Farmland	\$12,220	11.3640	11.000	(\$4)
<b>Total</b>	<b>\$36,832,200</b>			<b>(\$287,292)</b>

Note: excludes requisitions (e.g. school tax, seniors housing) that municipalities are required to collect on behalf of the province.

Residents within the village currently receive urban services that are different from those within the MD (e.g. water/wastewater, roads/sidewalks, garbage collection etc.) and since many urban services only benefit village residents, the MD has indicated that village residents should pay for these services. To determine exactly how much village residence should be charged, the MD would need to first determine the level of service that it is willing to provide hamlet residents and what the anticipated level of service will cost tax payers. Once complete, the MD will then be able to adjust the municipal tax rate according as service levels change.

As part of the transitional period following dissolution, the MD has indicated it would provide a similar level of service to village residents as what they are receiving today and that these would be funded through taxes on hamlet properties ("Hamlet Service Levy"). As improvements are undertaken and the MD becomes more familiar with the operations of the hamlet, adjustments to the Hamlet Service Levy would be made. The MD has indicated that Berwyn residents could expect a similar level of service that those residents within the hamlet of Brownvale receive over the long-term. After factoring in the operational cost savings that come from dissolution and the revenue shortfall indicated in Table 3:



Property Tax Impact, the MD will need to charge residents a levy of 4.2125 mils (Table 4: Potential Property Tax Rates) to raise the necessary revenue to cover expenses.

## Municipal Infrastructure

As previously mentioned, the infrastructure audit has indicated that the village has a \$5.5 million infrastructure deficit; of which \$3.2 million (57%) requires upgrading or replacement within the next five years (2017-2022). The VRT acknowledges that this assessment is only one estimate and that additional data would help to refine those estimates provided by the engineer. Based on the infrastructure audit and the feedback received from both municipalities, the VRT has developed two potential funding scenarios for the infrastructure deficit. Both scenarios were developed in consultation with village and MD council, and are provided to illustrate the potential impacts residents could face should the village remain or dissolve.

### OPTION 1: The Village borrows \$ 2.46 M, over 10 years in two short-term loans, to fund infrastructure projects.

- This means:
  - 44% of the high priority infrastructure projects identified by the engineer are completed.
  - residential and non-residential taxes are increased to cover municipal borrowing.
  - the village is not able to borrow without ministerial approval for any additional emergency or non-budgeted items or infrastructure projects and must cancel its line of credit.
  - water rates would rise from \$1.5m<sup>3</sup> to \$3.0m<sup>3</sup> to help fund improvements to water/wastewater systems.
- Assumptions made:
  - village must allocate the entire 2017 MSI Capital allocation (\$203,450 over the 10 year) towards infrastructure projects.
  - no changes are made in existing grant programs.

### OPTION 2: The MD borrows \$2.67 million, over 10 years, to fund infrastructure projects.

- This means:
  - 71% of the high priority infrastructure projects identified by the engineer are completed.
  - residential and non-residential taxes for hamlet residents to cover municipal borrowing.
  - once infrastructure improvements were completed, residents could expect a reduction in the infrastructure levy (Table 4: Potential Property Tax Rates).
- Assumptions made:
  - MD must allocate the entire 2017 MSI Capital allocation (\$203,450 over the five years) towards infrastructure projects.
  - assumes that no changes are made in existing grant programs and that the MD applies and receives the post restructuring infrastructure grant equalling \$1.3 M.

## Potential Impact on Municipal Property Tax Rates

Municipalities can raise revenue through a number of sources; property taxes being one of those options. In determining the financial impact on village residents, and to ensure that calculations could be compared between the village and the MD, the VRT decided to illustrate the revenue needed for municipal operations (hamlet service levy) and capital improvements (infrastructure levy) as if they were to be applied to the municipal property tax.

In **Table 4: Potential Property Tax Rates** below, the VRT has provided estimates for both residential and non-residential properties and has included the additional levies where appropriate. As you will notice, there is no levy for hamlet services under the village column, as this figure is already included into the municipal portion of the residential property tax rate. However, the levy for hamlet services has been added to the MD column as the MD municipal portion does not include the urban services that residents within Berwyn receive.

It is worth mentioning that the levy for hamlet services may be adjusted on an annual basis depending on the service levels determined by the MD. Subsequently, the infrastructure levy could be adjusted annually to reflect changes in the assessment base; however, at a minimum, the revenue generated would have cover the cost of borrowing. Once the loan is paid in full, it would be up to municipal council to determine if a long-term infrastructure reserve would be established and funded in a similar manner.

**Table 4: Potential Property Tax Rates**

	Village	MD
<b>RESIDENTIAL*</b>		
2017 Residential Property Tax Rate (municipal portion)	11.364	4.2346
Estimated Infrastructure Levy (if applied to taxes) <sup>1</sup>	1.6833	5.2400
Estimated Levy for Hamlet Services (under MD)	-	4.2125
<b>Total</b>	<b>13.0473</b>	<b>13.6871</b>
<b>NON-RESIDENTIAL*</b>		
2017 Non-Residential Property Tax Rate (municipal portion)	27.3423	13.4341
Estimated Infrastructure Levy (if applied to taxes) <sup>1</sup>	1.6833	5.2400
Estimated Levy for Hamlet Services (under MD)	-	4.2125
<b>Total</b>	<b>29.0256</b>	<b>22.8866</b>

*\* This figure does not include the requisitions from school tax or seniors housing that municipalities are required to collect on behalf of the province  
<sup>1</sup> For calculation purposes the VRT has indicated that the infrastructure levy is to be solely funded through property taxes. Other options, such as increases to utility rates or service reductions, could also be used.*

In Table 5: Projected Property Taxes, an estimate is provided as to the potential financial impact that a property owner might face should either the village or MD implement the operational and capital improvements proposed.

**Table 5: Projected Property Taxes (Municipal Portion) based on Property Assessment**

	\$100,000	+ / - Taxes	\$150,000	+ / - Taxes	\$200,000	+ / - Taxes
<b>RESIDENTIAL</b>						
2017 Municipal Portion (11.364)	\$1,136	-	\$1,705	-	\$2,273	-
Village (13.0473)	\$1,305	\$168	\$1,957	\$252	\$2,609	\$337
MD (13.6871)	\$1,369	\$232	\$2,053	\$348	\$2,737	\$465
<b>NON-RESIDENTIAL</b>						
2017 Municipal Portion (27.3423)	\$2,734	-	\$4,101	-	\$5,468	-
Village (29.0256)	\$2,903	\$168	\$4,354	\$252	\$5,805	\$337
MD (22.8866)	\$2,289	(\$446)	\$3,433	(\$668)	\$4,577	(\$891)

## 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 key measures are:

**Table 6: 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	No
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, 8.7%	Yes, 5.3%
8. Has your municipality experienced a decline in population of the municipality over the last 20 years?	Yes	Yes
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	No

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: <http://municipalaffairs.alberta.ca/1330.cfm>.

## APPENDIX B: VIABILITY TEAM MANDATE

In November 2015, village council passed a resolution requesting that the Minister of Municipal Affairs conduct a viability review. The Minister decided to undertake a viability review screening to assess if the issues facing the village were viability related. On January 7, 2017, the Minister established the Viability Review Team (VRT) comprising of representatives from the Village of Berwyn, the MD of Peace, 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 Municipal Affairs. The Viability Review Team's mandate was to:

1. Guide the Viability Review by evaluating the long-term viability of the Village of Berwyn and developing substantive recommendations that would help the Village of Berwyn become viable. The findings and recommendations are to be published in a Viability Plan.
2. Engage Stakeholders by sharing information and providing opportunities for the community to provide feedback on the Viability Plan.
3. Provide Updates to member organizations by sharing the approved key messages following each meeting.
4. Provide feedback to the Minister at the end of the Viability Review process on ways the viability review process could be improved.

Over the next several months, the VRT gathered information regarding the village's finances, governance, infrastructure and programs and services.

## APPENDIX C: FINANCIAL POSITION

The information below represents the financial position of the municipality from 2012-2016. The following information was taken from the municipality's audited financial statements.

