

# **VILLAGE OF RYCROFT VIABILITY PLAN AND NEXT STEPS**

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NOVEMBER 2017

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

Viability Review Team  
Village of Rycroft Viability Review  
Alberta Municipal Affairs  
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# INTRODUCTION AND SUMMARY

The Village of Rycroft was incorporated in 1944, and is an historic railway stop. The village, known as the "Hub of the Peace", is located 68 kilometers north of the City of Grande Prairie and eight kilometers east of the Town of Spirit River. The main industry is agriculture, with retail, oil, transportation, and education contributing to the economy. In 2017, the population of Rycroft is 612. The Village serves a surrounding trading area of approximately 5,500 persons.

In April 2015, electors of the Village of Rycroft petitioned the Minister of Municipal Affairs to conduct a viability review. A viability review addresses a municipality's governance, finances, and infrastructure to determine whether changes are required for the community to become viable. A viability review may result in dissolution, whereby a municipality is no longer a separate legal entity and becomes a part of its neighbouring municipality.

A viability review team was established in 2015 to review and recommend whether the Village of Rycroft is viable, and to develop a plan to address the factors contributing to the long-term viability of the village. The review included consultation with village residents and businesses.

This document is the Village of Rycroft Viability Plan. It reflects the spirit of the Municipal Sustainability Strategy, and also reflects the VRT's approach to determining the long-term viability of the village. The plan outlines the village's current finances, governance, services, and infrastructure. It also highlights a number of viability concerns. This plan provides:

- an overview and analysis of village operations over the past ten years;
- the actions that the village council could undertake to address identified viability challenges;
- a description of what Village of Rycroft residents and businesses could expect to occur if the village dissolves to become a hamlet in the MD of Spirit River No.133; and
- the outcome of the infrastructure assessment.

The Village of Rycroft Viability Plan describes two options for long-term viability:

- Option 1: Rycroft continues as an incorporated municipality and follows directives from the Minister of Municipal Affairs based on the recommendations of the VRT to ensure its long-term viability.
- Option 2: The Village of Rycroft dissolves and becomes the hamlet of Rycroft in the MD of Spirit River No.133.

A detailed analysis of the implications of each option is provided in the Analysis of Operations and Options section of this report.

This Viability Plan provides council, administration, residents, and businesses of Rycroft with an opportunity to discuss and debate the future of the village.

# VILLAGE OF RYCROFT VIABILITY REVIEW

## REQUEST AND INITIATION

In April 2015, following receipt of a sufficient petition from electors of the Village of Rycroft requesting that a dissolution study be undertaken for the village, the Minister of Municipal Affairs advised that a study would proceed in the form of a viability review.

## VIABILITY REVIEW TEAM

In September 2015, the Village of Rycroft Viability Review began with the establishment of the Village of Rycroft Viability Review Team (VRT) that was tasked with leading the review.

The team initially consisted of one elected and one administrative official from each of the Village of Rycroft (review municipality) and from the MD of Spirit River (MD) (potential receiving municipality), and one representative each from the Alberta Association of Municipal Districts and Counties, the Alberta Urban Municipalities Association, the Alberta Rural Municipal Administrators Association, the Local Government Administration Association, and Alberta Municipal Affairs.

In April 2016, Saddle Hills County (County) was invited to appoint representatives to the VRT in recognition of the significant impact the county has on the Village of Rycroft's viability through the funding that the county provides to the village.

## VIABILITY REVIEW MANDATE AND APPROACH

The Minister gave the Village of Rycroft VRT the mandate to:

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

The Municipal Sustainability Strategy was developed in 2010 by a partnership between Alberta Municipal Affairs and the province's municipal and administrative associations to improve the long-term viability of municipalities across the province. The village's viability was assessed by considering eight broad areas identified in the Municipal Sustainability Strategy:

1. **Sustainable governance** - addresses council practices and procedures, compliance with legislation, citizen engagement, and strategic planning.
2. **Regional cooperation** - addresses the municipality's approach to collaboration with neighbours for the benefit of the community and the region.
3. **Operational and administrative capacity** - addresses the capacity of the municipality to operate on a daily basis and implement council decisions.
4. **Financial stability** - addresses the municipality's capacity to generate and manage revenues sufficient to provide for necessary infrastructure and services.
5. **Infrastructure** - addresses the municipality's capacity to effectively and efficiently manage its infrastructure.
6. **Service delivery** - addresses the capacity of the municipality to provide essential services that meet public expectations and applicable regulated standards.

