

# Viability Review Report

## Village of Hythe





Municipal Affairs, Government of Alberta

**Village of Hythe Viability Review Report**

March 2021

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# Executive Summary

The viability review report is intended to assist residents of the Village of Hythe in evaluating the best form of municipal government to meet the community's current and future needs.

Alberta Municipal Affairs prepared the Village of Hythe Viability Review Report (report) based on information collected from the Village of Hythe (village) and the County of Grande Prairie (county). Elected officials and administration from the village and county, and municipal officials representing four Alberta municipal associations, the Rural Municipalities of Alberta, the Alberta Urban Municipalities Association, the Alberta Rural Municipal Administrators' Association, and the Local Government Administration Association of Alberta, reviewed and provided input to the report.

The viability review report describes two options for the future of Hythe:

1. the Village of Hythe remains an incorporated municipality and council addresses the recommended actions in this report according to the direction of the Minister of Municipal Affairs, and
2. the municipal corporation of Hythe dissolves and Hythe becomes a hamlet in the County of Grand Prairie.

Regardless of which form of municipal government the viability review results in, the people, businesses, and community spirit will continue to be what defines the community of Hythe.

The report highlights the major similarities and differences under these two options answering the questions:

**What would be the same or different if Hythe remains a village?**

**What would be the same or different if Hythe becomes a hamlet in the County of Grande Prairie?**

## Major Implications for Residents

### Continuing as a Village

With the approval of a viability review for the village, the Minister of Municipal Affairs has expressed that Hythe's current state must be improved to ensure a viable future for the community. Should Hythe remain as a municipality, the Minister will direct the village to take actions to improve its viability. In participating in the viability review, the village has provided its best estimations in good faith for what will occur in the future for Hythe remaining as a village.

**Governance:** The council for the Village of Hythe would continue to consist of five members elected at large by village residents and the mayor would be appointed from within council at the annual organization meeting. The council will be expected to address the recommended actions in this report and the progress would be monitored by the province for a period of five years.

**Administration:** The village council would continue to be responsible for the hiring and evaluation of the Chief Administrative Officer (CAO), who is responsible for overseeing the administration and operation of the village.

**Assessment and Taxation:** In 2020, the village set the general municipal residential and non-residential tax rates at 8.239 mills. This equates to \$8.24 for each \$1,000 of assessed property value. Many small villages experience particular difficulty in collecting taxes if the rate exceeds 13 mills. The village indicates that increasing operating costs and infrastructure (capital) requirements would require increases to taxes and utility fees over the next several years.

Property taxes are the main source of revenue for municipalities. The village reports that rate of tax collection in 2019 was 93.07 per cent, and declined to 88.6 per cent in 2020. The village must continue to address tax arrears through the legislated tax recovery process.

**Finances:** At the time of publication of this report, the most recent audited financial information available for the village are the 2019 audited financial statements. The Consolidated Statement of Operations and the Consolidated Statement of Financial Position, taken from the audited statements, are provided in **Appendix D**. The complete 2019 audited financial statements are available for review at the village office.

As associated costs increase, residents can anticipate continued increases in utility fees and property taxes to meet the operational needs of the village. As part of the viability review, the village contracted Beirsto & Associates Engineering to conduct an infrastructure audit. The audit identifies the village's capital infrastructure deficit over the next ten years to be \$14,211,370.

The village forecasts that, to fully implement the operational and capital plans within the audit, the village's budget would need to increase by over 150 per cent in year one.

The council would need to prioritize the identified operational and capital projects, which would likely require some projects to be completed in future years in order to achieve a balanced budget between costs and available revenues.

**Services:** The village would continue to have sole responsibility for provision of services and programs; and would require similar levels of funding to continue to provide these services. As associated costs increase, residents can anticipate increases in utility fees and property taxes.

**Infrastructure:** Most municipal infrastructure requires repair and replacement during its lifecycle, and municipalities typically carry out these investments on an ongoing basis to spread out the associated costs. Understanding the condition of the infrastructure and the scope of the future financial investments to provide these services is a key aspect of municipal viability.

The village currently funds the majority of infrastructure capital projects through federal and provincial grants, a strategy that has not kept up with the needs. The village would need to increase revenue through fees and taxes to address the infrastructure deficit.

From 2014 to 2020 the village completed a number of studies to assess the state of the village infrastructure, including studies of the transportation network (pavement and sidewalks), water treatment and distribution system, sanitary sewer system, storm water drainage, and village owned facilities. In addition, the village developed an asset management plan in 2019.

In January 2021, the village hired an engineer to consolidate the information in these audits and develop a multi-year capital plan to address identified maintenance and upgrade deficiencies. As

a municipality undergoing a viability review, the village is eligible to apply for provincial funding towards the cost of this consolidated infrastructure audit.

The consolidated infrastructure audit indicates that the village has infrastructure deficiencies of \$14,211,370 that should be addressed over the next ten years (2021 – 2030).

In 2020, the village council approved a capital budget totaling \$1,853,000, and funded the projects, in part, with two debentures totaling \$900,000 and the balance with federal and provincial grants received in prior years.

## Becoming a Hamlet in the County

If Hythe dissolves and becomes a hamlet in the County of Grande Prairie, the county would have full responsibility for the governance and operation of the Hamlet of Hythe. Ultimately, what may change or stay the same if Hythe becomes a hamlet would require future decisions to be made by the County of Grande Prairie council after the dissolution of the village. In participating in the viability review, the county has provided its best estimations in good faith for what would occur in the future for Hythe as a hamlet.

**Governance:** As a hamlet in the County of Grande Prairie, Hythe would be part of the County of Grande Prairie Division 7. Residents would be represented by the Division 7 county councillor and eligible for election to the county council.

**Administration:** Under the direction of the county CAO, services would be provided out of the county building located in the Hamlet of Clairmont.

**Finances:** All village assets and liabilities would be transferred to the county. All money transferred from the village to the county and all money received from the sale of village assets must be used to reduce liabilities of the former village, or for projects in the new Hamlet of Hythe, and must be accounted for separately.

The costs of providing services and capital projects in Hythe would be included in the county's operational and capital budgets.

**Assessment and Taxation:** Residents can expect similar assessment values. County tax rates would apply. The county has the option to impose additional taxes on properties in Hythe to fund programs, services, and infrastructure projects that benefit Hythe exclusively. The county may also impose an additional tax on Hythe properties to fund repayment of village debt prior to dissolution. Hythe property owners can anticipate property taxes levied by the county to be similar to or more than those currently levied by the village.

**Services:** The County of Grande Prairie would be responsible for providing services in Hythe, determining service levels, and setting utility rates.

**Infrastructure:** The county would receive all of the village's infrastructure studies including the consolidated audit and recommended 10-year capital project plan for the village. The list of proposed village projects would be included in the county's long-term capital plan that addresses the infrastructure needs throughout the entire county. It would be the responsibility of the county to determine which projects would be completed and how they would be funded.

The County of Grande Prairie funds infrastructure projects through a combination of grant funding from the federal and provincial governments, debt, reserves, and additional tax levies imposed on hamlet properties to complete specific needs of the hamlet. Property owners can anticipate

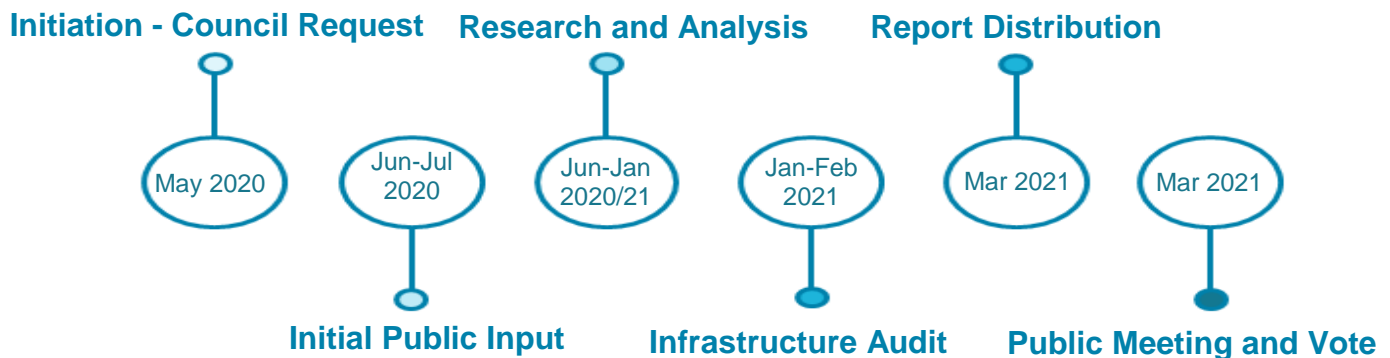
additional taxes levied on their properties in addition to the county general municipal taxes to complete future infrastructure projects in the Hamlet of Hythe.

**Municipal Restructuring Funding:** As a receiving municipality following dissolution of a village, the county is expected to be eligible for approximately \$1,200,000 in provincial grant funding according to the 2020/21 guidelines for the Alberta Community Partnership grant. The county is expected to be eligible to apply for approximately \$250,000 for projects related to integrating the administration, governance, legislation of Hythe into county operations, plus approximately \$950,000 for capital projects identified in the recent infrastructure audit.

A full analysis and implications of the options is provided in the **Review and Findings** section that comprises the main body of this report.

## Viability Review Timeline

The following timeline shows the steps taken in the Village of Hythe viability review.



### Public Meeting - Information Session

Following distribution of the Village of Hythe Viability Review Report, the province will host a virtual information session on Tuesday, March 23, 2021, commencing at 7:00 p.m. The purpose of the meeting is:

- to outline the process to date and present the Village of Hythe Viability Review Report;
- to provide residents, property owners, and community stakeholders with an opportunity to ask questions; and
- to explain the next steps in the viability review including the vote for village electors on the question of dissolution of the village.

Additional information about the information session is provided on the last page of this report.

### Vote of Village Electors

Although the *Municipal Government Act* makes conducting a vote a discretionary step in viability reviews, the Government of Alberta has determined this step is in the best interest of Hythe's residents.

Village electors will vote to either remain as the Village of Hythe or become a hamlet in the County of Grande Prairie. If the majority vote is to dissolve and become a hamlet in the



neighboring municipality, the Minister is required to recommend dissolution to the Provincial Cabinet. However, it is ultimately Cabinet's decision whether to dissolve the municipality.

If the majority vote is to remain a municipality, the village would not dissolve. The Minister will issue directives focused on improving the village's viability and require council to provide annual progress reports on the directives for five consecutive years.

The vote must be conducted in accordance with the *Local Authorities Election Act*, which establishes the rules for vote eligibility, voting and counting procedures, and scrutineers. Ministry staff will conduct the vote.

Detailed information about the vote and special ballots is provided in **Appendix G: Vote on Dissolution**.

# Review & Findings



## Municipal Backgrounds

### **Village of Hythe**

Hythe is a village located in northwest Alberta on Highway 43 approximately 58 kilometres northwest of the City of Grande Prairie and 74 kilometres southeast of the City of Dawson Creek, British Columbia. The original English and Norwegian settlers arrived in the Hythe area in 1909. In 1914, the post office in the community was named after the Town of Hythe in Kent, England.

The province incorporated the Village of Hythe on August 31, 1929. At the time, Hythe was a community in Improvement District No. 772 that later became part of the County of Grande Prairie.

According to the 2016 federal census, the village's population is 827. In 2016, the average population of the 86 villages in the province was 425.

### **County of Grande Prairie No. 1**

The village's rural neighbour, the County of Grande Prairie No. 1, was established in January 1951 following a merger of the former Municipal District of Grande Prairie with neighbouring municipal authorities.

According to the county website, the county consists mainly of large and small farms and acreages. Part of the Great Plains Region of North America, 40 per cent of the county is prime farmland, and the remainder is marginal farmland with a forest perimeter.

The Horse Lake First Nation, west of Hythe, the City of Grande Prairie, the towns of Beaverlodge, Sexsmith, and Wembley and the Village of Hythe are located within county boundaries.

If the Village of Hythe dissolves, it will become a hamlet in the county. According to the 2016 federal census, the population of the county is 22,502.

There are 11 hamlets within the county: Bezanson, Clairmont, Demmitt, Dimsdale, Elmworth, Goodfare, Huallen, La Glace, Teepee Creek, Valhalla Centre, and Wedgewood with populations ranging from 30 to 5,000, and several country residential communities. County operations are based out of the Hamlet of Clairmont approximately 60 kilometres from Hythe. The county's Community Standards Bylaw, Bylaw 3098, regulates standards throughout the county, both rural and urban areas including hamlets, for safety, health, welfare, nuisances, and livability. The bylaw, in addition to other county bylaws and policies, is available on the county website at: [www.countygp.ab.ca](http://www.countygp.ab.ca).

## Municipal Performance Indicators

Alberta Municipal Affairs has established a set of indicators intended to measure specific aspects of municipal governance, finance, and community. Each indicator has a defined benchmark. The benchmarks are rules of thumb that set a general level of acceptable risk. A municipality may have unique circumstances or alternative strategies that justify a different result.

If a municipality does not meet the criteria for being “not at risk”, it does not necessarily mean there is any cause for concern; however, the municipality is encouraged to review the circumstances giving rise to the indicator results to ensure it is not exposed to potential or emerging risks. An exception to an indicator benchmark does not indicate fault or mismanagement on the part of the municipality; an indicator may be triggered by events that are beyond the control of council and administration, or may result from circumstances that are being effectively managed by the municipality.

Based on 2019 financial, governance, and infrastructure information, the Village of Hythe did not trigger any of the municipal indicators. The previous year 2018, the Village of Hythe had triggered one of the eleven non-critical indicators, interest in municipal office. This measure was triggered as a result of the vacant position on council being filled in 2018 through acclamation and not by an election.

An overview of the village's 2019 performance on the total thirteen performance indicators is provided in **Appendix B Performance Indicators**.