**Table 7: Financial Position (2016 – 2012)**

	2016	2015	2014	2013	2012
<b>Financial Assets</b>					
Cash	753,353	655,099	728,631	688,193	875,355
Receivables					
Taxes and grants in place of taxes	71,164	36,702	57,309	128,337	133,097
Receivables from other Governments	53,122	24,183	23,253	52,560	99,629
Trade and other receivables	27,446	125,478	24,714	22,876	21,921
Land for resale inventory	40,300	40,300	40,800	40,800	40,800
Long-term Investments	191	191	191	191	191
	<b>\$945,576</b>	<b>\$881,953</b>	<b>\$874,898</b>	<b>\$932,957</b>	<b>\$1,170,993</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	61,104	49,016	85,672	49,178	79,618
Deposit liabilities	29,673	29,883	30,283	31,153	18,879
Deferred revenue	564,661	495,854	381,905	474,837	634,416
Long-term debt	106,762	129,931	152,357	173,838	194,684
	<b>\$762,200</b>	<b>\$704,684</b>	<b>\$650,217</b>	<b>\$729,006</b>	<b>\$927,597</b>
<b>Net Financial Assets (Debt)</b>	<b>\$183,376</b>	<b>\$177,269</b>	<b>\$224,681</b>	<b>\$203,951</b>	<b>\$243,396</b>
<b>Non-Financial Assets</b>					
Tangible capital assets	2,766,934	2,858,524	2,910,301	3,158,778	3,013,539
Prepaid Expenses	1,209	8,204	2,646	2,795	2,862
	<b>\$2,768,143</b>	<b>\$2,866,728</b>	<b>\$2,912,947</b>	<b>\$3,161,573</b>	<b>\$3,016,401</b>
<b>Accumulated Surplus</b>	<b>\$2,951,519</b>	<b>\$3,043,997</b>	<b>\$3,137,628</b>	<b>\$3,365,524</b>	<b>\$3,259,797</b>

The municipality has \$106,762 in long-term debt. Since 2013, the village has not been making investments towards its infrastructure as demonstrated by the decrease in net financial assets and equity in tangible capital assets. Accumulated surplus is that amount by which all assets exceed liabilities. An accumulated surplus indicates that a government has net resources (financial and physical) that can be used to provide future services.

**Table 8: Accumulated Surplus (2016 – 2012)**

	2016	2015	2014	2013	2012
Unrestricted Surplus	187,860	182,978	236,740	277,140	337,498
Restricted Surplus*	103,487	132,425	142,944	103,444	103,644
Equity in Tangible Capital Assets** (non-cash)	2,660,172	2,728,594	2,757,944	2,984,940	2,818,655
<b>Total</b>	<b>\$2,951,519</b>	<b>\$3,043,997</b>	<b>\$3,137,628</b>	<b>\$3,365,524</b>	<b>\$3,259,797</b>

*Notes:*  
 \* Restricted Surplus are funds that have been collected and allocated for a specific purpose. A council resolution is required to move funds from restricted surplus to unrestricted.

\*\* Tangible Capital Assets are physical assets of the municipality, including all above and below ground infrastructure. The value represented indicates the remaining life of the asset. A trend decreasing equity in Tangible Capital Assets, would suggest that the municipality is not investing in municipal infrastructure.

## APPENDIX D: ANNUAL REVENUES AND EXPENSES

The information below provides an overview of the revenues and expenses of the municipality from 2012-2016. The following information was taken from the municipality's audited financial statements. By calculating an average over the past five years, a rough financial overview is provided on the following page.

**Table 9: Operating Revenues and Expenses (2016 – 2012)**

Operating Revenues	2016	2015	2014	2013	2012
Net Municipal Taxes	496,776	452,489	433,368	404,637	406,444
Sales and User Fees	207,183	274,973	262,838	165,150	166,232
Government Transfers for Operating	126,373	128,038	121,956	168,795	156,527
Investment Income	6,054	7,955	9,385	5,650	4,975
Penalties and Costs of Taxes	20,922	22,524	20,032	28,044	19,405
Other	51,545	45,504	42,291	74,043	38,994
<b>Total Revenue</b>	<b>\$908,853</b>	<b>\$931,483</b>	<b>\$889,870</b>	<b>\$846,319</b>	<b>\$792,577</b>
Operating Expenses					
Legislative	24,296	17,641	26,155	24,979	17,510
Administration	344,631	309,363	328,718	309,715	279,914
Fire and Bylaw Enforcement	47,158	47,540	58,542	54,050	73,121
Roads, Streets, Walks, Lighting	613,235	504,432	793,412	445,084	412,522
Water Supply and Distribution	113,111	138,387	115,586	182,980	131,540
Handi-van Requisition	713	832	798	978	1,243
Recreation and Parks	69,060	41,813	50,678	69,879	59,212
Other	75,440	60,383	51,828	65,119	68,621
<b>Total Expenses (including amortization)</b>	<b>\$1,287,644</b>	<b>\$1,120,391</b>	<b>\$1,425,717</b>	<b>\$1,152,784</b>	<b>\$1,043,683</b>
<i>add back: amortization (non-cash expense)</i>	<i>237,821</i>	<i>230,247</i>	<i>235,671</i>	<i>226,495</i>	<i>220,928</i>
<b>Adjusted Revenues / Expenses (Cash basis)</b>	<b>(\$140,970)</b>	<b>\$41,339</b>	<b>(\$300,176)</b>	<b>(\$79,970)</b>	<b>(\$30,178)</b>

The following table indicates the capital grants that the Village of Berwyn has received from 2012-2016. As previously indicated, in 2016, the Village of Berwyn reported \$564,661 in deferred grant revenue.

**Table 10: Capital Transactions (2016 – 2012)**

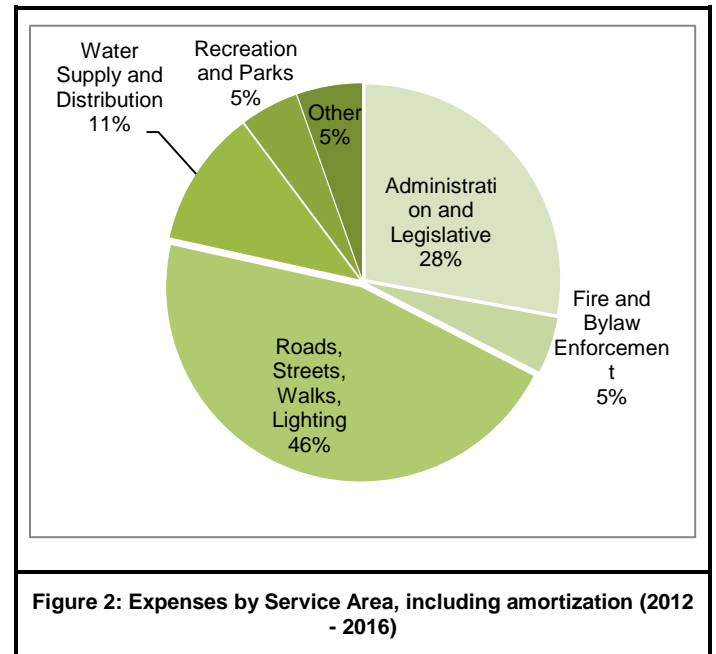
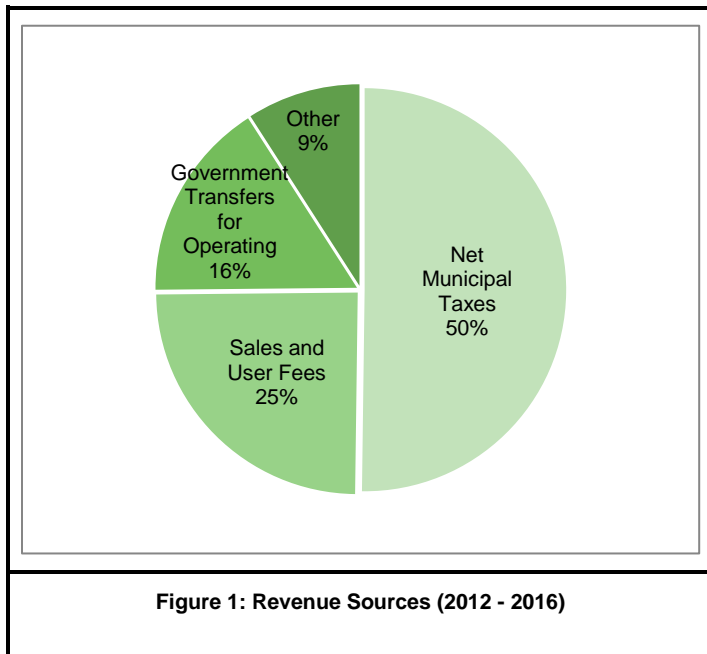
Capital Transactions	2016	2015	2014	2013	2012
Government Transfers for Capital	286,313	95,277	307,951	412,192	1,405
Capital Property Additions	146,230	190,391	256,689	434,106	35,762

The following table indicates the change in Net Financial Assets from 2012 - 2016.