7. **Community well-being** - addresses characteristics that contribute to the vitality of the community and the long-term viability of the municipality.
8. **Risk management** - addresses the capacity of the municipality to identify and manage key risks.

During its review, the VRT considered a number of factors about the village, including:

- finances;
- municipal services;
- long-term planning of services and infrastructure needs;
- the current state of municipal infrastructure;
- community demographics;
- economic development and economic activity;
- municipal structure; and
- relationship with the MD and County.

## **VIABILITY REVIEW TEAM FINDINGS**

The VRT distributed a stakeholder workbook at a public meeting in the Village of Rycroft that was held in November 2015. Feedback, collected through the stakeholder workbook and written submissions from residents and businesses, was considered by the VRT in determining the viability of the Village of Rycroft and in developing the recommendations contained in this report.

The VRT received 54 completed workbooks. Of the respondents, 50 stated that they were residents of Rycroft and 10 stated that they owned businesses in the village. A summary of the feedback is provided in **Appendix F**.

The feedback highlighted a strong sense of pride for the community; identified a need to address infrastructure repair, bylaw enforcement, and economic development as top priorities; and identified a concern that municipal taxes and fees are not affordable.

The VRT also collected and reviewed the information contained in this document, including the analysis of village operations over the past ten years.

## VIABILITY DETERMINATION AND VIABILITY FACTORS

The VRT reached consensus that the Village of Rycroft is not clearly viable. This determination is based on the Municipal Sustainability Strategy Key Measures of Municipal Viability (**Appendix A**), the findings detailed in this Viability Plan, the input provided by Rycroft residents, and the following identified viability factors:

1. the number of by-elections resulting in continual changes on council and repeated use of special council meetings to conduct regular business;
2. the requested assistance from Municipal Affairs during the past 10 years, which brought to light a number of concerns regarding the actions and decisions of the council at the time;
3. the inability to retain municipal staff and implement a succession plan;
4. the appointment of a total of nine village managers (chief administrative officers [CAOs]) in the past 10 years and the fact that the cost of CAO services is subsidized with short-term Saddle Hills County funding;
5. over extending the debt service limit in a number of years;
6. more than five per cent in outstanding property taxes over a three-year period (**Appendix A: Key Measures: 2013 – 39 per cent, 2014 – 22 per cent, and 2015 – 37 per cent**); and
7. the village's water and wastewater systems do not consistently operate at full cost recovery through utility fees.

## RECOMMENDATIONS FOR THE LONG-TERM VIABILITY OF RYCROFT AS A VILLAGE

In the event that the community remains incorporated as a village, the VRT came to the determination that the village must take steps to ensure the community's long-term viability, including:

- revisiting the recommendations that have been developed for the village through various ministerial processes since 2009, and ensuring that they have been addressed;
- developing a contingency plan for potential future changes to the village's revenue streams, particularly local government transfers;
- establishing a reserve fund policy;
- increasing the property tax collection rate to at least 90 per cent; and
- adopting a 10-year rolling capital plan which includes funding sources.

Detailed recommendations for long term viability are provided in the **Analysis of Operations and Options** section of this report, and are summarized in **Appendix G: Recommendations for Long-Term Viability**.

## NEXT STEPS

### PUBLIC PRESENTATION OF THE VIABILITY PLAN

Alberta Municipal Affairs will present the Viability Plan at a public meeting to be held on Thursday, December 14, 2017, in the Rycroft Community Hall.

The presentation will include:

- an overview of the viability options for Rycroft;
- an opportunity to provide feedback to the Minister regarding the viability options for Rycroft; and
- an explanation of the next steps in the viability review.

### MINISTER'S DECISION

Following the public presentation of the Village of Rycroft Viability Plan, the Minister of Municipal Affairs has the responsibility to determine the next steps for the Village of Rycroft.

The Minister will consider the information contained in this Viability Plan, the feedback provided during the public presentation of the Viability Plan, and the input provided by village council, the MD, and the County.

If the Minister determines that remaining incorporated as the Village of Rycroft is the preferred option, no vote of the village electors will be held. The Minister may issue a Ministerial Order providing directives to the village council and administration for implementation. The directives would be based on the viability team's recommendations in this Viability Plan. Alberta Municipal Affairs would monitor the completion of the directives and provide advisory assistance.

If the Minister determines that dissolution is the appropriate course of action, the Minister will hold a vote of village electors on the question of dissolution. The vote will be conducted in accordance with the *Local Authorities Election Act*. Notice of the time, date, and location of the vote will be provided to electors by Municipal Affairs.