## Village of Hythe Viability Review

### Initiation of Review

In April 2020, the Village of Hythe council passed a resolution to request that the Minister of Municipal Affairs undertake a viability review for the village.

Upon receipt of council request for a viability review, the *Municipal Government Act* gives the Minister the choice of proceeding with a viability review or if warranted, another process. In May 2020, the Minister decided to undertake a viability review for the Village of Hythe. A decision by the Minister to undertake a viability review is significant and may lead to a permanent change for the residents and property owners.

### Village of Hythe Viability Review Report

The ministry led the development of the Village of Hythe Viability Review Report with support from the village and the County of Grande Prairie. In addition to the councils and administrations

of the village and county, the four associations, the Rural Municipalities of Alberta, the Alberta Urban Municipalities Association, the Alberta Rural Municipal Administrators Association, and the Local Government Administration Association of Alberta, reviewed and provided input to the viability review report.

### **Village of Hythe Viability Review Report**

This report assesses the Village of Hythe's viability by considering seven broad areas:

- **Sustainable governance** - addresses council practices and procedures, compliance with legislation, citizen engagement, and strategic planning.
- **Administration and Operations** - addresses the municipality's to operate on a daily basis and implement council decisions.
- **Finances, Assessment & Taxation** - addresses the municipality's capacity to generate and manage revenues (including property tax assessment and collection of taxes) sufficient to provide for necessary infrastructure and services now and in the future.
- **Infrastructure** - addresses the municipality's capacity to manage its infrastructure effectively and efficiently.
- **Services** - addresses the municipality's capacity to provide essential services that meet public expectations and applicable regulated standards.
- **Regional cooperation** - addresses the municipality's approach to collaboration with neighbours for the benefit of the community and the region.
- **Community well-being** - addresses characteristics that contribute to the vitality of the community and the long-term viability of the municipality.

For each of the seven areas, the remainder of the report provides:

- a general introduction to the topic,
- a description of the current state of the Village of Hythe in that area,
- an indication of what may change or stay the same, and recommended actions for council and administration to promote viability should Hythe continue as a village; and
- an indication of what may change or stay the same if Hythe becomes a hamlet in the County of Grande Prairie.

Ultimately, what may change or stay the same if Hythe becomes a hamlet would require future decisions to be made by the County of Grande Prairie council going forward after the dissolution of the village.



# Sustainable Governance

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## Sustainable Governance

Municipal governments consist of a council as the governing body of the municipal corporation and the custodian of its legislative powers under the authority of the *Municipal Government Act*.

Council sets the overall direction of the municipality, exercising the powers of the municipality through decisions at council meetings to create and review policies and programs.

Council is comprised of councillors that represent the electorate in the municipality. The chief elected official (CEO), also known as the mayor or reeve, may be elected at large by the electorate or chosen by the councillors at the first organizational meeting following the election and annually at subsequent organizational meetings. Nominations for (mayor and) council open in January of the year of the general municipal election.

Council defines the policies and direction that municipal administration will put into action. To do so, council passes bylaws, adopts policies, and establishes budgets; raises revenue through property and business taxes, borrowing, and setting fines and fees for services; adopts plans for the use and development of land; and provides services required or desired by residents. In addition, council is responsible for anticipating challenges and recognizing the opportunities that the village may face through the development and implementation of long-range plans.

## Current State & Progress to Date

Hythe residents are represented by a five-member council nominated from and elected by village electors. Council appoints the mayor at the annual organizational meeting.

Mayor Brian Peterson was elected to his first term on the village council in October 2017. Council appointed him mayor that year and at subsequent annual organizational meetings. Councillors Craig Hewitt, Edward Smith, and Bill Guise were elected to their first term on council in October 2017, and Councillor Sandra Miller was elected to her first term on council in a by-election in 2018.

Council meetings are held every second and third Monday of the month starting at 5:00 p.m. in the public meeting room of Glas House, Hythe. When a council meeting falls on a statutory holiday, the meeting is held on the Monday of the following week. In the months of July and August, council holds only one meeting per month. The dates of council meetings are set at the annual organizational meeting.

In addition to choosing the mayor, council appoints councillors to council committees and to represent the village on regional boards and committees during the annual organizational meeting.

Council and council committee meetings are open to the public and follow village Bylaw No. 542, Code of Conduct for Council. The village council has chosen to hold council meetings in person and not to hold virtual meetings during the COVID-19 pandemic.

## Did you know?

The legal framework and authority for local government in Alberta is the *Municipal Government Act (MGA)* and the *Local Authorities Election Act (LAEA)*.



# Sustainable Governance

Funding for councillors' professional development has been limited. Annually, council budgets for one or two councillors to attend the annual Alberta Urban Municipalities Association annual convention. Through regional cooperation and working together to find efficiencies, council and staff participate in training with neighbouring municipalities when financially feasible.

The village conducted a bylaw review in 2020 and is in the process of posting current bylaws to the new municipal website.

Policy updates and development continues regularly as new requirements arise and upon council approval are adopted for implementation.

The village completed a strategic plan in March 2019. The plan sets out Hythe's overall vision and provides guidance on the priorities and required actions. The priorities described in the plan are:

1. Community engagement and communication,
2. Infrastructure development,
3. Residential development,
4. Business development,
5. Building our community, with
6. Focus on culture and recreation.

The village has accessed provincial grant funding to develop a municipal development plan and to update the village's land use bylaw. The village put these projects on hold until the outcome of the viability review is known.

The village and county have requested the Minister grant a time extension until April 1, 2022, for completion of their Intermunicipal Collaboration Framework (ICF) until the outcome of the viability review is known. An ICF is a document that reflects the agreements between municipalities with common boundaries on how services are provided and funded in their respective municipalities, including and shared services. If dissolution occurs, an ICF between the county and the Hamlet of Hythe would not be required. In April 2020, the village and county informed the Minister that they had mutually decided to opt out of an Intermunicipal Development Plan (IDP) between the two municipalities.

In compliance with the *Municipal Government Act*, the village has approved long-term financial plans: a three-year operational plan and a five-year capital plan.

The village council and administration shares information and engages with the community through multiple mediums including the village website, Facebook, newsletters, attachments to utility and tax invoices, local newspaper, town hall forums, and posters.

## Options Comparison



### Option 1: Remain a Municipality

#### Council Representation

Village council will continue to consist of five members elected at large by village residents



### Option 2: Become a Hamlet

#### Council Representation

There are nine County of Grande Prairie councillors representing different electoral divisions. At the annual organizational





# Sustainable Governance

and the mayor will be chosen by council at the annual organizational meeting.

Councillors would follow the village's Code of Conduct Bylaw 542.

Council members would continue to be appointed to various boards and committees in accordance with village policy, to represent the interests of village residents.

Village electors would vote in the village election and be eligible for nomination and election to council.

## Council Meetings

Dates and times of regular council meetings are not anticipated to change.

## Public Participation

Residents would continue to have the opportunity to engage on municipal issues in accordance with the village's Public Participation Policy No. 2019-10-07.

## Councillor Training

Council would continue to allocate funds for councillor training during the annual budget process. Councillors would continue to participate in training sessions provided in the region including orientation training following a general municipal election.

meeting, one of the county councillors is appointed Reeve.

Council members are appointed to various boards and committees to represent the interests of all county residents, which would include Hythe residents.

The Hamlet of Hythe would become part of the County of Grande Prairie Division 7. Residents of the hamlet would vote in municipal elections for the Division 7 councillor and be eligible for nomination and election as the Division 7 councillor to county council.

## Council Meetings

The county's regular council meetings are held twice per month on Mondays, starting at 10:00 a.m. The county's Committee of the Whole meets monthly on the last Thursday of the month, starting at 10:00 a.m.

The council's meeting schedule for the upcoming year is reviewed and approved by council at its annual organizational meeting.

All council and council committee meetings must adhere to the county Procedural Bylaw No. 3119, which is available on the county website.

## Public Participation

The county's public participation policy (available on the county website) establishes clear processes and guidelines for future interaction with a wide range of stakeholders in county decision-making and on the delivery of policies, programs, projects, and services, where public participation is beneficial.

The accompanying strategy guides staff and council through a consistent process for the design and implementation of customized participation plans; and the toolkit has methods and formats to ensure effective participation and a process for implementation and evaluation of the strategy.

## Councillor Training

Councillors are encouraged to participate in various sessions, classes, and workshops to assist them in leading the county and in being appraised of the latest developments on relevant issues and topics of importance for the county. The county includes funds for training, conferences, and workshops in its annual budgets.



# Sustainable Governance

## Bylaws and Policies

The village will continue its work to ensure bylaws are published on the village website.

## Long-Term Planning

The council will continue to be responsible for setting and following long-term plans for the village.

The village will need to create an ICF in partnership with the county.

## Bylaws and Policies

Existing village bylaws will remain in force for Hythe until the county repeals or replaces them with a county bylaw pursuant to the *Municipal Government Act* Section 135.

There are various regulatory bylaws in the Village of Hythe that may not be enforceable in current form or do not align with the county's bylaws including village bylaws that address cannabis consumption, burning and fire pits, snow removal, false alarms, and community standards.

The county will review all Hythe bylaws, incorporate what is appropriate into the county bylaws, and repeal other Hythe bylaws to ensure consistency for all county hamlets.

## Long-Term Planning

The county council updates its strategic plan annually. A corporate business plan is updated annually by administration to align with the strategic plan.

Annually, the county completes and updates its 3-year operational and 5-year capital financial plans.

The county updates its municipal development plan regularly (at least every five years) and has an IDP with the City of Grande Prairie. The county also has multiple ICFs with neighbouring municipalities as required by the *MGA*.

It is expected that the county's strategic, planning, and budgeting documents will be updated to include Hythe.

## Recommended Actions for Option 1

- ☐ **Recommended Action 1:** Council should develop a long-term action plan to address the viability of the village and implement the recommendations of the Village of Hythe Viability Review Report. The action plan will identify the actions required to address each recommendation and the timing of initiation and completion of each action.
- ☐ **Recommended Action 2:** Council must create an ICF with the County of Grande Prairie.
- ☐ **Recommended Action 3:** Council should continue to support councillor training and consider participation in the Elected Officials Education Program, offered by Alberta Urban Municipalities Association.





# Administration & Operations

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## Administrative Capacity

Municipal administration implements the policy and directions of council. Councillors, including the mayor or reeve, are not permitted to undertake administrative functions. All municipalities in Alberta must appoint a CAO who has overall responsibility for the operations of the municipal corporation.

The CAO advises and informs the council on the operations and affairs of the municipality and implements, or directs staff to implement, policies and programs. Many administrative functions require specialized training, skills, or certification. Investing in professional development and training of the CAO and staff is central to effective municipal operations and service delivery.

Diverse functions for the administration of a municipality include: general administration (implementing policies and procedures), governance processes (supporting council), property assessment and taxation, budgeting and accounting, payables and receivables, audit and legal functions, risk management, occupational health & safety (OH&S), public relations, election processes, and public works (such as maintaining water and wastewater systems).



## Current State & Progress to Date

Unless otherwise posted, the village office is open Monday to Friday from 8:30 a.m. to 4:30 p.m. The Village of Hythe's working alone policy requires two staff members to be on site in the administration building for the office to be open for walk-in traffic. Staff work times are scheduled to meet this requirement.

The village CAO performs all administrative functions of the village including hiring, supervision, and evaluation of village staff. The CAO has worked for the village for over 1.5 years in the position of CAO. On average, the CAO works 50 hours per week. The public works foreman has worked for the village for the past two years and carries out duties such as building and grounds maintenance and operation of the water and sewer services.

The village employs two full-time staff, including the CAO, and three part-time staff in the village office, including the FCSS Director; and three full-time public works staff, the public works foreman and two combined water/wastewater/public works operators. In addition, the village hires seasonal staff and up to two students in the summer months, dependent on grant funding availability. The village has approved job descriptions for all staff positions.

The village contracts snow haulage services, if needed after heavy snowfalls, and major large-area mowing from a local company; and a number of services from the County of Grande Prairie including bylaw enforcement and safety codes services.

The village's comprehensive OH&S program was completed in February 2020. Two staff members, one primary and one secondary, share the role of OH&S coordinator.



# Administration & Operations

Council budgets under \$5,000 annually for staff training, attendance at conferences, and associated travel. Training for administrative and public works employees is approved based on need to enhance the staff's skill set. Currently, the village is supporting two public works staff to acquire required safety tickets, as well as water and wastewater operation certification. From time to time, the village office is closed to the public for staff training that will benefit all staff.

The village communicates with residents and other stakeholders as outlined in the village's public participation policy. The village communicates, shares information, and engages in two-way communication with the community through multiple mediums including the village website, Facebook, newsletters, attachments to utility and tax invoices, local newspaper, town hall forums, and posters.

## Options Comparison



### Option 1: Remain a Municipality



### Option 2: Become a Hamlet

#### Chief Administrative Officer

The village council will continue to be responsible for the employment and evaluation of a CAO to oversee the administration and operation of the village.

#### Municipal Staff

The village will continue to determine staffing requirements and ensure appropriate staffing for village programs and services.

Council would continue to allocate funds for staffing and staff professional development, including education, training, and attendance at relevant conferences during the annual budget process.

#### Office Buildings and Hours

It is not anticipated the village's office hours would change.

#### Chief Administrative Officer

Administration and operation of the hamlet of Hythe will be overseen by the county CAO working in the office located in Clairmont.

#### Municipal Staff

The county CAO will be responsible for the management of the hamlet of Hythe along with the rest of the county. The county's diverse team of over 300 employees will provide municipal administration and operations services in the same manner as currently provided throughout the county.

Records and liabilities associated with village employees and service contracts will be transferred to the county.

Along with comprehensive benefits, the county provides various supports for professional development, including educational courses, seminars, and conferences. The county's personnel policies can be accessed on the county website.

#### Office Buildings and Hours

The county will provide services to Hythe residents from its administration, community services, and public work buildings in the hamlet of Clairmont, which are open Monday to Friday from 8:30 a.m. to 4:30 p.m.