**Table 11: Change in Net Financial Assets (2016 – 2012)**

Change in Net Financial Assets	2016	2015	2014	2013	2012
Increase (Decrease) in Net Financial Assets	6,107	(47,412)	20,730	(39,467)	(65,160)
Net Financial Assets, Beginning of Year	177,269	224,681	203,951	243,418	308,556
<b>Net Financial Assets, End of Year</b>	<b>\$ 183,376</b>	<b>\$177,269</b>	<b>\$224,681</b>	<b>\$203,951</b>	<b>\$243,396</b>

The following two figures are a five-year average illustrating the main areas where the Village of Berwyn collects operating revenues and on what municipal services these revenues were spent.



## APPENDIX E: STAKEHOLDER SUMMARY – FEBRUARY 16, 2017

The Village of Berwyn Viability Review Team held a public meeting in Berwyn on February 16, 2017, where approximately 40 individuals provided feedback on the future viability of the village. Although participants were not expected to indicate whether they were a village or MD resident, it was estimated that the majority were from the village. A summary of the feedback heard at the meeting is included below for your information:

### 1. **What does a viable community mean to you?**

Participants shared a strong sense of community. Having the ability to raise a family in a safe place, where everyone knows each other and where people look out for one another, ranked high among respondents. Participants indicated that community identity and autonomy were important and acknowledged that fairness and equity across council and administration were equally important.

### 2. **What are your concerns with the current state and future state of the village?**

Participants expressed concern with current state of the village including attracting and maintaining businesses, the value that residents receive from their tax dollars, how tax dollars were being spent, the condition of municipal infrastructure and the accessibility and approachability of council and administration. With respect to the future state of the village, participants were concerned with keeping the school open, attracting businesses, addressing the aging infrastructure within the village and the rising costs of providing municipal services and acquiring materials to provide these municipal services.

### 3. **If Berwyn were to become a hamlet in the MD of Peace, what would be your expectations, fears and concerns?**

Some participants expected that if Berwyn became a hamlet, that their taxes would go down while the municipal services they received would remain the same or improve. In addition, many felt that the required improvements to municipal infrastructure would be made. A number of attendees had concerns over the loss of autonomy and community identity and were not sure how or what services levels would be provided by the MD.

Some participants had concerns over the school remaining open and what the potential property values and tax rates would be in the future.

### 4. **As a resident of Berwyn, do you feel that you receive good value with respect to the services that are provided? Why or Why not?**

Participants appeared split in their responses. Many indicated that they were pleased with the level of services that they were receiving and with those who were delivering them, while other respondents indicated the infrastructure (roads/streets/lighting/sidewalks) needed improving and that council and staff did not listen to residents.

### 5. **Based on your knowledge and understanding of the Village of Berwyn, do you think the village has issues with its long-term viability? Why or Why not? If not, what are some solutions to improve the long-term viability of the village?**

The majority of attendees agreed that the village has long-term viability challenges including the condition of municipal infrastructure and the lack of businesses and economic development within the village. Some indicated that there appeared to be high administrative costs and that taxes continued to rise. Participants suggested that the village should attract residents and businesses by increasing the promotion of the community, improving infrastructure and acquiring government grants or offering incentives (selling lots, lower taxes).



## 6. Looking ahead, what do you think the top priorities should be for the Village of Berwyn?

Generally speaking, responses focused on attracting and retaining businesses, increased economic development, improvements to existing infrastructure, high speed internet and having more opportunities for community involvement.

In addition to the above questions, participants were encouraged to complete an exit survey where they were asked to provide a satisfaction level based on the following issue or topic:

**Table 12: Participant Satisfaction**

### 1. What is your level of satisfaction with the following?

What is your level of satisfaction with the following?	Unsatisfied	Satisfied	Neither satisfied or dissatisfied
Council communication with residents	15	8	3
The state of infrastructure:	5	4	6
• Roads	15	12	2
• Sidewalks	17	11	
• Water System	4	22	2
• Sewer	4	21	3
• Storm Sewer	4	14	6
The cost and value of:			
• Property taxes	13	11	4
• Water Rates	4	18	5
Quality of life in the community	1	21	4
How council cooperates with community groups and other municipalities	12	7	7
How the village manages its budget and finances	13	8	5
The way in which the village conducts business	13	6	9
How council governs the village	13	5	9
How administration manages the village	14	6	8
Your opportunity to provide input to your municipality	9	13	4

### 2. Would you be willing to pay the same or more in property tax to maintain village status and have village council represent your interests? Please explain.

The majority of respondents (17) indicated that they did not want to pay more taxes. Many of these individuals felt that they already paid enough property taxes for the level of services they received, and were concerned that, if the taxes increased too much, it would have a negative affect on property values. On the other hand, there was a willingness to pay property taxes, if it meant that the village was viable. Small increases in property taxes, although not desirable, were understandable as it was acknowledged that services costs money.

3. Would you be willing to pay the same or more in property tax to become a hamlet in the MD of Peace and have MD council represent your interests? Please explain.

There was a general indication that respondents wanted the same level or slightly lower taxes to become part of the MD. Many indicated that the services they would receive would be less and therefore their taxes should reflect this. A few respondents indicated that they would be willing to pay more to become part of the MD, while a few indicated that there was not enough information to answer the question.

4. With all that you have heard this evening, what are the Village of Berwyn's 3 biggest challenges moving forward? How would you address these?

- Infrastructure
- Administration – better management of village and finances
- Economic development – promotion
- Better communication between administration, council and residents
- Lack of innovation
- High speed internet

5. Is there anything that you would like the Viability Review Team to consider in the development of the viability plan?

- Taxes is a large concern for our Village of Berwyn.
- Pros & Cons of staying a Village. How to improve so we can stay a village. Is there any benefits to moving to MD! Is there viability???
- Do what is best for the community.
- Resident concerns – not just council.
- That new members, elected mayor, would be more pro-active in sustainability.
- Not really
- Compare as to a “healthy “ community. Not another village. We all know that villages are not viable – so it's like comparing a bunch of terminally ill people and assessing their “health”.
- Better spending of resident tax money
- For years there has been a bleeding of businesses in Berwyn and little has been done to attract new business and investment. High speed internet is essential to any business/commercial development. Council has been filled by a technology challenged “old boys network”. Innovation = growth.
- Get more residences to be involved – of all peoples here – I counted only “15” Berwyn residents – rest were MD Council or Village Council.
- Compare costs & services to reflect what the resident will pay in each scenario MD vs Village.
- Look at recommendations of budget audit & promote administration follow!!
- Was our tax dollars used wisely.
- Fixing the roads.
- Road repair; street lamps
- How to encourage business development.
- Village council addition to MD council
- Value of the excess capacity of the water/wastewater system in the village. Life cycle cost of major capital financing for infrastructure improvements.
- predictable, and politically, council would remain accountable solely to the village.

6. Do you feel this session provided you with adequate opportunity to voice your concerns regarding the long-term viability of the village? 25 Yes 2 No

Comments for the No vote:

- Should have been longer – attract more of community?
- Think if this was an introduction and then a next meeting (longer). So we could really input more. I didn't really know what was expected of me.

## APPENDIX F: STAKEHOLDER SUMMARY – JUNE 13, 2017

The Village of Berwyn Viability Review Team held a public meeting in Berwyn on June 13, 2017, where approximately 50 individuals (32 from village, 15 from MD) attended and provided feedback regarding the development of a public engagement strategy and the condition of the village's infrastructure. A summary of the feedback heard at the meeting is included below for your information.

### 1. What should be included within the public engagement strategy?

Participants indicated that they wanted to see the council agenda before the meeting to see what was coming up and that they wanted to see the council minutes following a meeting. Individuals also expressed that better communication between council, administration and residents could be achieved by increasing the frequency and location where information was shared (e.g. newsletter, website, Facebook, newspaper). There was a sense from those who responded that on larger issues (e.g. budget, infrastructure) that the village needs to do a better job in communicating to residents.