Ownership of the village office and library building would transfer to the county. County



# Administration & Operations

## Enforcement Bylaws

The village would continue to contract bylaw enforcement services from the County of Grande Prairie, allocating funds during the annual budget process.

## Risk Management and Occupational Health and Safety (OH&S)

The village will continue to focus on the health and safety of workers through active utilization of the village's comprehensive OH&S program that ensures compliance with provincial safety standards, including safety code and occupational health and safety requirements.

## Communication

The village will continue to communicate with residents, in accordance with its public participation policy that includes:

- Quarterly newsletters (online/mail-out)
- Social media
- Village website
- Public meetings and town hall forums
- Local newspapers
- Flyers/posters
- Media releases

## Funding for Village Operations

The village would continue to be eligible for provincial grant funding allocations for municipalities.

The village may have to consider an increase in property taxes, taking on additional debt, and other revenue sources to fund the village operations.

administrative services would not be provided from this location.

The county would determine the feasibility of maintaining a public works shop in Hythe.

## Enforcement Bylaws

The county's bylaws are enforced by the county's enforcement services department.

The department consists of a patrol unit, bylaw unit, and an RCMP enhanced policing unit. The bylaw unit consists of both bylaw enforcement officers and animal control officers.

## Risk Management and Occupational Health and Safety (OH&S)

The county will update its OH&S policies and practices to include Hythe.

The county's health and safety policy and risk management control policy can be accessed on the county's website.

## Communication

The county uses a variety of different tools to keep residents informed and engaged, including:

- Social media
- County website
- Newsletters – mailed and online
- Letters and other mail-outs
- Face-to-face interaction, including public events like tradeshow and open houses, as well as public engagement, consultations, and meetings
- Radio, newspaper, and digital advertising
- Media releases and traffic advisories

## Funding for Transition to a County Hamlet

The county's provincial operational grant allocation would increase to include Hythe allocations.

According to the 2020/21 guidelines for the Alberta Community Partnership grant, the county would be eligible to receive approximately \$250,000 in additional funding from the province for transitional projects related to integrating the administration,



# Administration & Operations

governance, and legislation of Hythe into county operations.

## Recommended Actions for Option 1

- ☐ **Recommended Action 4:** Council should continue to consider funding to meet staffing requirements of village services and programs in the annual operating budget.



# Finances, Assessment & Taxation

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## Municipal operating plans, annual budgets, and audited statements

The municipal fiscal year is from January 1 until December 31. Municipalities must prepare three-year operating and five-year capital plans for future years in addition to adopting annual operating and capital budgets for the current year that show their anticipated expenditures and revenues. Municipal revenues must be sufficient to cover expenditures.

At year's end, municipalities must prepare annual financial statements for audit by an independent council appointed auditor. Municipalities must submit their audited financial statements to Municipal Affairs and make them publicly available in May of the following year.

Filing of audited financial statements with the ministry is a performance measure calculated annually for all municipalities. Filing after the May due date triggers one of the municipal risk indicators.

**Municipal Expenditures** Overhead municipal costs include per diems and salaries of council and administration, as well as a number of general costs such as postage, telecommunications, advertising, memberships, audit, legal, consulting, insurance, property assessment, office maintenance and utilities, and bank charges. These baseline costs are required for effective local governance. However, even with prudent cost management, baseline costs can consume a significant proportion of revenues, particularly in smaller municipalities where the costs cannot be spread out among a larger base of residences and businesses.

Core services such as utilities and roads are a significant expense due to the cost of required infrastructure. Significant one-time costs to replace failing infrastructure for core utility services may impact the ability to fund other municipal services such as fire suppression, snow removal, parks and recreation, and community events.

**Municipal Revenues** Each year, municipal councils determine the desired level of services and the revenues required for municipal services and operations. Revenue sources may include non-tax sources such as user fees (including utility fees), franchise fees paid by utilities providers to access municipal land, and federal and provincial grants. Unexpended grants are reported as deferred revenue and must be expended for the purpose they were received. After non-tax revenues are deducted, the remainder is the revenues required through property taxes.

**Debt:** Short-term borrowing provides a municipality with adequate working capital to meet annual operational requirements in any year until property taxes are collected. Non-collection of taxes in any year may exasperate the need for short-term borrowing in the first six months of the following year.

### Did you know?

All municipalities have a 'baseline' cost for operating that includes costs for keeping the municipal office open and attracting and retaining qualified staff. Municipalities with a lower tax base to raise revenues must first allocate budget towards these baseline costs and may not have the revenues to fund the full extent of municipal services desired by residents.



# Finances, Assessment & Taxation

**Assessment and Taxation** Property assessment is the process of assigning a dollar amount to property, based on the market value of the property, and is used to determine the amount of taxes to be paid on each property. Set annually by bylaw, the municipal tax rate is generally expressed as the amount of taxes per \$1,000 of assessed value of the property (or mills). Despite the tax rate, the property tax bylaw may specify a minimum amount payable as property tax. Municipalities can also choose to impose special taxes and local improvement taxes on property in any area of a municipality to fund a service or project that will benefit that specific area.

The ability of a municipality to collect property tax is a performance measure calculated annually for all municipalities. A municipality that is able to collect 90 per cent or more of current property taxes and use those funds to meet budgeted commitments is considered to be “not at risk”. Those collecting less than 90 per cent may be at risk and should review the legislated tax recovery process that enables municipalities to collect tax arrears.

In addition to non-tax revenues, property and special taxes, municipalities may also borrow up to their debt limit, which is set at 1.5 times the amount of municipal revenue.

The *Municipal Government Act* legislates assessment and taxation of properties in Alberta municipalities. Some properties are assessable but not taxable. Properties excepted (in whole or in part) from taxation include: most farm residencies and improvements, municipal and school reserves, government properties such as hospitals, libraries, and schools; colleges and universities; churches and cemeteries; property owned by housing authorities and by some non-profit organizations.

**Municipal Property Tax Recovery Process** Municipalities rely on the collection of property taxes to provide services, to make improvements to their infrastructure and to meet their financial obligations. The provincial government recognizes municipalities’ reliance on property tax revenue. To ensure that everyone who is required to pay municipal taxes does so, the province passes legislation that ensures the municipality can collect the taxes that are due. If attempts to collect overdue taxes from assessed persons are unsuccessful, the process enables a municipality to sell a property by auction to recoup the property taxes. If a property does not sell, the municipality may transfer title to the municipality.

**Grants in Place of Taxes** assist municipalities in the cost of providing municipal services. Although Crown-owned properties are exempt from assessment and therefore exempt from taxation, the Province of Alberta provides a grant in place of property taxes on many of these properties. Approximately 170 municipalities receive grants in place of taxes for 6,600 Crown properties.

**Requisitions** In addition to municipal property tax, municipalities are required to levy taxes to pay the Alberta School Foundation Fund (provincial education taxes) requisition, a management body requisition for lodge accommodation (senior housing), and the designated industrial property (DIP) requisition to fund the costs related to the assessment of DIP property.

**Tax Installment Payment Plans** Municipal payment plans allow for the payment of property taxes in 12 monthly installments without incurring tax penalties.

## Current State & Progress to Date

**Multi-year Financial Plans** In addition to 2020 operational and capital budgets, the village created mandatory three-year operating (2021-23) and five-year capital (2021-25) plans in 2020.





## Finances, Assessment & Taxation

According to the village's 2020 tax rate bylaw, the village's municipal budgeted expenditures in 2020 (excluding amortization costs) totaled \$1,971,785.

In the three-year operating plan 2021-2023 approved by council in spring 2020, the village forecast that the property tax mill rate would need to increase annually by nine per cent (27 per cent in total) over years 2021 to 2023 to fully fund expenditures associated with current services, programs and infrastructure deficit. The village considers this is as an optimistic calculation based on potential projected recreation and transportation cost-sharing hoped for through an agreement in the ICF with the county. To date the village and county have not finalized an ICF.

Multi-year financial plans are living documents subject to change in subsequent years, based on the needs at the time. In 2021, the village will adopt operational and capital budgets plus multi-year operating and capital plans based on the financial plans from the previous year.

The village has passed an interim six-month budget for 2021 based on revenues and expenditures similar to those in the 2020 budget. Prior to passing the 2021 tax rate bylaw, the village will finalize the budget for 2021 and create a three-year operating plan for 2022-2024 and five-year capital plan for 2022-2026.

Following receipt of the 2021 Hythe infrastructure audit, the village forecasts that to fully fund the operational and capital plans proposed by the engineer in the audit, the total 2021 budget would increase by 150 per cent over the previous year's budget (2020). This increase includes an operational budget increase of 14 per cent. The village further forecasts an increase in operational expenses of 12 per cent in 2022, and possibly a further 12 per cent in 2023. According to the village, these increases do not allow for allocation of funds to reserves for future years or emergent needs.

**Audited Financial Statements** Municipalities are required to submit year-end financial statements and financial information returns to Municipal Affairs by May 1 of the reporting year. The most recent audited financial information available for the village are the 2019 audited financial statements. In 2020, the legislated due date for submission of 2019 financial information was extended to October 1, 2020 in recognition that municipalities may not be able to comply with the May 1 date due to the COVID-19 outbreak. The Village of Hythe filed its 2019 financial information in June 2020. The 2020 audited financial statements should be submitted to Municipal Affairs by May 1, 2021.

The Consolidated Statement of Operations and the Consolidated Statement of Financial Position, taken from the village's 2019 audited financial statements, are provide in **Appendix D**. The complete 2019 audited financial statements are available for review at the village office.

According to the village, the village does not budget for amortization of tangible capital assets due to insufficient funds. In 2019, the amortization was approximately \$230,000 according to village's audited financial statements.

In future years, the village's financial obligations as a member of the municipally controlled corporation, established for the fiber optic services, would be captured as an asset in the village's financial statements.

**Federal and Provincial Grants:** Grant revenues, not expended in the year received, are listed as deferred revenue in the audited financial statements, must be expended on future capital infrastructure projects, and cannot be used for the day-to-day operation of the village.



## Finances, Assessment & Taxation

Historically, the village has funded major capital projects solely from provincial and federal grants. As of December 2019, the village had capital grant funding (deferred revenue) of \$468,968 (Municipal Sustainability Initiative - Capital \$238,256 and Federal Gas Tax Fund of \$230,712) available to fund capital projects in future years.

Following the completion of a road project in 2020 the majority of the deferred grants were expended. In 2021, the village plans to use the balance of deferred grant revenues, approximately \$200,000, for a road project.

**Debt/Borrowings:** As of December 31, 2019, the village's total debt was \$299,795 with annual payments of \$22,655 at a rate of 4.085 per cent ending in 2036; leaving the village with an unused debt limit of \$2,487,958 and unused annual debt service limit of \$442,271.

The debt reported in the 2019 audited financial statements was incurred as a result of an agreement between the village and the owner of a non-residential property owner to fund a sewer line to the business property. The repayment is made through non-payment of property taxes over 26 years from 2011–2036.

In 2020, the village incurred additional long-term debt amortized over 30 years: \$450,000 for road programs, and \$450,000 for the fiber optics core line infrastructure. Annual debenture payments of \$20,468 for the road program will be funded from general revenues (property taxes). Designed as a cost-recovery project, the village expects revenues from distribution fees to fund debt servicing for the fiber optics infrastructure.

According to the village, it is experiencing an increase in costs associated with emergent repairs and maintenance on aged infrastructure. These costs are somewhat unpredictable and placing additional pressure on the village's operating budget. As a result, for the first time in over 25 years, the village council approved in July 2020, a short-term borrowing bylaw enabling the village to borrow up to \$645,000 from time to time to cover operational expenditures. This action was prompted by uncertainty associated with the impact of the health pandemic on the ability of owners to make property tax payments.

If the village extends its debt, the annual payments (debt servicing) could be funded through additional property taxes, utility fees and other fees for services.

**Assessment and Taxation:** The *Municipal Government Act* legislates for all Alberta municipalities which properties are assessable and which of those assessed properties are taxable. According to the village, there is a high proportion of properties, 38.9 per cent, in the village that are not subject to taxation. These properties include schools, senior housing, utility systems, churches, and other village, provincial, and federally owned property. There are no properties in the village eligible for Grants in Place of Taxes program funding.





## Finances, Assessment & Taxation

The following table compares the population, number of dwelling units, and the per cent of non-taxable assessed properties in Hythe and the neighbouring municipalities. As indicated in the table, Hythe has the highest per cent of non-taxable properties.

Municipality	Population	Dwellings	Non-taxable
Village of Rycroft	612	260	15.6%
Town of Spirit River	995	456	30.9%
Village of Hythe	827	326	38.9%
Town of Wembley	1506	609	23.2%
Town of Beaverlodge	2,465	1161	17.3%
Town of Sexsmith	2,620	991	23.1%

The village set the 2020 general municipal residential property tax rates at 8.2390 mills and non-residential property tax rates at 18.1272 mills. This equates to a property tax levy of \$8.24 and \$18.13 respectively for each \$1,000 of assessed property value. The average assessment per dwelling unit is approximately \$131,550, resulting in an average municipal property tax of approximately \$1,083 per dwelling unit.

In the 2020 tax rate bylaw, the village estimated all non-tax revenues and transfers for the year to be \$977,273 and in order to fund the total budgeted expenses of \$1,971,785 that the balance of \$994,512, inclusive of requisitions, would be raised through municipal taxation.

In addition to the municipal tax rate, the village set minimum municipal property tax levies of \$750 on residential property, \$1000 on vacant residential property, \$850 on non-residential property, and \$1,500 on vacant non-residential property.

Inclusive of minimum property taxes, the village estimated revenues from municipal taxes for village operations to be approximately \$803,000.

A comparison of the total 2020 municipal property taxes plus the Alberta School Foundation Fund and Grande Spirit Foundation requisitions levied by the village on a property assessed at \$131,556 (average assessment) and the property taxes that would have been levied by the County of Grande Prairie on the same property, if Hythe had been a hamlet in the county, can be found in **Appendix E: Property Tax Comparisons** section of this report.