### 2. Do you still feel your taxes are too high for the services you receive? Why?

During the initial stakeholder consultation, the VRT heard that many felt that their taxes were too high. Additional information, including data from comparable communities, was provided to residents during this event, and while some residents still felt their taxes were too high, there was a greater understanding of how taxes were calculated and some of the challenges that low assessment creates.

### 3. What are your thoughts on the infrastructure deficit and funding allocations(s)?

Information regarding the condition of the village's infrastructure and potential funding allocations were shared within participants. A number of residents indicated that the number was higher than they thought and that it made sense to tackle those projects under ground that directly impacted the health and safety of the residents. There was concern as to how these improvements would be funded with some suggesting that increases to utility rates should be considered. Some residents indicated that they pay enough taxes already.

### 4. How do you think this impacts the viability of your community?

There was general understanding from those who attended that the infrastructure plays an important role in the health and viability of a community and that improvements should be made if they affect the health and safety of residents. Concerns were raised as to how the village would fund these upgrades and a general understanding that some above ground improvements should be completed as paving and sidewalks are what attract residents and businesses.

### 5. How do you think the issue of the infrastructure deficit should be addressed (e.g. service reductions, tax and/or utility fee increases)?

Participants provided a number of answers including applying for grants, fundraising, increases in utility fees, improvement levies, repairing rather than replacing, cost recovery on water, sewer and garbage, offering potential incentives to attract residents and businesses.

In addition to the questions above, participants were encouraged to provide written feedback through a questionnaire that was handed out towards the end of the meeting. The following written responses are verbatim from the information provided by respondents.

**Q10: If the Village of Berwyn is not dissolved in the future, what are your expectations of the Village of Berwyn and are there any changes that you would like to see at the Village of Berwyn?**

- Streets and sidewalks in some areas need to be replaced or maintained. Buildings on main street need to be upgraded, specially the former hardware - it's a disgrace! Many residents need to clean up their yards and houses. Many residents rent so they don't seem to take pride in their property. this needs to be addressed.
- I believe the council and admin are trying to do the best they can with what they have to work with. I(m) glad they are doing what they can to keep us viable.
- I work in the village but do not live in it. Water & waste water systems must be a priority without them no one can live or work in the village.
- Deficit needs to be addressed with emphasis on health and safety first (water & sewer). Pavement (anywhere) is a nice to have not a need to have. Once deficit is addressed reserves should be established to avoid this situation in the future. Admin expenses need to be reduced. CAO is overpaid and perhaps some public works could be contracted out.
- Promote the village. Learn from past mistakes. (i.e.) Have a timeline on lots, must be developed within 1-2 years. There are many lots sitting empty, owned by persons other than the village.
- I hope it doesn't dissolve. I think administration and council need to put a lot of time into all this. Increase where needed to get the infrastructure repaired and then work on reserves to do infrastructure on a regular basis.
- The administration and council will have to make better financial decision.
- I feel that this town should be made more attractive to business and bring in new business and residents by offering incentives or reduced rates for the first year or so.
- More advertising of business info in newsletter! This is a good inexpensive way to get info out. Put a limit of words if it gets too big.
- To grow
- Cut costs where possible, find ways to save for future.
- Better long term financial planning.
- All 'run' down places should be more attractive, all taxes should be more equal.
- After the meeting tonight, I feel that there are positive decisions being made.
- Stay as is. No changes.
- I would like to see the village find some form of economic driver to stabilize the infrastructure deficit and provide a reliable flow of cash to the village.
- Lessen duplication of services / share with neighbouring municipalities. Reduce admin costs.
- Create a budget so this doesn't happen again in 50 years. Follow a plan to replace and fix services at a steady pace. This should have been looked after on a year to year bases not a 10 year plan.
- Maintain the standards of service currently provided. Improve roads and sidewalks as time progresses. Improved inter-municipal co-operation to reduce overall costs.
- Follow the capital plan. Put some \$ away. Add flat rates to utility bills for reserves.

**Q11 If the Village of Berwyn is dissolved in the future, it would become a hamlet in the MD of Peace. What are your expectations of the MD of Peace should dissolution occur?**

- I would hope that the streets, sidewalks and infrastructure would be looked after properly. These issues should have been dealt with over the last 25-30 years so that we are not faced with a huge infrastructure debt all at once.
- I would hope that the MD would maintain the services we have now.
- Water & wastewater systems must be maintained and improved to meet health and safety code.
- MD must deal with deficit. Safety and health first. BUT other MD residents should not have to pay for Berwyn infrastructure. There should be a different tax rate in Berwyn until the deficit is paid.
- Keep the services we receive as close to what we receive now from the village.
- If Berwyn is dissolved, I am expecting the MD to be able to do way better with the running of the hamlet and completing the infrastructure or what is the point in dissolving.
- That we as a town is still looked after in regards to infrastructure etc.
- That the hamlet survive and infrastructure is repaired in timely manner.

- I expect infrastructure repairs / remediation but also foresee service reductions (we are spoiled by our public works team).
- To continue with the services we have, and improve on them
- I expect them to keep up the services we as a village have now.
- To keep all services as is.
- All future development would stall, and Berwyn may see projects completed, but it would never grow beyond what it is today.
- Same public services - maintenance, fire protection, eliminate admin and council.
- Same as #10 question. Plans must be made over a like period of time not over a short period of time.
- Maintenance of the current level of service, at a minimum. Slow but progressive infrastructure improvements.
- Absorb and deal with it.
- Services will decrease significantly. Taxes rate may go down but so will the value of the property.

**Q12 Do you have any other comments that you would like to share with the Viability Review Team that is guiding the Village of Berwyn viability review?**

- The future looks bleak in Berwyn. I'm concerned that when the time comes to sell our house, no one will want to buy it because Berwyn may have nothing left that appeals to a prospective buyer. I am a senior taxpayer who has lived here almost all of my life. It's really sad to see how things have deteriorated in a village that was formerly a pleasure to live in.
- Thank you for your time you are spending with us.
- Water + life
- Berwyn should consider reducing expenses by contracting / sharing admin and public works costs with the MD.
- Is it possible for the village to give incentives to people or companies that may want to locate here; i.e. Give them the lot or no taxes for the first year. Empty lots do not bring in any money.
- Thank you to everyone for their time and effort on this review.
- I feel there needs to be a frontage tax applied to cover the cost of new sidewalks and paved roads and possibly cover the costs of infrastructure replacement.
- Be open minded to ideas take them and invite person before village meeting to be heard. Thank you for your time!
- If the lodge leaves and the school would the properties assessment drop
- No.
- Approach MD to allocated funds annually i.e. Similar to MD of Greenview.
- I would like to see life cycle cost analysis as a component of any consultant recommendations adopted, whether dissolution occurs or not.
- Good job so far.

Respondents were asked to indicate the how important each municipal service was and these responses are illustrated in Figure 3: Importance of Municipal Service.

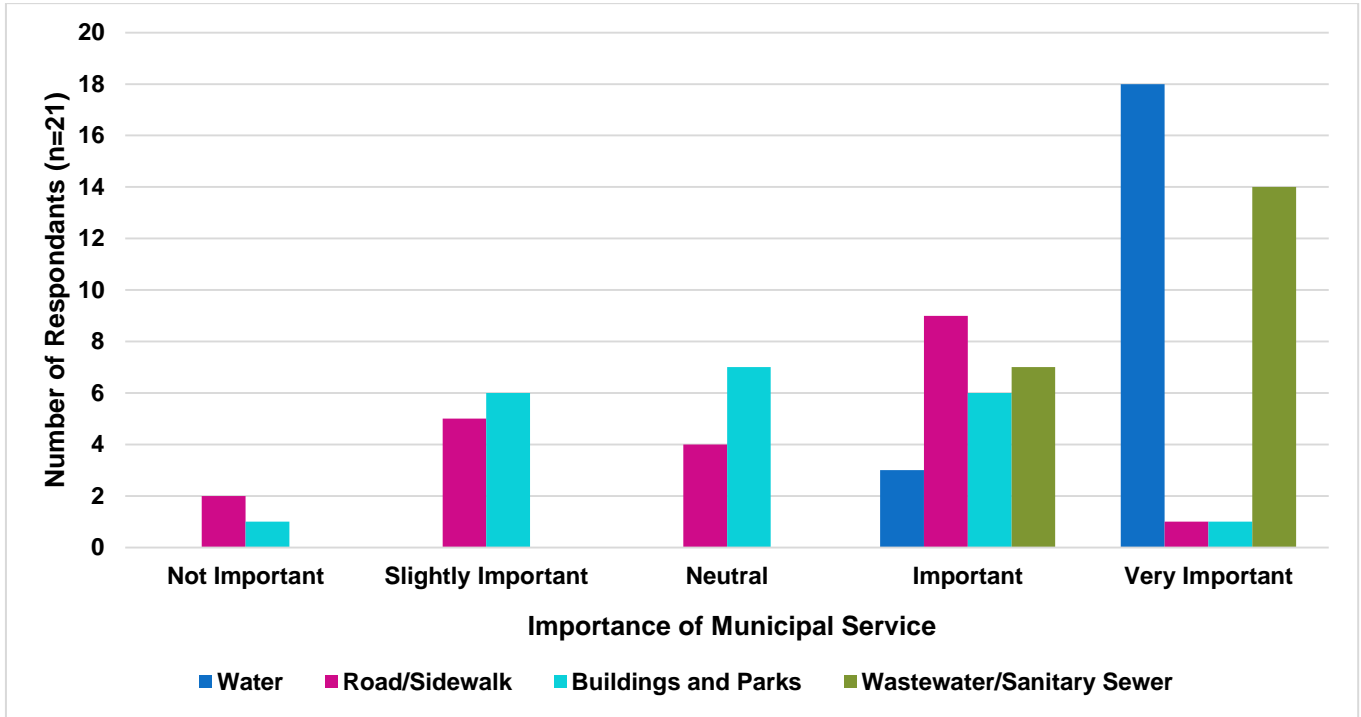


Figure 3: Importance of Municipal Service

Respondents were also asked to if they would be willing to live with fewer municipal services if it meant that critical repairs to infrastructure were to be completed. These responses are illustrated in Figure 4: Municipal Services vs Infrastructure Repairs.

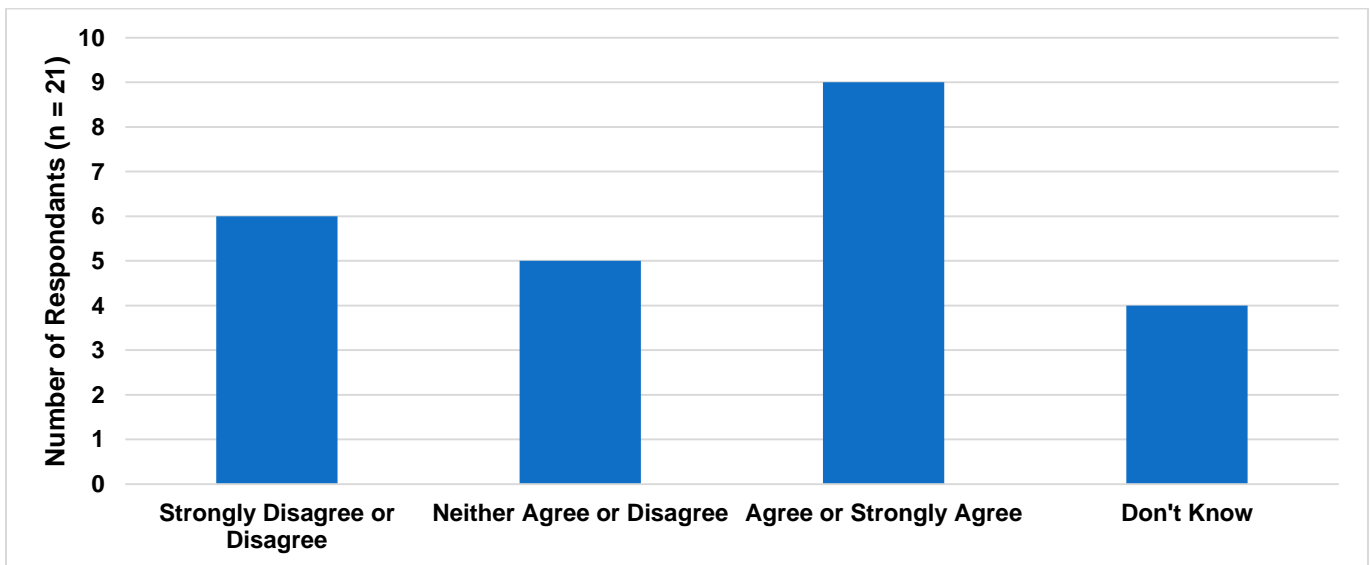


Figure 4: Municipal Services vs Infrastructure Repairs

Village residents were asked to rank how important each municipal service was on a scale of 1 to 5 (with 5 indicating very important) and were then asked if they agreed with the following statements: were they willing to pay more utility fees to ensure that water and wastewater remained safe; and were they willing to live with unpaved roads if it meant that critical infrastructure (water/wastewater) was repaired (with 5 indicating strongly agree). The averages of these responses are in Figure 5: Importance of Municipal Service vs Willingness to Improve.

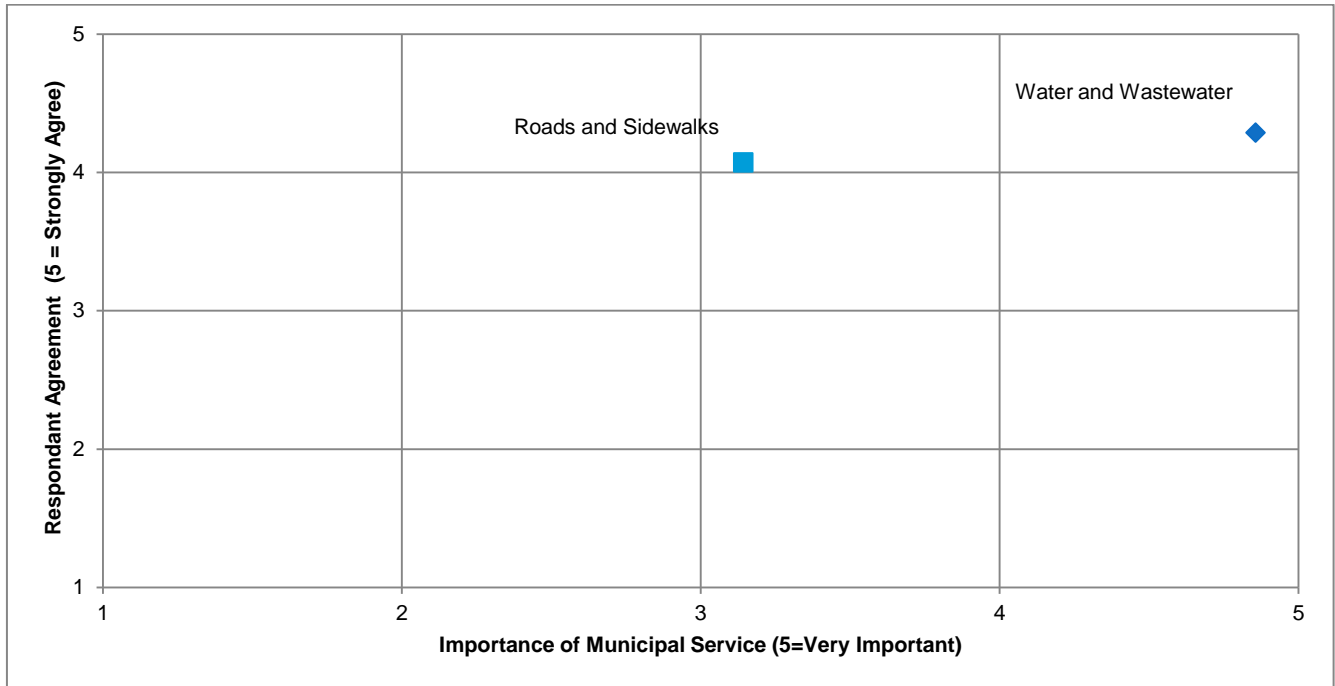


Figure 5: Importance of Municipal Service vs Willingness to Improve.

The above chart indicates that those who responded feel that roads were of neutral importance and that they can live with unpaved roads if it means that critical infrastructure (water/wastewater systems) are repaired. Additionally, village residents feel that the village’s water and wastewater systems are of high importance and they are willing to pay more to improve these systems.