**Tax Collection:** Money collected from property taxes provides operating funds for the village to operate over the next twelve-month period until property taxes are collected the following year. The collection of less than 90 per cent of current property taxes in any year indicates a municipality might be at risk.

As indicated in **Appendix B: Performance Indicators**, the village collected 93.07 per cent of current taxes in 2019 having collected 93.66 per cent in 2018 and 93.26 per cent in 2017 above the 90 per cent threshold of the Performance Indicators target for collection of taxes. Many small villages experience particular difficulty in collecting taxes if the rate exceeds 13 mills.



# Finances, Assessment & Taxation

The village reports, the rate of tax collection rate dropped to 89 per cent having calculated that 11 per cent of municipal taxes were uncollected as of December 31, 2020.

As of January 18, 2021, village records indicate \$92,074 in outstanding property taxes for the previous year, 2020, plus accumulated tax arrears for prior years resulting in a total of \$169,599 in property taxes owed to the village. This amount equates to over 20 per cent of the total amount the village budgeted to raise in property taxes (\$803,000) for municipal operations in 2020, and over eight per cent of the budgeted expenditures (\$1,971,780) for that year.

In 2019, the total mill rate on residential properties in the village was 10.88545; and in 2020, 10.9524.

According to the village, economic factors and rising property tax rates may be contributing factors to an increasing delinquency in property tax payments.

**Tax Recovery:** The village reports that properties that have sold at tax auction have sold for less than the amount of property taxes owed on the property; for those properties that the village took ownership off, property taxes have not been recovered and there have been additional costs to the village associated with the demolition of buildings and clean-up of sites.

**Tax Penalties:** The village tax due date is July 31. The village levies a tax penalty of 18 per cent on outstanding taxes on August 1; and 18 per cent on all unpaid taxes on January 1 of the following year. In 2020, the council approved a tax penalty waiver for residential and non-residential property taxes if they were paid by August 31, 2020 in consideration of the COVID health pandemic.

**Tax Installment Payment Plan:** The village tax payment plan is calculated over the 12-month period January to December. To participate in the program, property taxes must be at a zero balance as of December 31 of the prior year. Payment may be made by post-dated cheques or a pre-authorized debit agreement.

**Appendix D: Financial Position:** provides an overview of the village's revenues and expenses as of December 31, 2019 in the consolidated statement of operations in the village's 2019 audited financial statements.

## Options Comparison



### Option 1: Remain a Municipality

#### Financial Position

All existing assets and liabilities will remain with the village.

The village council will continue to be responsible for raising sufficient revenues to provide for its operational and capital requirements and obligations.

With the rising costs of providing services, village residents may face increases in taxes and user fees, or reduction in service delivery



### Option 2: Become a Hamlet

#### Financial Position

As part of dissolution, all village assets will be transferred to the county. Assets include but are not limited to cash, investments, reserves, unexpended grants, buildings, infrastructure, vehicles, and equipment.

All money transferred from the village to the county and all money received from the sale of village assets must be used to reduce liabilities of the former village or for projects in



# Finances, Assessment & Taxation

in order for the village to have sufficient revenue to fund the estimated expenditures.

## Debt

The village will continue to be responsible for any incurred debt and the annual payments on the debt.

## Residential Property Taxes

The village will continue to set tax rates based on the village's annual budgets and requisitions.

In 2020, the total residential tax rate was 10.9524 mills:

- 8.2390 - general municipal mill rate
- 2.6650 - Alberta School Foundation Fund
- 0.0484 - Grande Spirit Foundation

In 2020, the village levied a minimum tax of \$750 on developed residential and \$1,000 on vacant residential.

## Non-Residential Property Taxes

The village will continue to set tax rates based on the village's annual budgets and requisitions.

In 2020, the total non-residential tax rate was 21.9756 mills:

- 18.1272 - general municipal mill rate
- 3.8000 - Alberta School Foundation Fund
- 0.0484 - Grande Spirit Foundation

In 2020, the village levied a minimum tax of \$850 on developed non-residential and \$1,500 on vacant non-residential.

the new Hamlet of Hythe and must be accounted for separately.

The costs of providing services to Hythe will be included in the county budget.

## Debt

The Order in Council dissolving the village may include a provision authorizing the county to impose an additional tax on Hythe properties to meet obligations under any borrowing made by the village prior to dissolution.

## Residential Property Taxes

County tax rates will apply.

In 2020, the total residential tax rate was 6.6039 mills:

- 4.0450 - general municipal mill rate
- 2.4838 - Alberta School Foundation Fund
- 0.0451 - Grande Spirit Foundation

Minimum tax on all properties \$150

The county may also impose additional taxes on properties in Hythe to fund programs, services, and infrastructure projects that benefit Hythe exclusively.

This is the county's practice in other county hamlets.

## Non-Residential Property Taxes

County tax rates will apply.

In 2020, the total residential tax rate was 6.6039 mills:

- 13.5810 - general municipal mill rate
- 3.8000 - Alberta School Foundation Fund
- 0.0451 - Grande Spirit Foundation

Minimum tax on all properties \$150

The county may also impose additional taxes on properties in Hythe to fund programs, services, and infrastructure projects that benefit Hythe exclusively.

This is the county's practice in other county hamlets.



# Finances, Assessment & Taxation

## Budgets and Tax Rate Bylaws

Annually, the council will continue to set operating and capital budgets for the village; and approve a tax rate bylaw.

The council forecasts that to fully implement the operational and capital plans in the infrastructure audit, the combined village budget would increase by over 150 per cent in the first year.

According to the village, property taxes are expected to increase significantly to meet the requirements of the village's infrastructure deficit.

The council will need to prioritize the identified operational and capital projects deferring some to be completed in future years in order to achieve a balanced budget between costs and available revenues.

Hythe property owners can anticipate an increase in property taxes.

## Tax Due Dates and Penalties

The tax due date would be July 31.

The village levies tax penalties according to county Bylaw 315:

- 18 per cent on outstanding taxes on August 1; and
- 18 per cent on all taxes January 1 the following year.

## Tax Installment Payment Plan

There are no anticipated changes.

The village will continue to encourage ratepayers to enroll in the monthly payment plans for both property taxes and utility fees. The village accepts payments through various methods including:

- Preauthorized withdrawals;
- Post-dated cheques;
- Financial institutions;
- Receipt of payment at the village office.
- Online debit or credit card (fee applies)

## Budgets and Tax Rate Bylaws

Property taxes owed to the village at the time of dissolution will be owed to the county. If the village passes a tax rate bylaw prior to the date of dissolution, then Hythe property owners will owe the taxes levied in the village's 2021 tax rate bylaw.

If the village has not passed a tax rate bylaw prior to the date of dissolution, then the county will be responsible for including Hythe in the county's operating and capital budgets.

Hythe properties would be subject to the municipal mill rates in the county's 2021 tax rate bylaw. Hythe property owners can anticipate additional special or local improvement mill rates to fund projects identified in the 2021 infrastructure audit.

This means that the total mill rates on Hythe properties would be similar to, or more than, the village's current rates in order to fund the infrastructure deficit in the Hamlet of Hythe.

Hythe property owners can anticipate property taxes similar to, or more than, those currently levied by the village.

## Tax Due Dates and Penalties

County taxes are due June 30 or the last business day in June.

The county levies tax penalties according to county Bylaw 3095:

- 3 per cent on current taxes on July 1;
- 12 per cent on current taxes November 1.

## Tax Installment Payment Plan

County property owners that do not have tax arrears can sign up for the county's Tax Installment Payment Plan (TIPP).

County Bylaw 3095 describes the county's TIPP. The application form can be found on the county's website (property taxes information link). The deadline to apply is December 15<sup>th</sup>. Taxes cannot be in arrears by December 31<sup>st</sup> for the taxpayer to qualify for TIPP. TIPP payments are accepted in the following forms:

- preauthorized withdrawals;
- post-dated cheques; and
- through a banking institution



# Finances, Assessment & Taxation

## Tax arrears

The village will continue to be responsible for collection of outstanding tax balances and to implement the legislated tax recovery program.

## Tax arrears

Property taxes previously levied and owed to the village will be owed to the County of Grande Prairie. The county follows the tax recovery program and will continue any tax recovery proceedings initiated by the village.

## Recommended Actions for Option 1

- ☐ **Recommended Action 5:** Councillors should be encouraged to take financial training.
- ☐ **Recommended Action 6:** Council should continue to follow the process outlined in the *Municipal Government Act* for recovery of unpaid property taxes, including formalization of agreements with owners for payment of tax arrears.
- ☐ **Recommended Action 7:** Council should continue to ensure thorough communication on the financial health of the village and the impacts through a year-end report and other methods.
- ☐ **Recommended Action 8:** Annually, council should create balanced operational and capital budgets incorporating the findings of the 2021 infrastructure audit.
- ☐ **Recommended Action 9:** Council should develop and approve a 10-year capital plan based on council priorities and the recommendations in the 2021 infrastructure audit. The capital plan will identify the necessary projects, the timing of initiation and completion of each project, and the required funding for each project.
- ☐ **Recommended Action 10:** Council should review financial policies and develop an infrastructure reserve policy that distinguishes the types of reserves that exist and allocates money to these restricted reserve accounts for future capital projects.



# Infrastructure

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## Infrastructure and Asset Management

Municipal infrastructure includes the water system, wastewater system, roads and sidewalks, storm sewer drainage, parks, campgrounds and recreation facilities, and municipal buildings such as the municipal office or fire station. A municipality's ability to fund infrastructure costs for core services expected by residents is a crucial aspect of whether a municipality is financially viable.

Ideally, infrastructure is maintained and gradually replaced over time. Many municipalities across Canada have not historically invested in this asset management and are now facing high replacement costs for aging infrastructure. Replacing infrastructure can be funded from municipal reserves if the municipality has historically saved for these costs as part of the budget. If not, the municipality may choose to fund infrastructure with its debt limit and pay financing costs in the future, rather than using reserves saved in the past. Funding infrastructure through debt usually requires that the municipality have a sufficient tax base that can absorb additional costs of debt financing. Municipalities may also apply for provincial or federal grants to help cover costs of replacing infrastructure.

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. An asset management plan identifies asset management needs, establishes longer term financing means, and regularly schedules maintenance, rehabilitation, and replacement works for the long-term sustainability of the asset.

## Current State & Progress to Date

### Condition of Village of Hythe Infrastructure

The provision of municipal public works such as roads, water and wastewater lines, and emergency response requires significant physical infrastructure. Understanding the condition of the infrastructure and the future financial investments that will be needed to provide these services is key to municipal viability.

In 2020, the village council approved a 2020 capital budget, totaling \$1,853,000 and funded the projects in part with two debentures of \$450,000 each for a road project and installation of fiber optic cable throughout the village. The balance was funded with grant revenues and a 70/30 partnership agreement with GP Networks for installation of the fiber optic cable, with the village contributing 70 per cent.

At the same time, a capital plan for the subsequent five years (2021-2025) was approved for capital projects related to roads totaling \$1,229,542. Funding sources available to fund the projects include any remaining deferred grant revenues and future federal and provincial grants.

### Did you know?

According to a 2016 report by Canada Infrastructure, municipalities own 60% of Canada's core public infrastructure, and one-third of that is in fair, poor, or very poor condition. A decline in spending on public infrastructure through the 1970s and 80s means that municipalities now face higher costs to replace infrastructure.





# Infrastructure

## Infrastructure Audit

In recent years, 2014–2020, the village conducted several infrastructure related studies and assessments that identified the condition of the village’s assets including streets, sidewalks, water and wastewater systems, and village owned buildings.

In April 2020, the mayor shared, in a letter to the community, that the village estimated the cost of capital infrastructure needs, based on prior infrastructure reports, to be over 10 million dollars over the next five years.

In January 2021, the village contracted engineering services to update and prepare a summary of these studies in an infrastructure audit and develop a 10-year capital plan. At a special meeting held on February 8, 2021, the village council reviewed and accepted for information the Hythe infrastructure audit report and ten-year capital plan.

The audit identifies Hythe infrastructure being made up of approximately 8.5 km of roadway, with 7.0 km paved, 2.0 km of water main, 9.5 km of sanitary sewer, two water treatment/distribution facilities, one lift station, one operational wastewater treatment lagoon, one non-operation lagoon, four public service facilities, five recreational buildings/ facilities, one cemetery, and two non-operational landfills.

On average, all the existing assets were found to be in fair to poor condition, with the paved roadways being in the lowest condition on average. Based on condition, capacity, criticality, and risk ratings the audit identifies approximately 77 of the total 277 assets as requiring capital intervention in the next ten years, 2021 – 2030, at a total cost of \$14,211,371.

The following table lists the estimated costs, as identified in the audit, to upgrade the village infrastructure over the next 10 years.

Infrastructure	Estimated 10-year Costs
Buildings	\$2,436,250
Land	\$773,750
Roadway	\$7,103,323
Sanitary	\$3,133,676
Storm	\$110,000
Traffic Lines	\$18,000
Equipment	\$619,452
Sidewalks	\$16,920
<b>Total 10-year estimated costs</b>	<b>\$14,211,371</b>

The 2021 infrastructure audit provides the following details about the identified infrastructure projects and the associated costs.



# Infrastructure

**Buildings:** total cost over ten years \$2,436,250 projects include:

- Arena: water well, brine lines, fire safety system, ice plant, and building;
- Lift station: repair or replacement of wet well and a detailed study to determine operational capacity of current lift station;
- Well house #1 and #2: Well #1 pump replacement, and well #2 building replacement and installation of remote monitoring system;
- Curling rink; and
- Public works shop and storage in old fire hall.

**Land:** total cost over ten years \$773,750 projects include:

- Delineation of Hythe east and Spring Lake old landfill sites;
- Cell addition to sanitary lagoon – due to capacity issues during heavy rainfall events;
- Cleaning of operational lagoon;
- Completion of reclamation of old lagoon; and
- Other projects associated with:
  - Campsite
  - Cemetery
  - Parks and ball diamonds
  - Racetrack
  - Utility corridors

**Roadway:** total cost over ten years \$7,103,323 projects include:

- Rehabilitation of roadways within the village.

**Sanitary:** total cost over ten years \$3,133,676 projects include:

- Rehabilitation of sanitary sewer collection system, the majority, by slip-lining; and

**Storm:** total cost over ten years \$110,000 projects include:

- Measures to address northwest flooding.

**Traffic Lines:** total cost over ten years (in 2023) \$18,000

**Equipment:** total cost over ten years \$619,452 including

- Fire equipment;
- Public works equipment; and
- Campground play equipment.

**Sidewalks:** total cost over ten years (in 2030) \$16,920

**Appendix C: 10-Year Capital Plan** provides an overview of the 10-year capital plan developed by the engineer in the Hythe Infrastructure Audit, February 2021.

The infrastructure audit, 10-year capital plan, and prior infrastructure related studies and assessments (2014 – 2020) are available at the village office and posted on the village website at [www.hythe.ca](http://www.hythe.ca).





## Funding Infrastructure Projects

Municipal infrastructure requires replacement after a period of service. Municipalities typically carry out these replacements on an ongoing basis to spread out the associated costs. Over the five-year period (2015-2019), the village's capital spending was more than the depreciation of its assets indicating that the village has addressed infrastructure needs on a regular basis. According to the village's audited financial statements, the value of tangible capital assets increased from \$7,842,382, as of December 31, 2014, to \$9,980,566, as of December 31, 2019. An increase of \$2,138,182 over the five years equal to \$427,637 annually. The village funds the majority of costs associated with capital projects through federal and provincial grants.

According to the village, property tax revenue, grants, utility fees, franchise fees, and other sources of revenue are not adequate to contribute dollars to capital infrastructure projects. Funding for infrastructure projects is dependent on capital grants programs such as Municipal Sustainability Initiative (MSI) capital grant allocations, Federal Gas Tax Fund, and others as they become available.

The village's MSI allocations from the province during the program life, 2007 to 2019, total \$2,699,976. The village's MSI capital grant allocation from the province for 2020 was \$252,167.

The village anticipates a reduction in future grant funding based on the current provincial economic situation, and has projected future revenues estimates to receive approximately \$200,000 annually from provincial grants. The 2021/2022 MSI allocations have not yet been finalized by the provincial government.

According to the village's audited financial statements as of December 31, 2019, the village had \$468,968 deferred grant revenue available to fund future infrastructure projects. In 2020, the village reports it spent the majority of those funds and accumulated additional debt of \$900,000 in order to complete two new projects. The village estimates that as of December 31, 2020, approximately \$200,000 remained in deferred grant revenues to fund future projects.

## Options Comparison



### Option 1: Remain a Municipality

#### Long-term plans for operations and maintenance

It would be the responsibility of the village to develop and adopt a long-term asset management plan for Hythe to address the maintenance of existing infrastructure.

The plan should include the anticipated funding sources such as reserves, grants, property taxes, utility rates, and debt.

During its annual budget process, the village council would determine the maintenance projects to be completed that year and



### Option 2: Become a Hamlet

#### Long-term plans for operations and maintenance

Once the county has a full list of the Hythe's assets and their condition, the county will incorporate these into its asset management and other plans for county operations and maintenance, similarly to the existing process relevant to other county assets.

The funds will be allocated through the annual budget process based on needs and requirements at that time, subject to any restrictions upon dissolution.



# Infrastructure

incorporate them in the village's annual operating budget.

The infrastructure audit includes a 10-year infrastructure operational plan to assist the village determine annual maintenance and set annual operational budgets.

Potential funding sources for the estimated \$1.4 million in annual operating expenses include property taxes, government transfers for operations, franchise and concession contracts, and user fees and sales of goods.

Depending on a project, the county may apply local improvement levies to fund a project or a portion of a project in addition to franchise and concession contracts, and user fees and sales of goods.

Once approved in the budget, the projects will be completed in due course along with other current county projects, based on priority across the whole county.

## Capital Infrastructure Projects

The infrastructure audit includes a ten-year capital plan developed by the engineer based on the findings of the audit.

It will be the responsibility of the village to develop and adopt a long-term capital plan for Hythe based on the engineers report and to determine funding sources.

The council will need to prioritize the identified operational and capital projects, deferring some to be completed in future years in order to achieve a balanced budget between costs and available revenues.

## Capital Infrastructure Projects

The County of Grande Prairie will receive the village's infrastructure audit and previous studies.

It will be the responsibility of the county council to incorporate and prioritize capital projects identified in the Hythe 10-year capital plan into the county's capital plans for the county as a whole and determine how all county capital projects will be funded.

## Funding for Hythe Capital Projects

The village would continue to be eligible for provincial and federal grant funding allocations for municipalities.

In future years, the village will have to consider significant increases in property taxes, taking on additional debt, and other revenue sources to fund capital projects.

## Funding for Hythe Capital Projects

The county's provincial capital grant allocation would increase to include Hythe's allocations. The county would receive the village's grant entitlements (past and future) and would be eligible to apply for provincial municipal restructuring funding for projects in Hythe identified in the village's infrastructure audit.

According to the 2020/21 guidelines for the Alberta Community Partnership grant, the county would be eligible to receive approximately \$950,000 in additional funding from the province for infrastructure projects in Hythe.

The county has options to impose taxes on properties in Hythe to partially, or fully, fund projects.

This means that Hythe property owners can expect property taxes levied by the county to be at a similar or higher level than they are currently, with a significant amount being re-directed from administration to infrastructure to fund the Hythe infrastructure deficit.



# Infrastructure

## Recommended Actions for Option 1

- **Recommended Action 11:** The council should adopt the findings of the Hythe Infrastructure Audit, February 2021, and develop a ten-year capital plan for the village that includes proposed revenue sources balanced between property taxes, fees for services, borrowings, and grant revenues including both deferred and future grant funding.



# Services

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## Services

Under the *Municipal Government Act*, each municipality determines what services, such as water or paved roads, to provide. Council may consult residents in making decisions about what constitutes necessary or desirable services. Council must also consider the costs, including infrastructure and replacement costs, and the available revenue sources (e.g. utility fees and taxes) to finance those services.



Municipalities are not required to provide any specific services, but often provide services such as water and wastewater management, roads, fire protection, and waste management. Services such as water or waste management are provided more often in urban than in rural municipalities. Municipalities may also join with one or more municipalities to create a regional services commission that jointly provides water, wastewater, waste, emergency, or other services to its municipal members.

The effective delivery of services and the setting of utility rates (fees for service) based on a full-cost recovery model are crucial to the operations of a municipality. In addition to utility services, the municipality may also provide such services as emergency and fire, bylaw enforcement, and snow removal. These costs are often accounted for in the general municipal property tax rate rather than an associated fee-for-service.

## Current State & Progress to Date

**Water Services:** The village operates two small water treatment facilities that provide potable water to approximately 55 residential properties in the village from Well House 1 and 35 residential properties from the Willow Grove Well House. The village tests the wells for water quality to ensure health standards are met. In addition, the village operates a separate well at each of the following village facilities: administration building, old and new fire hall, arena, curling rink, spray park (former pool), and the public works shop. Properties are not metered for water usage.

The village currently contracts the monitoring and operation of the public water system. Two public works staff members are being trained to acquire their water operator certification in an effort to reduce costs.

The other, approximately 235 residential properties in the village operate and maintain their own or shared water wells.

According to the village, given the current situation, the ability for village provided water services to be cost recovery is not feasible today, or at any time in the foreseeable future, without an extensive infrastructure shift in the way water is delivered in the village, including the construction of a complete public water distribution infrastructure throughout the village and possibly new water wells or alternate water source.



## Services

**Wastewater System:** The village is responsible for the operation and maintenance of the wastewater collection system and the sewage lagoon. The village contracts oversight services. In fall 2021, the village will have two trained operators on staff. Contract services are required for emergency repair needs only, such as electrical, communication, and vac-truck. The wastewater collection system is brought to the property line of all properties in the village.

**Solid Waste Services:** The village contracts solid waste curbside bin collection services that are primarily provided to residential users. An annual spring cleanup is also provided, at no cost to residents, where large bins are setup for a two to three-week period to encourage beautification in the community.

**Utility Rates:** Costs associated with the provision of village utilities are passed on to users through utility rates.

The utility rates for wastewater and solid waste services are based on a cost recovery rate model for regular operations. Capital replacement and major capital improvement allowances have not been built into current utility rates, thus the system is not funded on a total cost recovery basis. Due to the high cost of providing water services, the village subsidizes costs (operational and capital) associated with this service to the 90 properties by approximately 70 per cent through general revenues and grant funding.

A best practice for municipalities is that utility rates include costs associated with capital projects including annual debt payments and monies to put aside in reserves for future projects, in addition to operational costs. The village has not been in a financial position to put funds in reserve for capital projects.

The village reviews utility rates annually during budget deliberations. Monthly utility rates were last amended in January 2020 in Bylaw #522. Following a review in December 2020, the village determined there would not be an adjustment to utility rates for 2021. The rates were increased in the three years prior. An institutional utility rate category was added in 2020.

**Road Maintenance and Snow Clearance:** The public works crew conducts the majority of snow removal and road maintenance duties. The village does not own a grader, so rents one from a local business owner on an as-needed basis for snow removal and road maintenance. Public works staff operate the grader. In the event of a heavy snowfall, the village contracts snow removal services as needed. The village contracts services for other road maintenance, including gravel supply and spreading. Street sweeping is contracted from neighbouring municipalities.

**Summer Maintenance Program:** Depending on government summer employment programs, the village hires students to assist full time public works staff with summer maintenance projects, such as road patching and mowing parks and recreation areas. The village hires one casual seasonal worker on an as-need basis. In addition, a local contractor is hired to provide larger area mowing, such as the drainage ditches and ball fields, as the village does not own equipment for that purpose.

**Land-use Planning and Development Services:** Land-use planning includes the development and implementation of bylaws and plans that govern how land and buildings can be developed in the village. The village's 2003 Land-use Bylaw is currently being revised and updated. The village and county councils have decided that an IDP between the two municipalities is not required at this time.



## Services

The village CAO issues development permits for compliant applications. Non-compliant applications for discretionary use are reviewed by council.

Over the five-year period 2016 – 2020, the village issued 34 residential and non-residential development permits mainly for improvements to properties; and were for garages (14), mobile homes/modular/business (7), sheds (6), deck (2), addition (1), and other (4).

The village draws upon the expertise and resources of the County of Grande Prairie to assist with additional planning, development, and permitting activities, as needed.

**Emergency Management:** The village belongs to the Grande Prairie Regional Emergency Partnership that is a collaboration with municipalities in the Grande Prairie region. The village contributes financially to support the operation of the partnership. The village, like the other municipalities in the region, appoints their CAO as the Director of Emergency Management. The CAOs work collaboratively as a group when emergency response is required to respond to emergencies, such as the High Level fires and the COVID-19 pandemic.

**Fire Suppression:** Hythe has a long-standing and strong volunteer fire department, the Hythe Volunteer Fire Department that provides services in the Village of Hythe and surrounding area of the County of Grande Prairie. The village provides services through a fire service agreement to the county and also is part of a large regional mutual aid support system.

**Fiber Optics Core Line:** To address the poor internet services in the village, the village is leading an initiative to install fiber optic cable to properties in Hythe. Through a distribution model, revenues will be shared between the village and GP Networks through a 70/30 partnership with the Village of Hythe owning 70 per cent of the fiber infrastructure. Revenues received through fiber distribution activity will fund the debenture payments on the loan the village took out for construction of the fiber infrastructure. General and limited partnership, construction, and internet service provider agreements are in place for the purpose of managing the fiber optics project.

### Economic Development

**Village Rebranding:** On September 3, 2020, the village unveiled its new website and logo. The initiative was a goal from the village council's March 2019 Strategic Plan. One of the council priorities in the plan was to rebrand the community positioning it for the future and capturing the essence of the community. The new logo, the letter H with an intertwined shoot growing upwards through the letter, the connectivity symbol, and the words "connected community" below, represents how residents feel about their community, the strength of it, and what it means to them.





# Services

## Options Comparison



### Option 1: Remain a Municipality



### Option 2: Become a Hamlet

#### Utility Services

The village will continue to be responsible for the provision of utility services and setting utility rates.

The village does not anticipate making service delivery changes in the immediate future. The village will continue to investigate other water systems and fully assess the potential opportunity for improved productivity, service delivery, and cost effectiveness of extending either a regional water system to Hythe or other system wide options.

Administration will continue to look for ways to reduce the cost of delivering public water service, recognizing the limitations with the current systems in place.

#### Utility Rates

The village will continue to be responsible for the setting and collection of utility fees.

Residents can anticipate changes in utility rates from time to time as the village attempts to move to a full cost recovery based rating model. As costs increase, these additional costs would be passed on to consumers.

#### Utility Services

The county will continue providing the same services as currently in place until full assessment of the village's water and waste systems and operations can be completed.

The county will also assess how the utilities fees are established with intent to align these with the county's fees and rates.

The village residents will continue enjoying quality water and wastewater services, in compliance with any applicable laws and regulations.

#### Solid Waste Services

With the exception of Clairmont, the county does not provide curbside pickup in county hamlets.

Hamlet residents take solid waste to transfer stations and the landfill site. The West Grande Prairie Regional Landfill being the closest to Hythe.

Hythe's contractual agreement for door-to-door collection services would transfer to the county. The county will continue the service within the terms of the contract.

Following a review of the different service options, the county will determine how services will be provided in Hythe in the future. Hythe residents may be directed in the future to take their solid waste to transfer stations and the landfill site in the same way as other county residents.