# APPENDIX G: 10 YEAR CAPITAL PLAN

**Table 13: Recommended Infrastructure Projects – Water Distribution System (2017 – 2027)**

Year	Location	Asset Condition	Asset Stability	Rehabilitation Plan	Budget
2017	- Well water supply and reservoir & pumphouse upgrade	- Moderate to severe	- Upgrade well 3, licensing & aging pumphouse infrastructure	- Upgrade with Grant Funding (50%)	140,000.00
	- Valve replacement program	- Severe	- Replace aging Infrastructure in 2017 pavement program	- 2 Valves	12,000.00
	- Hydrant and valve program	- Severe	- Replace aging Infrastructure in 2017 pavement program	- 1 Hydrant/valve	15,000.00
	- Water services saddle program	- Severe	- Replace aging Infrastructure in 2017 pavement program	- 10 service saddle replacements	75,000.00
					<b>\$242,000.00</b>
2018	- Valve replacement program	- Severe		- 2 valves	12,000.00
	- Hydrant and valve program	- Severe	- Replace aging infrastructure in 2018 pavement program	- 2 Hydrants/valves	30,000.00
	- Water service saddle program	- Severe	- Replace aging infrastructure in 2018 pavement program	- 4 service saddle replacements	30,000.00
					<b>\$72,000.00</b>
2019	- Valve replacement program	- Severe		- 4 Valves	24,000.00
	- Hydrant and valve replacement program	- Severe	- Replace aging infrastructure for future 2020 & 2021 paving program	- 3 Hydrants/valves (2 new)	45,000.00
	- Water services saddle replacement program	- Severe		- 15 Service saddle replacements	112,000.00
	- Loop water main 51st Ave east & west of 50th Street		- Eliminate dead end lines	- New water loop main 51st Ave; new hydrant	86,000.00
	- Loop water main on 47th Street from 49th to 50th Ave	- Severe	- Increase fire flows and provide isolation flexibility	- New water loop main 47th Street	70,000.00
					<b>\$337,000.00</b>
2020	- Hydrant and valve program	- Severe	- Replace aging infrastructure to reduce leaks & future water breaks	- 3 Hydrants/valves	45,000.00
	- Valve replacement program	- Severe	- Replace infrastructure prior to future road paving	- 5 main valves	30,000.00
					<b>\$75,000.00</b>
2021	- Hydrant and valve program	- Severe	- Replace aging infrastructure to reduce leaks & future water breaks	- 3 Hydrants/valves	45,000.00
	- Valve replacement program	- Severe	- replace infrastructure prior to future road paving	- 5 main valves	30,000.00
					<b>\$75,000.00</b>
2022	- Hydrant and valve program	- Severe	- Replace aging infrastructure to reduce leaks & future water breaks	- 3 Hydrants/valves	45,000.00
	- Valve replacement program	- Severe	- Replace infrastructure prior to future road paving	- 5 main valves	30,000.00
					<b>\$75,000.00</b>
2023	- Hydrant and valve program	- Severe	- Replace aging infrastructure to reduce leaks & future water breaks	- 3 Hydrants/valves	45,000.00
	- Valve replacement program	- Severe	- Replace infrastructure prior to future road paving	- 5 main valves	30,000.00
	- Water service saddle replacement program	- Severe	- Replace infrastructure prior to future road paving	- 1 service saddle replacement	8,000.00
					<b>\$83,000.00</b>
2024	- Hydrant and valve program	- Severe	- Replace aging infrastructure to reduce leaks & future water breaks	- 4 Hydrants/valves (1 new)	60,000.00
	- Valve replacement program	- Severe	- Replace infrastructure prior to future road paving	- 5 main valves	30,000.00
					<b>\$90,000.00</b>
2025	- Hydrant and valve program	- Severe	- Replace aging infrastructure to reduce leaks & future water breaks	- 3 Hydrants/valves	45,000.00
	- Valve replacement program	- Severe	- Replace infrastructure prior to future road paving	- 5 main valves	30,000.00
	- Water service saddle replacement program	- Severe	- Replace infrastructure prior to road paving	- 14 services	105,000.00
					<b>\$180,000.00</b>
2026	- Hydrant and valve program	- Severe	- Replace aging infrastructure to reduce leaks & future water breaks	- 4 Hydrants/valves	60,000.00
	- Valve replacement program	- Severe	- Replace infrastructure prior to future road paving	- 5 main valves	30,000.00
					<b>\$90,000.00</b>

**Estimated Cost for 10-Year Plan      \$1,319,000.00**



**Table 14: Recommended Infrastructure Projects – Sanitary Sewer and Collection System (2017 – 2027)**

Year	Location	Asset Condition	Asset Stability	Rehabilitation Plan	Budget
2017	- Lagoon	- Good	- Valve is nearing useful life	- Install valve on drain line	10,000.00
	- Sewer main repairs (2017 Roads)	- Moderate	- Replace aging infrastructure; sewer main, connection to manholes and replace block type manhole	- Replace manhole #10 and mains	35,000.00
	- Sewer service repairs (2017 Roads)	- Moderate to severe	- Poor connection to main	- 3 service repairs	23,000.00
					<b>\$68,000.00</b>
2018	- Sewer main repairs (2018 Roads)	- Severe	- Replace aging infrastructure to reduce future sewer backups	- Replace manhole #8 & #9 and mains	60,000.00
	- Sewer service repairs (2018 Roads)	- Severe	- Replace infrastructure combined with paving program	- 1 service repair	7,000.00
	- Lines in future paving areas (2018-2021)	- Unknown	- Review existing infrastructure for problems	- Video camera sewer mains for future paving program	20,000.00
					<b>\$87,000.00</b>
2019	- Sewer main replacement on 49th Ave - MH #23 to #36	- Severe	- Replace aging infrastructure to reduce future sewer backups	- Replace approx. 85 l.m.	81,000.00
	- Sewer service repairs (2020/2021 Roads)	- Severe	- Replace infrastructure combined with 2020 & 2021 paving program	- 4 service repairs and mains	50,000.00
	- Sewer main replacement (2020 Roads)	- Severe	- Replace aging infrastructure to reduce future sewer backups	- Replace manhole #13, #13A, #13B, #19A & #19B	100,000.00
					<b>\$231,000.00</b>
2020	- Sewer system rehabilitation (2021 Roads)	- Severe	- Replace aging infrastructure to reduce future sewer backups	- Replace manhole #5, #6, #7 & #34	80,000.00
					<b>\$80,000.00</b>
2021	- Sewer main replacement on 52nd Ave - 49th to 50th Street	- Severe	- Replace aging infrastructure to reduce future sewer backups	- Replace approx. 150 l.m. and MH's #18 & #19	135,000.00
	- Sewer main replacement on 50th Street at CN track crossing		- Replace sagged pipe at track crossing	- Replace approx. 20 l.m. including concrete & asphalt	39,000.00
					<b>\$174,000.00</b>
2022	- Lines in future paving areas (2022-2026)	- Unknown	- Review existing infrastructure for problems	- Video camera sewer mains for future paving program	30,000.00
					<b>\$30,000.00</b>
2023	- Sewer system rehabilitation (2023 Roads)	- Severe	- Replace infrastructure to reduce future sewer backups	- Replace manholes #30 & #31	50,000.00
			- Replace infrastructure combined with paving program	- 1 service repair and mains	25,000.00
					<b>\$75,000.00</b>
2024	- Sewer system rehabilitation (2024 Roads)	- Severe	- Replace infrastructure based on sewer video review to reduce future sewer backups	- Replace approx. 150 l.m.	135,000.00
					<b>\$135,000.00</b>
2025	- Sewer main replacement review (2025 Roads)	- Severe	- Replace infrastructure to reduce future sewer backups	- Replace manhole #20 & #28	50,000.00
			- Replace infrastructure combined with paving program	- 1 service repair and mains	25,000.00
					<b>\$75,000.00</b>
2026	- Newer subdivision (1981) - SE	- Good	- Good	- None	NIL
	- Lines in future paving areas (2027-2031)	- Unknown	- Review existing infrastructure for problems	- Video camera sewer mains for future paving program	25,000.00
	- 47th Street sewer trunk main	- Severe	- Replace aging infrastructure	- Replace manhole #2, #3 & #4	60,000.00
					<b>\$85,000.00</b>