#### Utility Rates

County utility rates are calculated on a monthly flat rate. Currently, the utility rates are subsidized through property taxes. It is the county's intention to change this practice to a usage calculation in the next 3-5 years, necessitating the installation of water usage meters on properties.

Hamlet utility rates are based on the hamlet utility systems and services provided and differ from hamlet to hamlet.



## Services

### 2021 Monthly Utility Rates

Residential rates:

Water: flat rate	\$35
(30 per cent of actual operational costs)	
Wastewater: flat rate	\$30
Solid Waste: flat rate	\$30
Total: With water services:	\$95
Without water services	\$65

In 2020, the village implemented higher utility rates for institutions.

### Fiber Optic Services

Revenues received through fiber optic distribution activity will continue to fund the debenture payments on the loan the village took out for construction of the fiber optic infrastructure

### Road Maintenance and Snow Ploughing

The village will continue to be responsible for these services in accordance with its policies that have been shared with the community.

### Development and Planning

The village would continue to be responsible for land use and development matters.

The current land-use bylaw will remain in effect until an updated bylaw is approved by council. The village has received grant funding to update the bylaw.

### 2021 Monthly Utility Rates

The county reviews utility rates annually.

Utility rates would remain at the current level in Hythe until the county completes a review of the operational costs, revenues and expenses, associated with Hythe's utility systems to establish full cost recovery utility rates.

Utility users can expect utility rates to change.

### Fiber Optic Services

Partnership agreements with the village would transfer to the county. The county would receive the revenues from the fiber distribution activity and be responsible for the debt associated with the loan for construction of the fiber optic infrastructure.

### Road Maintenance and Snow Ploughing

The county's intent will be to provide the road maintenance and snow ploughing services in alignment with policies and standards as for other county hamlets.

Operational and road maintenance programs will include snow clearance, crack sealing, line painting, pothole patching, street overlays, and sidewalk rehabilitation. The county will need to have access to information regarding the life expectancy of existing assets, condition of the infrastructure in order to understand and plan for future replacement and upgrades.

All existing Hythe equipment will be assessed for suitability to be incorporated into the county's fleet appropriately, to meet county's policies (keep, replace, dispose, and purchase/lease/contract).

It is likely that the county will base a crew out of Hythe's maintenance shop.

### Development and Planning

The county's planning and development department will handle land use and development matters relating to Hythe.

The Hythe Land-use Bylaw will remain in effect until the county includes Hythe in the County of Grande Prairie Land-use Bylaw.





## Services

### Summer Maintenance Program

No changes are anticipated at this time. The village would continue to contract equipment and services when needed.

### Fire and Disaster Services

There are no anticipated changes to the local volunteer fire department.

### Summer Maintenance Program

Beautification mowing is provided by the Parks and Playgrounds department. The department hires seasonal staff annually.

County hamlets receive beautification mowing of designated areas according to the county's Greenspace Maintenance Plan:

#### Level 2: mowed bi-weekly:

Within hamlets and/or subdivisions with properties classified as rural estate (RE), rural residential (RR20, and rural residential (RR2), rural residential mixed (RR3 & RR4), including fire halls, developed walking trails, parks, playgrounds, non-irrigated sport-fields.

#### Level 3A: mowed once/month:

Back alleys/public utility lots in the hamlets

Depending on the total area that this would represent in Hythe, the county may need additional resources (manpower and mower).

### Fire and Disaster Services

It is expected that the integration of Hythe Fire Department (FD) into the County of Grande Prairie Regional Fire Service will require a lot of dedicated time due to another station being added to the county's model. The required work to transition Hythe FD will include inventory of the assets, audit existing practices and understand existing training levels, train, plan, and establish processes in alignment with county's policies and standing operating procedures.

If the village does not have established reserve funding for most of the required equipment, apparatus, gear etc., the county will need to develop a plan to adequately resource the Hythe Fire Department.

The county's fire services policies, including Level of Service Policy H1, can be accessed on the county's website.

The county is a member in the Grande Prairie Regional Emergency Partnership along with the Village of Hythe. The disaster management will be the county's responsibility as for other areas within the county.



## Services

### Recommended Actions for Option 1

- **Recommended Action 12:** Annually during the budget process, the council should consider inclusion of the public in a service level review to align the community's service level expectations with associated costs and revenues.
- **Recommended Action 13:** Council should develop and approve a long-term operational plan based on village priorities to address the maintenance projects identified in the 2021 infrastructure audit.



# Regional Cooperation

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## Regional Cooperation

Municipalities may work in partnership to provide efficient and effective services through formal agreements, including intermunicipal service or mutual aid agreements. For example, two municipalities may share the cost of a bylaw enforcement officer that provides part-time enforcement in each municipality. Residents may benefit from these partnerships by having lowered costs, increased efficiency, and/or increased capacity of their local government.



Municipalities are required to develop ICFs that list services provided by each municipality, shared intermunicipal services, and services provided by third parties. Similarly, municipalities are required to create IDPs with neighbouring municipalities to identify mutually acceptable land-use practices along shared boundaries. Due to the health pandemic, the due date for municipalities to complete ICFs and IDPs was extended from April 1, 2020 to April 1, 2021.

## Current State & Progress to Date

The village and county have requested the Minister grant a time extension to April 1, 2022, for completion of their ICF, until the outcome of the viability review is known.

**Regional Programs:** The Village of Hythe participates in a number of regional programs that provide services to the village and residents including:

- Grande Prairie Regional Emergency Partnership (emergency response);
- Grande Prairie Regional Tourism;
- Grande Prairie Regional Recreation Committee;
- South Peace Physician Attraction and Recruitment Committee;
- Inter-Municipal Regional Committee;
- County West Landfill Authority;
- Peace Region Economic Development Authority;
- Peace Regional Library System;
- West County RCMP Administrative Support; and
- Northern Alberta Elected Leaders.

The Village of Hythe partnered with neighbouring municipalities on a number of initiatives through the Alberta Community Partnership and Regional Collaboration Program grant programs to benefit the region. The initiatives include:

- Road and Sidewalk Assessment;
- Occupational Health and Safety;
- IT Collaboration;
- Public Works Equipment Sharing; and
- Regional Economic Development.



# Regional Cooperation

The Village of Hythe received the Alberta Urban Municipalities Association Sustainability in Action Award in the category of municipalities with populations of under 2,500 for their role as the lead municipality on an OH&S project in collaboration with the towns of Beaverlodge, Sexsmith, and Wembley. The four municipalities came together to develop an extensive OH&S program for each municipality.

**Coordination of Services:** The village and county provide services to their respective municipalities. For example, the village purchases bylaw enforcement, animal control, assessment, and safety codes/permitting services from the county; and the county purchases fire suppression services, Family and Community Support Services (FCSS), and library services from the village.

## Options Comparison



### Option 1: Remain a Municipality



### Option 2: Become a Hamlet

#### Regional Services

Changes in regional services are not anticipated.

Hythe council and administration would continue to work with the county council and administration to reach an agreement that is guided by the ICF.

#### Regional Services

Regional service agreements will transfer to the county.

Hythe will be represented by the county in its relationships with other municipalities and membership on regional organizations.

The County of Grande Prairie is a contributing member to many of the same regional programs as Hythe including:

- West Grande Prairie Solid Waste Authority; and
- Grande Prairie Regional Emergency Partnership.

The county is also a member of Aquaterra.

#### Intermunicipal Collaboration Framework

With the new changes to the *Municipal Government Act*, the Village of Hythe is required to establish an ICF with the County of Grande Prairie that describes the services provided under the ICF that benefit residents.

#### Intermunicipal Collaboration Framework

Hythe will be a hamlet in the county. An ICF between the county and the hamlet of Hythe will not be required. As part of the county, Hythe would be included in the ICF the county has with its other neighbouring municipalities.

## Recommended Actions for Option 1

- ☐ **Recommended Action 14:** Council should continue to pursue opportunities to provide services in an effective and efficient manner on a regional basis.



# Community Well-Being

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## 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 Village of Hythe. Vibrant and strong communities may be fostered through the programs and services offered, public participation in community events and activities, and connections between residents.

Municipalities may provide a range of community assets such libraries, seniors or youth centres, early childhood programs and seniors and/or affordable housing facilities. Additionally, recreation is often a sought-after amenity by residents. Recreation infrastructure may include recreation facilities, parks, programs, and activities and may involve partnerships with local volunteer organizations and community groups.

Municipalities may also provide funding to community groups and organizations to enhance community well-being through events that provide opportunities for connection. Social supports may be provided through FCSS by the village, or in partnership with other municipalities in the region.

## Current State & Progress to Date

### Demographics

The following information is taken from the 2016 Federal Censuses from information collected in 2015:

Over a five-year period, the population of the Village of Hythe has been relatively stable increasing from 820 in 2011 (2011 federal census) to 827 in 2015 (2016 federal census), an increase of 0.9 per cent versus an increase of 13.1 per cent in the County of Grande Prairie and 11.6 per cent in the province overall.

The Village of Hythe, like other municipalities in Alberta, is experiencing an aging population. The median age of the municipality was 44.6 versus 36.7 for Alberta. Residents 65 and older represent 27.3 per cent of Hythe's population versus nine per cent for the county, and 12.3 per cent for the province as a whole.

According to the village, there are approximately 120 residents in total, living in the Hythe Pioneer Home and the Hythe Continuing Care facility. Based on the assumption that the residents are 65 and older, the residents in the two facilities represent approximately 15 per cent of the village population and just over 50 per cent of village residents 65 and older.

The unemployment rate for the Village of Hythe was 14.7 per cent versus nine per cent for the province as a whole, which may be accounted for by the high per cent of Hythe residents over the age of 65 in comparison with the rest of the province.

### Did you know?

*Family and Community Social Services (FCSS) is a unique 80/20 funding agreement between the Government of Alberta and participating municipalities to provide early intervention and preventative social services.*

In 2015, Alberta households recorded a median total income of \$93,835. Income levels in Hythe were lower at \$67,840, 72 per cent of the median total income for Alberta.

Hythe had approximately 290 dwelling units. Of these households, 29 per cent were one-person households. This rate is higher than the provincial rate of 24 per cent.

In the judgement of 12 per cent of Hythe residents, their dwellings require major repair. This may not be surprising given that more than half the homes (57 per cent) in the village were built prior to 1980.

The median monthly shelter costs (including mortgage payments, utility fees, property taxes, and other municipal services) for owned dwellings in Hythe is \$880 compared with \$1,601 for the County of Grande Prairie and \$1,481 for Alberta.

## **Community Groups**

The active community groups in the village include:

- Hythe Cemetery Committee;
- Hythe Curling Club;
- Hythe Minor Hockey;
- Church Groups;
- Pickle Ball Group;
- Hythe Thrift Shoppe Society;
- Hythe & District Food Bank;
- Hythe Athletic Association (arena);
- Hythe & District Agricultural Society;
- Hythe Elks BOP;
- Hythe Royal Purple;
- Hythe Canadian Legion Branch;
- South Peace Rural Learning ;
- Babies Best Start;
- Golden Age Centre;
- Hythe Recreation Association (Community Center);
- Hythe Continuing Care Foundation;
- Hythe Friend of the Library Society;
- Hythe Citizens on Patrol;
- Hythe & District FCSS Advisory Committee;
- Hythe Library Board; and
- South Peace Rural Learning.

## **Operation of Recreational Facilities**

The village, with the assistance of the Hythe Cemetery Committee, comprised of councillors and community members, maintains and manages the Hythe cemetery.

The village owns and maintains playgrounds and parks.

The village contracts hosting and general maintenance services for the overnight area of the Hythe Campgrounds.

Long-term leases are in place, at no monetary value to the village, between the village and the operating community groups for the village owned arena, curling rink, spray-park, and racetrack.

- The Hythe Athletic Association maintains and operates the Hythe Arena with financial and staff assistance from the village;
- Hythe Curling Club maintains and operates the Hythe curling rink with minimal financial assistance from the village; and
- The Hythe Racing Group maintains and operates the motor racetrack at minimal maintenance cost to the village.

The Hythe Agricultural Society owns several recreational properties in the village, including the Hythe ball diamonds and old swimming pool that when the repurposing is completed, will be home to the new Mustang Spray Park. Maintenance of these properties is provided by the village.

### **Library Services**

Pursuant to the *Libraries Act*, the Village of Hythe Municipal Library Board, established by bylaw of the village council, has full management and control of the library, and is required annually to prepare a budget to operate and manage the library.

The village is a member of the Peace Library System, which provides services to the municipal library. Two village councillors are trustees on the library board and one councillor is a regional library system board member. The village owns, maintains, and insures the library building adjoining the village administration offices.

In 2020, an opening was made in the wall between the village offices and the library. This initiative enables the village and library to serve the public better and fulfill the needs of work-alone guidelines for a minimum of two staff on site with only one staff on each side of the combined site in order to be open for public access.

### **Family and Community Support Services (FCSS)**

Hythe participates in the provincial FCSS program in partnership with the County of Grande Prairie. The Hythe FCSS program provides high demand support services to the village and surrounding county area. Services provided by the village FCSS program include:

- Social support programs for families, seniors, and vulnerable community members;
- Home support services;
- Child and family programming;
- Mental health, income support, and housing guidance and referral services;
- Coordination of the Citizens on Patrol Program;
- Assistance to the local Hythe & District Food Bank; and
- Coordination of the community care response to the COVID health emergency.

### **Hythe Museum and Tourism Facility**

The Hythe Historic Society is a volunteer organization that supports the efforts of the museum and tourism facility. According to the village, there has been a challenge attracting sufficient volunteers to meet the needs in recent years.



The society, with assistance from the village, manages and operates the museum and tourism facilities. The Village of Hythe pays insurance and electric bills, volunteers mow the grass, and perform annual upkeep of the buildings.

Prior to 2020, provincial grant funding offset staffing costs, funded by the village, associated with the tourist information center. The centre was closed in 2020 due to the pandemic.

### **Housing Authority (Senior Housing)**

The village is a member of the Hythe Pioneer Homes and the Grande Sprit Foundation. Council has representation on both organizational bodies.

Hythe and District Pioneer Homes Foundation built the first seniors' home in Hythe. Hythe and District Pioneer Homes Advisory Committee is the designated management body for the operation and administration of housing accommodation in the Village of Hythe. The village contributes \$5,000 to the management body to assist with transportation costs for residents.

The village is one of the twelve municipal members of the Grande Spirit Foundation. In addition to the management of senior facilities, the foundation's mandate includes housing services for low income families and individuals. Annually the foundation requisitions the village for funding. Requisitions are funded through property taxes. The foundation does not operate any facilities in Hythe.

### **Community Groups, Programs, and Facilities**

The village supports Hythe community organizations by paying insurance costs for the arena, curling rink, museum and tourism facilities, fire halls, and library as additional named insured on the village's insurance policy.

A number of Hythe community groups have received other support from the village and periodically apply for county funding.

**Hythe Community Centre:** According to the village, the Hythe & District Recreational Society, is not currently receiving annual operating assistance for the centre from the county. In the past two years, the county provided funding for roof and flooring repairs. The village provides sidewalk snow removal to allow for access to the centre.

**Hythe Arena:** The village has contributed over \$100,000 annually to the Hythe Athletic Association for the operation of the arena in past years. In 2020, the village contribution was reduced to a maximum of \$50,000 inclusive of \$24,000 for asset insurance. The 2021 county will provide \$44,700 operating assistance to the association for the operation of the arena.

In 2019, the group applied to the county for funding to replace the brine line in the arena at a projected total cost of \$880,000 with a contribution of \$50,000 from the village. The county council declined to fund the project at that time. Another application for the project was submitted in fall 2020 for the county's 2021 Major Capital grant. The county awarded the association \$100,000 annually over three years (2021, 2022, and 2023) \$300,000 in total.

The Hythe Athletic Association has received county capital assistance funding in past years: \$84,500 for the arena roof replacement and damage repairs in 2016; \$22,016 for arena upgrades

in 2019; \$22,000 for the Memorial Arena floor project in 2020; and \$4,500 for their “header project” in 2021.

**Hythe Curling Rink:** the Hythe Curling Club receives \$11,600 in annual operating assistance from the county. The village covers the cost for asset insurance and provides grounds maintenance for the facility.

**Hythe & District Agricultural Society:** The society receives provincial operating grants, and casino income. The village assists with asset insurance and grounds/facility maintenance.

## Recreational Activities and Community Programing

The community organizations in Hythe offer a wide range of recreational activities and community programs including:

- Minor hockey, adult recreational hockey, and public skate/shinny;
- Curling league;
- Pickle ball;
- Ball Hockey (over 90 respondents to new leagues scheduled for 2020)
- Annual agricultural fair and old fashioned multi-generational ball tournament;
- Public use of the baseball diamonds;
- Oval race-track races 4-6+ times a year;
- Friday suppers and activities at the Royal Canadian Legion; and
- Christmas in the village brings various activities to the community including:
  - Annual Christmas tree drop;
  - Multi-generational hockey tournament;
  - Christmas craft sale;
  - Crokicurl (new in January 2021); and
  - In December 2020, “Spot the Grinch” through community sightings and children’s engagement on the village Facebook.

## Options Comparison



### Option 1: Remain a Municipality



### Option 2: Become a Hamlet

#### Community and Volunteer Support

There are several strong and committed volunteer organizations in the community and the vibrancy and community spirit is not expected to change.

The village would continue to provide support to community organizations.

#### Community and Volunteer Support

The county supports community groups through an annual operating grant.

The county provides minor capital (up to \$50,000) and major capital (over \$100,000) funding programs. Some funding requires 50 per cent matching funds. Non-profit groups may apply annually.

Community organizations can apply for additional funding, if needed, through the county’s other grant programs.

<p><b>Village Recreation Facilities</b></p> <p>The village would continue to own village facilities and be responsible for associated costs. Agreements with community groups would continue.</p> <p><b>Library Services</b></p> <p>The library board will continue to provide services for the community.</p> <p><b>Family and Community Support Services</b></p> <p>Changes in the operation of FCSS are not anticipated at this time. The program will continue to serve Hythe and the surrounding area of the county.</p>	<p>Additional information is available on the county website.</p> <p><b>Village Recreation Facilities</b></p> <p>Ownership and existing lease agreements with the village would transfer to the county.</p> <p>The county is not typically involved in the operation/maintenance of recreation facilities within hamlets.</p> <p>With the exception of the sports complex in the Hamlet of Clairmont, which is owned by the county and operated by a contractor on behalf of the county, other recreation facilities within county hamlets are owned and operated by volunteer non-profit groups and associations.</p> <p>The county would confirm status, viability, and sustainability of each Hythe association to accurately determine how the facilities would be operated and maintained in the future.</p> <p><b>Library Services</b></p> <p>The county is a member of the Peace Library System.</p> <p>In accordance with the <i>Alberta Libraries Act</i>, the Village of Hythe Library Board would dissolve at the time of the village dissolution.</p> <p>It is the intent of the county that the Hythe library would become part of the county library board system. The County of Grande Prairie Library Board would include the Hythe library in the annual budget manage and operate the Hythe library including include the library in Hythe in the county library board's annual budget.</p> <p>The county includes non-profit groups as Additional Named Insured (ANI) on the county insurance policy The county risk management coordinator works closely with ANIs and assists groups to determine insurance coverage needs.</p> <p><b>Family and Community Support Services</b></p> <p>FCSS in the County of Grande Prairie operate under an Advisory Board comprised solely of council members.</p> <p>Operations consist of internal programming (Home Support, Early Childhood Programming, Community School Liaison Counsellors, Resource Centre and more) and</p>
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	<p>external support to other prevention programs by way of grants. Currently there is a contract with the Town of Wembley to provide home support for their residents.</p> <p>Additional information is available on the county's FCSS website page.</p> <p>Hythe residents would receive similar programming through the county FCSS program as is currently available to the county residents.</p>
<p><b>Housing Authority</b></p> <p>Changes are not anticipated at this time. The foundation would continue to requisition the village on property taxes.</p>	<p><b>Housing Authority</b></p> <p>The County is a member of the Grande Spirit Foundation. The foundation requisitions the county annually and the seniors' lodge requisition is included in annual property taxes for all county properties.</p> <p>Hythe residents would pay the seniors' lodging requisition to the Grande Spirit Foundation through their property taxes.</p>
<p><b>Hythe Cemetery</b></p> <p>Changes in the operation of the cemetery are not anticipated at this time. The village, with the assistance of the Hythe Cemetery Committee, would continue to maintain and manage the Hythe cemetery.</p>	<p><b>Hythe Cemetery</b></p> <p>In 2018, the County agreed to pay the Village of Hythe an annual cemetery maintenance grant of \$3,000 in lieu of mowing the Hythe cemetery.</p> <p>The Hythe cemetery mowing may be integrated into the county's cemetery mowing program.</p> <p>The county Parks &amp; Recreation department would manage the cemetery through the Cemetery Specialist.</p>

## Recommended Actions for Option 1

- **Recommended Action 15:** The village should continue to support and celebrate community organizations and events.

# Appendix A: Recommendations for Viability

- **Recommended Action 1:** Council should develop a long-term action plan to address the viability of the village and implement the recommendations of the Village of Hythe Viability Review Report. The action plan will identify the actions required to address each recommendation and the timing of initiation and completion of each action.
- **Recommended Action 2:** Council must create an ICF with the County of Grande Prairie.
- **Recommended Action 3:** Council should continue to support councillor training and consider participation in the Elected Officials Education Program, offered by the Alberta Urban Municipalities Association.
- **Recommended Action 4:** Council should continue to consider funding to meet staffing requirements of village services and programs in the annual operating budget.
- **Recommended Action 5:** Councillors should be encouraged to take financial training.
- **Recommended Action 6:** Council should continue to follow the process outlined in the *Municipal Government Act* for recovery of unpaid property taxes including formalization of agreements with owners for payment of tax arrears.
- **Recommended Action 7:** Council should continue to ensure thorough communication on the financial health of the village and the impacts through a year-end report and other methods.
- **Recommended Action 8:** Annually, council should create balanced operational and capital budgets incorporating the findings of the 2021 infrastructure audit.
- **Recommended Action 9:** Council should develop and approve a 10-year capital plan based on council priorities and the recommendations in the 2021 infrastructure study. The capital plan will identify the necessary projects, the timing of initiation and completion of each project, and the required funding for each project.
- **Recommended Action 10:** Council should review financial policies and develop an infrastructure reserve policy that distinguishes the types of reserves that exist and allocates money to these restricted reserve accounts for future capital projects.
- **Recommended Action 11:** The council should adopt the findings of the Hythe Infrastructure Audit, February 2021, and develop a ten-year capital plan for the village that includes proposed revenue sources balanced between property taxes, fees for services, borrowings, and grant revenues including both deferred and future grant funding.

- **Recommended Action 12:** Annually during the budget process, the council should consider inclusion of the public in a service level review to align the community's service level expectations with associated costs and revenues.
- **Recommended Action 13:** Council should develop and approve a long-term operational plan to address the maintenance projects identified in the 2021 infrastructure audit
- **Recommended Action 14:** Council should continue to pursue opportunities to provide services in an effective and efficient manner on a regional basis.
- **Recommended Action 15:** The village should continue to support and celebrate community organizations and events.

# Appendix B: Performance Indicators

## 2019 Performance Indicators – Village of Hythe

In 2017, Municipal Affairs developed a performance measure for the ministry Business Plan and annual report. This measure provides information on the percentage of municipalities that meet targets across 13 measures, which include financial, governance, and infrastructure. A municipality's risk is assessed based on thirteen indicators independently derived from the source data supplied by the municipality. Each indicator has a defined trigger level. A municipality is deemed at risk if it triggers one critical indicator or three or more of the eleven non-critical indicators.

Additional information about the performance measures is published on the ministry website at:  
<https://www.alberta.ca/municipal-sustainability-overview.aspx>.

ID	Description	Result	Trigger
CI01	AUDIT OUTCOME: Auditor must report on exceptional circumstances. Triggered when the municipal auditor has identified a going concern risk, or denial of opinion in the municipality's audited financial statements.	No concern	No
C102	MINISTRY INTERVENTION: The Province may need to intervene under exceptional circumstances. Triggered when Municipal Affairs has used its legislative authority to intervene in the municipality's operations, including viability reviews, inspections, etc.	No	No
NC01	TAX BASE BALANCE: The percentage of the total tax revenue that is collected from residential and farmland properties. Triggered when more than 95 per cent of the municipality's tax revenue comes from residential and farmland properties.	53.99%	No
NC02	TAX COLLECTION RATE: The percentage of property taxes collected. Triggered when a municipality collects less than 90 percent of the property taxes it levies in the reporting year.	93.07%	No
NC03	POPULATION CHANGE: The percentage of population change in the municipality over a ten-year period. Triggered when a municipality's population declines by 20 per cent. Improvement districts and summer villages are excluded.	0.73%	No
NC04	CURRENT RATIO: The ratio of current assets compared to current liabilities. Triggered when the result is less than 1. A result of N/A indicates that the municipality has other long-term investments that, together with current assets, more than meet its current liabilities.	2.17	No
NC05	ACCUMULATED SURPLUS/DEFICIT: The total assets minus liabilities of the municipality excluding capital assets and related debt. Triggered when a municipality is in a deficit (-) position for the reporting year. Municipalities in a deficit position are required to recover the shortfall in the following year	\$881,756	No
NC06	ON TIME FINANCIAL REPORTING: Municipalities are required to submit year-end audited financial statements and financial information returns to Municipal Affairs by May 8th of the reporting year. Triggered if the municipality filed after May 8th.	Yes	No
NC07	DEBT TO REVENUE PERCENTAGE: Total borrowings as a percentage of total revenue. Triggered when a municipality's debt is greater than 120 percent of its total revenue.	16.13%	No
NC08	DEBT SERVICE TO REVENUE PERCENTAGE: Annual principal and interest payments as a percentage of total revenue. Triggered when principle and interest payments on borrowings is greater than 20 percent of the municipality's total revenue.	1.20%	No
NC09	INVESTMENT IN INFRASTRUCTURE: The ratio of new investment in capital assets compared to the depreciation (or amortization) of existing assets over a five year period. Triggered if a municipality's capital spending is less than the depreciation of its assets, indicated by a result less than 1.	1.74	No
NC10	INFRASTRUCTURE AGE: The depreciated (amortized) value of tangible capital assets as a percentage of original cost. Triggered when the net book value of the tangible capital assets is less than 40 percent of the original cost.	60.15%	No
NC11	INTEREST IN MUNICIPAL OFFICE: Elections votes are only held if there are more candidates than positions. Triggered when no vote is held because all councillors are acclaimed. A result of N/A indicates that no election or by-election occurred within the reporting year.	N/A	No



# Appendix C: 10-Year Capital Plan

Infrastructure	2021	2022	2023	2024	2025	Sub-total
Buildings	\$105,000	\$0	\$1,062,500	\$145,000	\$8,388	\$1,312,500
Land	\$30,000	\$0	\$143,750	\$400,000	\$200,000	\$773,750
Roadway	\$988,558	\$789,724	\$785,788	\$763,884	\$498,064	\$3,826,018
Sanitary	\$570,726	\$456,998	\$385,538	\$257,950	\$342,806	2,014,018
Stormwater	\$110,000	\$0	\$0	\$0	\$0	\$110,000
Traffic Lines	\$0	\$0	\$18,000	\$0	\$0	18,000
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Sidewalks	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$1,804,284</b>	<b>\$1,246,722</b>	<b>\$2,395,576</b>	<b>\$1,566,834</b>	<b>\$,040,870</b>	<b>\$8,054,286</b>

Infrastructure	2026	2027	2028	2029	2030	Total
Buildings	\$173,750	\$625,000	\$0	\$0	\$325,000	<b>\$2,436,250</b>
Land	\$0	\$0	\$0	\$0	\$0	<b>\$773,750</b>
Roadway	\$627,198	\$425,136	\$1,130,847	\$499,673	\$594,451	<b>\$7,103,323</b>
Sanitary	\$452,339	\$251,451	\$0	\$238,788	\$177,080	<b>\$3,133,676</b>
Stormwater	\$42	\$0	\$0	\$0	\$0	<b>\$110,000</b>
Traffic Lines	\$0	\$0	\$0	\$0	\$0	<b>\$18,000</b>
Equipment	\$0	\$0	\$0	\$431,952	\$187,500	<b>\$619,452</b>
Sidewalks	\$0	\$0	\$	\$	\$16,920	<b>\$16,920</b>
<b>Total</b>	<b>\$1,253,287</b>	<b>\$1,301,587</b>	<b>\$1,130,847</b>	<b>\$1,170,413</b>	<b>\$1,300,951</b>	<b>\$14,211,371</b>

Note: Further details about the proposed infrastructure projects and associated costs may be found in the Hythe Infrastructure Audit, February 2021, available at the village office.