**Estimated Cost for 10-Year Plan                      \$1,040,000.00**

**Table 15: Recommended Infrastructure Projects – Transportation System (2017 – 2027)**

Year	Location	Surface Wear Condition	Road Surface Stability	Rehabilitation Plan	Budget
2017	- 52nd Avenue; 50m West 50th Street	- Moderate	- Failures due to heavy loading		\$322,000.00
	- 51st Street; 51st Avenue to 52nd Avenue	- Moderate	- Failures due to utility repair and Asphalt Lift Separation	- Rehabilitate Concrete	
	- 51st Avenue; East of 51st Street to Lane	- Moderate	- Failures due to heavy loading and poor drainage	- Base Repairs & Asphalt Overlays	
2017 Cold-Mix	- 52nd Avenue; 51st Street West to Village Limits	- Gravel Surfacing			\$257,000.00
	- 48th Avenue; 50th Street to 52nd Street	- Gravel Surfacing			
	- 49th Avenue; 50th Street to 52nd Street	- Gravel Surfacing	- Gravel - Poor Drainage at swaled intersections	- Build Crown & Cold-mix Asphalt	
	- 51st Street; 48th Avenue to 49th Avenue	- Gravel Surfacing			
	- 52nd Street; 48th Avenue to 50th Avenue	- Gravel Surfacing			
2018	- 51st Street; 50th Avenue to 51st Avenue	- Severe	- Loss of asphalt binder. Asphalt drying out and fine cracking	- Rehabilitate Concrete	\$394,000.00
	- 50th Avenue; 50th Street to 51st Street	- Severe	- Loss of asphalt binder. Asphalt drying out and fine cracking	- Base Repairs & Asphalt Overlays	
	- 55th Avenue; 50th Street to 51st Street	- Moderate	- Failures due to heavy loading & poor drainage		
2019					
2020	- 52nd Avenue; 51st Street to 50m West of 50th St.	- Moderate	- Little to no failures	- Rehabilitate Concrete	\$141,000.00
	- 51st Avenue; 50th Street West to Lane	- Moderate	- Little to no failures	- Base Repairs & Asphalt Overlays	
2020 Cold-Mix	- 48th Avenue; Lane West of 49th Street to 47th St.	- Gravel Surfacing			\$226,000.00
	- 49th Avenue; 50th Street to 47th Street	- Gravel Surfacing			
	- 48th Street; 48th Avenue to 49th Avenue	- Gravel Surfacing	- Gravel - Poor Drainage at swaled intersections	- Build Crown & Cold-mix Asphalt	
	- 49th Street; 48th Avenue to 50th Avenue	- Gravel Surfacing			
	- 52nd Avenue; Village Limits to West of MD Office	- Gravel Surfacing			
2021	- 50th Avenue; Highway #2 to 50th Street	- Moderate to Severe	- Loss of asphalt binder. Asphalt drying out and fine cracking. Few failures	- Rehabilitate Concrete, Base Repairs & Asphalt Overlay	\$312,000.00
2022	- 50th Street; 20m south of 50th Avenue & south to Village Limits	- Severe	- Loss of asphalt binder. Asphalt drying out and fine cracking. Few failures	- Base Repairs & Asphalt Overlays	\$184,000.00
2022 Cold-Mix	- 50th Street; 55th Avenue North to Village Limits	- Gravel Surfacing			\$284,000.00
	- 49th Street; 50th Avenue to 53rd Avenue	- Gravel Surfacing			
	- 47th Street; 50th Avenue to 51st Avenue	- Gravel Surfacing	- Gravel - Poor Drainage at swaled intersections	- Build Crown & Cold-mix Asphalt	
	- 51st Avenue; 50th Street to 47th Street	- Gravel Surfacing			
	- 52nd Avenue; 50th Street to 49th Street	- Gravel Surfacing			
2023	- 53rd Avenue; 50th Street to 46th Street	- Gravel Surfacing Over Asphalt			\$379,000.00
	- 50th Street; 52nd Avenue to 55th Avenue	- Moderate to Severe	- Failures due to heavy loading and poor drainage		
	- 51st Street; 54th Avenue to 54th Avenue	- Moderate	- Few failures	- Rehabilitate Concrete & Asphalt Overlay	
2024	- 54th Avenue; 50th Street to 51st Street	- Moderate	- Few failures		\$141,000.00
	- 50th Street; 20m South 50th Avenue to 52nd Avenue	- Mild	- Few failures	- Base Repairs & Asphalt Overlay	
2025	- 50th Avenue; 51st Street to 52nd Street	- Slight	- Little to no failures	- Rehabilitate Concrete & Asphalt Overlay	\$121,000.00
	- 51st Street; 54th Avenue to 55th Avenue	- Mild	- Few failures		
2026	- 47th Avenue; 48th Street to 49th Street	- Gravel Surfacing		- New Rolled Concrete Curb & Gutter	\$312,000.00
	- 48th Street; 47th Avenue to 48th Avenue	- Gravel Surfacing	- Gravel - Poor Drainage / no curbs	- Hot-mix Asphalt Pavement	
	- 49th Street; 47th Avenue to 48th Avenue	- Gravel Surfacing			

**Estimated Cost for 10-Year Plan                      \$3,073,000.00**

**Table 16: Recommended Infrastructure Projects – Municipal Buildings (2017 – 2027)**

Year	Location	Asset Condition	Asset Stability	Rehabilitation Plan	Budget
2017	- Administration Building	- Moderate	- Flooding at rear of building	- Fill/regrade west/north lot	\$5,000.00
2018	- Berwyn Fire Hall	- Moderate	- Minor damage to concrete block	- Repair block and new paint	
	- Tower Park	- Severe	- Asphalt binder eroding away on Tennis Court	- Sand seal	
	- Arena	- Severe	- Tin unattached, Landscaping against building	- Refasten tin ( by Society), remove excess material	
	- Public Works storage Yard	- Moderate/Severe	- Should look at completing inspection of building	- Reg maint., antifreeze for plumb.	\$70,000.00
2019	- Glenmeyer Park	- Severe	- Basketball court in poor shape /walkway deteriorated	- Overlay/base and paving	\$15,000.00
			- Maintenance/upkeep of playground equipment		\$2,000.00
2020	- Administration Building	- Moderate	- Replace furnaces, hot water tanks as required	- Replace furnace, hot water tank as req.	\$10,000.00
2021	- Library and Craft Centre	- Good	- Maintenance item	- Repair concrete block	\$5,000.00
2022	- Public Works Shop	- Good	- General maintenance, landscape repairs	- Correct floor slab @ overhead door	\$5,000.00
2023					
2024					
2025					
<b>Estimated Cost for 10-Year Plan</b>					<b>\$112,000.00</b>

## APPENDIX H: SUMMARY OF VRT RECOMMENDATIONS

### **Sustainable Governance**

1. The village must review the legislative requirements resulting from updates to the *Municipal Government Act* and develop a plan to ensure the village remains compliant; including developing a councillor code of conduct.
2. Village Council must participate in a workshop to develop a long-term vision, goals and action plan for the municipality, and as a result of this workshop develop a strategic plan for the municipality. The strategic plan should include information from the infrastructure audit and the viability plan as well as prioritize municipal projects and initiatives, demonstrate efficient service delivery and encourage input from village residents. The strategic plan, once adopted, should be reviewed as part of the annual budgeting process.
3. Village Council and administration must develop a public engagement strategy that will identify who should be given specific information, when that information should be delivered and what communications channels will be used to deliver this information. The plan should include goals and objectives as well as opportunities to encourage feedback from village residents.
4. Village Council should provide more information to the public regarding the services that the municipality provides and where municipal tax dollars are being spent. At a minimum, this information should be given to residents on an annual basis, and be in the form of a report to residents or provided as an informational sheet.
5. The village should encourage electors to run for municipal office by hosting information sessions/open house on what it means to be an elected official. These sessions should outline the opportunities and challenges facing the municipality and how they align with the responsibilities of being an elected official.
6. Village council and administration should continue to take advantage of training opportunities provided by Municipal Affairs and other municipal associations.
7. The village must begin working with the MD to develop an Intermunicipal Collaboration Framework (ICF) by identifying the core services it wishes to provide together and how these services will be delivered.
8. To ensure effective communication between the village and MD on areas of mutual interest, village and MD council and administration should consider meeting on a semi-annual basis.

### **Regional Cooperation**

9. Village council should continue working with the Lac Cardinal Regional Economic Development Board, ensuring that a clear mandate exists, the board functions effectively, and that participation from other regional organizations is encouraged. Participation on the board should be used to promote residential and commercial property development within the village as well as what the region has to offer.
10. Annually at its organizational meeting, village council should re-evaluate which boards and committees the village is a member of to ensure effective and efficient use of village resources.

### **Operational and Administrative Capacity**

11. Village council should continue to support learning opportunities for staff by completing a long-term staffing plan, developing a staff succession plan and including resources for staff training in the annual budget.
12. If the village is to remain viable, council must find a way to reduce the costs associated with administering the village or seek additional revenue sources. Consideration should be given towards ensuring utility rates are charged on a full cost recovery basis.

**Municipal Finances and Accounting**

13. Village council must develop an infrastructure reserve policy that distinguishes the type of reserve that exist and puts monies away in these restricted reserve accounts for future capital projects. The reserve policy must incorporate the long-range capital plan and be reviewed on an annual basis. The infrastructure reserve policy, if followed, will ensure that sufficient funds are in place for each project.
14. Village council should review its revenue sources to ensure that a proper balance from taxes, franchise fees and user fees exist.
15. Village councillors should be encouraged to take municipal finance and budgeting training offered through the Elected Officials Education Program.

**Property Taxes and Assessment**

16. The village must continue to follow the tax collection provisions for overdue accounts outlined in the *MGA*
17. The village must improve communication by providing electors with information regarding property assessment and taxation processes and how unpaid property taxes negatively affect the municipality's cash flow and could potentially lead the municipality to borrow funds to cover operating expenses.
18. The village must continue to work with the Lac Cardinal Regional Economic Development Board and surrounding municipalities to help diversify the economy and grow the village's assessment base.

**Infrastructure**

19. Village council should establish an ongoing operations and management plan for village infrastructure.
20. Village council should develop and approve a 10 year capital plan and implement the recommendations found within the 2016 infrastructure audit. The Capital plan will identify the necessary projects, the timing of initiating and completing each project and the required funding for each project.
21. Village council should consider taking on debt, increasing taxes and/or utility fees and pursuing other grant programs to fund infrastructure projects.
22. Village administration should communicate to electors the importance of establishing and maintaining a cost recovery model with respect to the fees charged to maintain, operate and provide municipal services.

**Service Delivery and Risk Management**

23. The village should continue to review utility rates annually, on a full-cost recovery model, and be inclusive of expenses associated with the maintenance and capital infrastructure projects.
24. Village council should, as part of the annual budget process, complete a service capacity review to align service levels and council expectations with available funding resources.
25. Village council must develop a policy to ensure that any surplus funds collected through utilities fees go into a capital reserve fund for projects associated with that utility.

**Community Well-Being**

26. Village administration should continue to budget financial support for community groups on an annual basis.

## APPENDIX I: REFERENCES FROM THE *MUNICIPAL GOVERNMENT ACT*

### Petition for bylaw

- 232** (1) Electors may petition for
- (a) a new bylaw, or
  - (b) a bylaw to amend or repeal a bylaw or resolution on any matter within the jurisdiction of the council under this or another enactment.
- (2) A petition requesting a new bylaw under Part 8, 9, 10 or 17 or an amendment or repeal of a bylaw or resolution made under Part 8, 9, 10 or 17 has no effect.

1994 cM-26.1 s232;1995 c24 s29;1996 c30 s12

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### Adoption of operating budget

- 242** (1) Each council must adopt an operating budget for each calendar year.
- (2) A council may adopt an interim operating budget for part of a calendar year.
- (3) An interim operating budget for a part of a calendar year ceases to have any effect when the operating budget for that calendar year is adopted.

1994 cM-26.1 s242

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### Contents of operating budget

- 243** (1) An operating budget must include the estimated amount of each of the following expenditures and transfers:
- (a) the amount needed to provide for the council's policies and programs;
  - (b) the amount needed to pay the debt obligations in respect of borrowings made to acquire, construct, remove or improve capital property;
  - (b.1) the amount of expenditures and transfers needed to meet the municipality's obligations as a member of a growth management board
  - (c) the amount needed to meet the requisitions or other amounts that the municipality is required to pay under an enactment;
  - (d) if necessary, the amount needed to provide for a depreciation or depletion allowance, or both, for its municipal public utilities as defined in section 28;
  - (e) the amount to be transferred to reserves;
  - (f) the amount to be transferred to the capital budget;
  - (g) the amount needed to recover any deficiency as required under section 244.
- (2) An operating budget must include the estimated amount of each of the following sources of revenue and transfers:
- (a) property tax;
  - (b) business tax;
  - (c) business revitalization zone tax;
  - (c.1) community revitalization levy;
  - (d) special tax;
  - (e) well drilling equipment tax;
  - (f) local improvement tax;
  - (f.1) community aggregate payment levy;
  - (g) grants;
  - (h) transfers from the municipality's accumulated surplus funds or reserves;
  - (i) any other source.
- (3) The estimated revenue and transfers under subsection (2) must be at least sufficient to pay the estimated expenditures and transfers under subsection (1).
- (4) The Minister may make regulations respecting budgets and that define terms used in this section that are not defined in section 241.

RSA 2000 cM-26 s243;2005 c14 s3

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### Assigning assessment classes to property

- 297** (1) When preparing an assessment of property, the assessor must assign one or more of the following assessment classes to the property:
- (a) class 1 - residential;
  - (b) class 2 - non-residential;
  - (c) class 3 - farm land;
  - (d) class 4 - machinery and equipment.
- (2) A council may by bylaw
- (a) divide class 1 into sub-classes on any basis it considers appropriate, and
  - (b) divide class 2 into the following sub-classes:
    - i. vacant non-residential;
    - ii. improved non-residential,
 and if the council does so, the assessor may assign one or more sub-classes to a property.
- (3) If more than one assessment class or sub-class is assigned to a property, the assessor must provide a breakdown of the assessment, showing each assessment class or sub-class assigned and the portion of the assessment attributable to each assessment class or sub-class.
- (4) In this section,
- (a) “farm land” means land used for farming operations as defined in the regulations;
  - (a.1) “machinery and equipment” does not include
    - i. anything that falls within the definition of linear property as set out in section 284(1)(k), or
    - ii. any component of a manufacturing or processing facility that is used for the cogeneration of power;
  - (b) “non-residential”, in respect of property, means linear property, components of manufacturing or processing facilities that are used for the cogeneration of power or other property on which industry, commerce or another use takes place or is permitted to take place under a land use bylaw passed by a council, but does not include farm land or land that is used or intended to be used for permanent living accommodation;
  - (c) “residential”, in respect of property, means property that is not classed by the assessor as farm land, machinery and equipment or non-residential.

RSA 2000 cM-26 s297;2002 c19 s6

### Tax rates

- 354** (2) A tax rate must be set for each assessment class or sub-class referred to in section 297.
- (3) The tax rate may be different for each assessment class or sub-class referred to in section 297.

1994 cM-26.1 s354;1996 c30 s26;1998 c24 s27;1999 c11 s15

### Special tax bylaw

- 382** (1) Each council may pass a special tax bylaw to raise revenue to pay for a specific service or purpose by imposing one or more of the following special taxes:
- (a) a waterworks tax;
  - (b) a sewer tax;
  - (c) a boulevard tax;
  - (d) a dust treatment tax;
  - (e) a paving tax;

- (f) a tax to cover the cost of repair and maintenance of roads, boulevards, sewer facilities and water facilities;
- (g) repealed 2008 cE-6.6 s55;
- (h) a tax to enable the municipality to provide incentives to health professionals to reside and practice their professions in the municipality;
- (i) a fire protection area tax;
- (j) a drainage ditch tax;
- (k) a tax to provide a supply of water for the residents of a hamlet;
- (l) a recreational services tax.

**(2)** A special tax bylaw must be passed annually.

RSA 2000 cM-26 s382;2008 cE-6.6 s55

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### **Local improvement tax bylaw**

**397 (1)** A council must pass a local improvement tax bylaw in respect of each local improvement.

**(2)** A local improvement tax bylaw authorizes the council to impose a local improvement tax in respect of all land in a particular area of the municipality to raise revenue to pay for the local improvement that benefits that area of the municipality.

1994 cM-26.1 s397

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