# Appendix D: Financial Position

## 2019 Consolidated Statement of Operations

<b>Revenue</b>	<b>2019</b>
Net Municipal Property Taxes	\$826,339
User Fees and Sale of Goods	\$453,144
Government Transfers (Operating)	\$384,073
Other	\$71,562
Franchise and concession contracts	\$97,159
Investment Income	\$26,225
Penalties and costs on taxes	-
	<u>\$1,858,502</u>
<b>Expenses</b>	<b>2019</b>
Legislative/Council	-
Administration	\$490,035
Bylaw Enforcement and Fire Dept.	\$164,421
Roads, Streets, Sidewalks, Lighting	\$559,550
Water and Wastewater	\$317,861
Waste Management	\$229,497
Recreation and Parks	\$270,062
Family and Community Services	\$42,144
Community Services	\$70,654
Other Services	\$47,628
	<u>\$2,191,852</u>
Operating Surplus or (Deficit)	<u><b>(\$333,350)</b></u>
Gain on Disposal of TCAs	\$55,765
Government Transfers (Capital)	<u>\$580,566</u>
Net Surplus or (Deficit)	<u><b>\$302,981</b></u>

## 2019 Consolidated Statement of Financial Position

<b>Financial Assets</b>	<b>2019</b>
Cash	\$294,192
Portfolio investments	\$687,657
Receivables	
Taxes receivable	\$135,211
Trade and other receivables	\$498,348
Investments	\$10
Funds held in trust	\$242,930
<b>Total financial assets</b>	<b>\$1,858,348</b>
<b>Financial Liabilities</b>	
Accounts payable and accrued liabilities	\$123,594
Landfill liability	\$41,936
Deferred revenue	\$568,468
Trust liabilities	\$242,930
Long-term debt	\$299,795
<b>Total financial liabilities</b>	<b>\$1,276,723</b>
<b>Net financial assets</b>	<b>\$2,191,852</b>
<b>Non-financial assets</b>	
Tangible capital assets	\$6,003,374
Prepaid expenses	\$336
<b>Total non-financial assets</b>	<b>\$6,003,710</b>
<b>Accumulated surplus</b>	<b>\$6,585,335</b>

# Appendix E: Tax Comparisons

Property taxes are the primary source of revenue for municipalities. They are used to finance local programs and services such as road construction and maintenance, parks and leisure facilities, fire protection, and emergency services.

**Table 1** shows the Village of Hythe's 2020 property tax rates and the amount of property tax that owners paid to the village on a property assessed at \$131,550 (average assessment or residential property).

**Table 2** shows the County of Grande Prairie's tax rates and the amount of property tax that Hythe property owners could have expected to be levied by the County of Grande Prairie on the same property if Hythe had been a hamlet in the county in 2020.

**Table 1: 2020 Village of Hythe Municipal Property Tax**

Village of Hythe	Residential	Non-residential
Municipal General Mill Rate	8.2390	18.1272
Alberta School Foundation Fund	2.6650	3.8000
Housing/Seniors Foundation	0.0484	0.0484
<b>Total Mill Rate</b>	<b>10.9524</b>	<b>21.9756</b>
Assessed Property Value	\$131,550	\$131,550
<b>2020 Total Property Tax</b>	<b>\$1,441</b>	<b>\$2,891</b>

MINIMUM TAX: RESIDENTIAL (RES) \$750, VACANT RES \$1,000, NON-RES. \$850, VACANT NON-RES. \$1,500

**Table 2: 2020 County of Grande Prairie Municipal Property Tax Comparison**

County of Grande Prairie	Residential	Non-residential
Municipal General Mill Rate	4.0450	13.5810
Alberta School Foundation Fund	2.4838	3.52222
Housing/Seniors Foundation – Grande Spirit	0.0451	0.0451
<b>Total Mill Rate</b>	<b>6.6039</b>	<b>17.2249</b>
Assessed Property Value	\$131,550	\$131,550
<b>2020 Total Property Tax</b>	<b>\$869</b>	<b>\$2,256</b>

MINIMUM TAX \$150

**The Village of Hythe** has indicated property taxes will need to increase in future years to fund increases in operational costs and the infrastructure deficit as outlined in the 2021 Hythe Infrastructure Audit.

**The County of Grande Prairie** may impose additional property taxes, such as special taxes and local improvement taxes, to address the infrastructure deficit in the Hamlet of Hythe as is the county's practice in other county hamlets. This means that the total property taxes levied by the county on Hythe properties could be similar to or more than the village's current level of taxation.

Property taxes may not be the only financial cost that would change. Utility rates could change, and additional fees may be considered for other services provided in Hythe and not the rest of the county. These factors would have an effect on the cost of living in Hythe.

# Appendix F: Summary of Public Input

Municipal Affairs received 28 completed community comment forms. Of the respondents, 22 live in Hythe, 27 own property and 7 operate a business in the village. The following is a summary of the responses to the questions.

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

- A community that:
  - Updates and repairs existing infrastructure as well as saves for future infrastructure and maintenance.
  - Appeals to multiple generations and continues to grow for future generations.
  - Attracts and maintains residents, businesses and visitors that support the community and essential services.
  - Balances providing essential services while maintaining reasonable tax rates.
    - Examples of essential services: snow clearing, park and boulevard maintenance, wastewater and freshwater service, banking, insurance and registry services, post office, grocery store, library, medical and seniors' services, restaurants and shopping, mechanical and service station, recreation facilities, schools and churches.

## **Question 2:** What is important to you about the Village of Hythe?

- Small town atmosphere
- Strong sense of community
- Building a community where people want to live and can afford to live
- Appearance of the village (sidewalk and street paving, businesses and properties on Hwy and main street)
- Essential services and businesses are provided and retained in the community (examples of services listed in question 1)
- Maintaining and modernizing basic infrastructure.
- Bringing people and businesses to the village so that it can continue to grow and remain viable.

## **Questions 3:** What are your concerns about the current state of the village and solutions to identified concerns?

### Concerns:

- Aging infrastructure that requires repair or replacement (buildings, equipment, streets, sidewalks, water and sewage system)
- Appearance of village is discouraging to visitors, new residents and new business developments.
- Lack of amenities/activities for residents and their families.
- Small tax base cannot support operation costs and infrastructure repairs.
- High property taxes

Solutions:

- Dissolve the village and become a hamlet within the county;
- Increase tax base/revenues:
  - Attract more/new businesses to the village;
  - Implement zoning/building/fire code assessments on abandoned/dilapidated/vacant lands and properties;
  - Tax all structures that use infrastructure (schools, pioneer lodge, seniors centre, etc.);
  - Offer tax breaks for new businesses including home-based businesses;
  - Conduct a tax review;
  - Ensure proper funding by the provincial and federal governments;
  - Cost-share with the county;
- Develop more recreation opportunities (spray park, minor hockey for the arena, skate park, etc.); and
- Complete improvements to the infrastructure.

**Question 4:** As a resident of Hythe, do you feel you receive good value with respect to services that are provided?

Of those that responded, 16 people responded yes and four responded no.  
Why or why not?

- We receive great service and support
- Public works services including general maintenance snow removal, grass cutting, and garbage collection is good
- Aging infrastructure, streets and sidewalks, needs to be maintained and repaired
- Tax rates and service fees have increased
- There is a renewed sense of community spirit and hope for the future
- Compost site was closed

**Question 5:** What advantages or disadvantages for you see about the community becoming the Hamlet of Hythe within the County of Grande Prairie?

Advantages:

- The county can afford to keep the village
- Better access to equipment to maintain roads and sewers
- Large tax base, less local politics, and attention given to infrastructure
- Better bigger tax base
- Attraction of residents and businesses
- Better infrastructure funding
- More financial resources
- Access to resources

Disadvantages:

- Loss of sense of community
- Loss of village status and contact with village office
- Less say as a community
- Dealing on a bigger scale
- Loss of services
- Increase in property taxes
- Longer response time for services such as snow clearance

**Questions 6:** Looking ahead, what do you see as the top priorities for Hythe in the future?

- Bylaw enforcement
- Infrastructure maintenance and repair
- Growth of the community - attraction of residents, businesses, and investments
- Fair and manageable tax levels
- Improvement in supply of treated water to all residences and businesses
- Better services for taxes and service fees

**Question 7:** What other viability issues should be considered for the final Viability Review Report? Responses to this question are included in the responses to questions 1 to 6.

**Question 8:** Additional comments and questions?

- What will happen to our taxes?
- Local village council, current and past, work very hard to do the best job they can.

**Thank you again** to everyone who completed the community comment forms. Your comments and questions guided the content of this viability review report. Information is provided in the report in response to your questions.



# Appendix G: Vote on a Question

A vote of the electors of the Village of Hythe on the question of dissolution of the village will be conducted in accordance with the *Local Authorities Election Act (LAEA)*.

Location: Royal Canadian Legion Branch #93 Hythe  
9818 – 100<sup>th</sup> Avenue, Hythe, AB T0H 2C0

Dates and Times: Tuesday, March 30, 2021, from 4:00 p.m. to 8:00 p.m. and  
Wednesday, March 31, 2021, from 10:00 a.m. to 4:00 p.m.

## The Question

Electors will be asked the following question on the ballot:

Based on the findings of the Village of Hythe Viability Review, which one of the two options below do you support for the future of Hythe? (Select one only)

Option 1. The Village of Hythe remains a village and implements changes to achieve viability.

Option 2. Dissolve the Village of Hythe and Hythe becomes a hamlet in the County of Grande Prairie No. 1.

## Vote by Special Ballot

Special ballots (mail-in) are available for electors who have physical disability preventing them from being able to attend the voting station or will be away from the village during the days of the vote. An elector may apply for a special ballot from the Returning Office by one of the following methods:

**By mail:** Attention: Returning Officer – Village of Hythe Viability Review Vote  
17<sup>th</sup> Floor, 10155-102 Street, Edmonton, AB, T5J 4L4

**By phone:** Toll-free in Alberta by dialing: 310-0000 then 780-427-2225

**By email:** [viabilityreview@gov.ab.ca](mailto:viabilityreview@gov.ab.ca)

Special Ballots **must** be returned by mail or courier to the Edmonton address above and received by 4:00 p.m. on Monday, March 29, 2020.

## Voter Eligibility and Identification

The *LAEA* clearly stipulates that to be eligible to vote, a person must be:

- a Canadian citizen;
- over the age of 18 years; and
- a resident of Alberta and the municipality on the day of the vote.

Voter identification must be presented that clearly identifies the person with an address within the Village of Hythe.

## **Scrutineers**

The Returning Officer, if requested in writing by two or more electors, shall appoint, in writing, those persons named in the request as scrutineers to attend at the voting station on behalf of the persons interested in promoting the voting for either response. One scrutineer for each side of the question will be permitted within the polling station at any one time, including during the vote count.

## **Public Health Measures During COVID Pandemic**

Ensuring the safety of the public and election administrators is the highest priority. A variety of measures will be taken to comply with public health guidance during the COVID-19 pandemic. Elections are permitted; however, electors should expect enforcement of physical distancing, mandatory use of face masks and availability of hand sanitizer, and regular cleaning/disinfecting of high touch surfaces and writing tools for forms and ballots.

## **The Outcome**

If a majority of voters choose to dissolve (50 per cent plus one of valid ballots cast), the Minister must recommend to Cabinet that the village be dissolved at a suitable time to allow for a smooth transition of services. Until such time, the village will continue to operate.

If a majority of voters choose to remain a village (50 per cent plus one of valid ballots cast), the Minister will provide specific directives to ensure the future viability of the municipality.

## Public Information Session

As part of the Village of Hythe viability review, Alberta Municipal Affairs will host an online and telephone information session for residents, property owners, and community stakeholders:

- to briefly outline the viability review process to date and present the report;
- to provide an opportunity to learn about the viability options; and
- to explain the next steps in the viability review including the vote for village electors.

Date and Time: Tuesday, March 23, 2021  
7:00 p.m. to 9:00 p.m.

Participants can access the link to the Zoom meeting at:

<https://www.alberta.ca/viability-reviews-for-municipalities.aspx>, or

by calling in at:

Telephone number: 1-587-328-109  
Meeting ID: 93272883377  
Passcode: 003694

Please note that participants joining by telephone will not be able to ask questions during the session and are encouraged to contact the Municipal Viability Team prior to the session to submit questions, or afterwards if questions arise.

For those unable to connect to the information session, the information presented will also be available electronically upon request.

## Additional Information

For further information about the viability review and to book an appointment with a viability advisor to discuss the viability review, please contact:

### **Municipal Viability Team at Alberta Municipal Affairs**

**By email:** [viabilityreview@gov.ab.ca](mailto:viabilityreview@gov.ab.ca) or

**By Phone:** Toll-free in Alberta by dialing: 310-0000 then 780-427-2225

**All village and county residents are encouraged to attend the virtual/telephone meeting, and eligible village electors are encouraged to vote on this important question.**