### AFTER A VOTE ON DISSOLUTION

If the Minister decides to hold a vote on dissolution, and if village electors vote that Rycroft should not be dissolved, Rycroft will remain an incorporated village. The Minister may issue a Ministerial Order providing directives to the village council and administration. The directives may be based on the viability team's recommendations in this Viability Plan. Alberta Municipal Affairs would monitor the completion of the directives and provide advisory assistance.

If village electors vote that Rycroft should be dissolved, the Minister must recommend to the Provincial Cabinet that the Village of Rycroft be dissolved to become a hamlet in the MD of Spirit River. Cabinet makes the final decision. If a decision to dissolve the Village of Rycroft is made, the Lieutenant Governor in Council signs a formal document (Order in Council) that legally changes that status of Rycroft from village to hamlet within the MD of Spirit River. The MD of Spirit River would become responsible for governing and servicing Rycroft in addition to the rural area it already serves. Residents of Rycroft would become electors in the MD of Spirit River.

### COMMUNICATION WITH RESIDENTS

Rycroft electors who do not receive this report by mail can request to receive future mail-outs from Municipal Affairs, including notice of a vote on dissolution, by emailing Municipal Affairs at [viabilityreview@gov.ab.ca](mailto:viabilityreview@gov.ab.ca). This report is also available on the Government of Alberta website at: [www.municipalaffairs.alberta.ca/viability-reviews#rycroft](http://www.municipalaffairs.alberta.ca/viability-reviews#rycroft).

# ANALYSIS OF OPERATIONS AND OPTIONS

## 1. SUSTAINABLE GOVERNANCE

<b><u>MUNICIPAL STATUS AND HAMLETS</u></b>	
<p>Currently, the Village of Rycroft is an incorporated municipality. The MD of Spirit River No. 133 serves a rural community and has no existing urban service areas or hamlets.</p>	
<b>Option One - Rycroft remains a village and implements changes to achieve viability</b>	<b>Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133</b>
<p>Rycroft would remain an incorporated village. The village council would continue to be responsible for local governance and the provision of local services, and would have the authority to pass bylaws and collect property taxes or other revenues to support local services.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Rycroft council and administration should:</p> <ol style="list-style-type: none"> <li>1. consider the issues identified in the Viability Plan and all of the recommendations of the VRT, and adopt a written plan of how council intends to implement the recommendations following acceptance of the Viability Review report by the Minister of Municipal Affairs;</li> <li>2. complete an assessment of all new legislative requirements resulting from the review of the <i>Municipal Government Act</i>, and ensure all new requirements are planned and budgeted for including councillor training, a public participation policy, a municipal development plan, an intermunicipal development plan and an intermunicipal collaboration framework; and</li> <li>3. identify various means to communicate with the community including how council and administration will share information to residents on an ongoing basis, and further development of the village website for posting of village bylaws, council agendas and minutes, and explanation of changes in service delivery and utility rates.</li> </ol>	<p>Dissolution would un-incorporate the village. Rycroft would become a hamlet in the MD.</p> <p>The MD of Spirit River would become responsible for governing, servicing, and levying taxes on Rycroft residents in addition to the rural population it already serves..</p>

## **COUNCIL REPRESENTATION AND LOCAL DECISION MAKING**

As the governing body of the municipality, an elected council sets the overall direction of the municipality through the creation and review of policies and programs. Rycroft residents are represented by a five-member council elected by village electors and are eligible for election to the village council. The mayor is appointed by council at the annual organizational meeting.

The village council is responsible for the passing of bylaws, adoption of policies, setting budgets, raising revenues through property taxes and business taxes, setting fees for services, borrowing, fines, adopting plans and bylaws for the use and development of land, and providing a variety of services required or desired by residents within the boundaries of the village.

Village councillors are appointed to 19 different boards and committees to represent the interests of Rycroft residents. The work of Rycroft councillors on these regional committees is a benefit for the whole region and contributes to the viability of the Village of Rycroft by strengthening the village's relationships with its neighbours and expanding the services available to residents.

The village is a member of the Alberta Urban Municipalities Association and the Federation of Canadian Municipalities.

### **Municipal Elections**

Since the 2010 general election, the village has held eight by-elections in total due to the resignation of councillors during their elected term of office.

- In May 2012, the village council did not have a quorum as three of the five councillors had resigned. The Minister gave approval that the remaining councillors would constitute a quorum and appointed an Official Administrator (a special appointment provided for in the *Municipal Government Act*) to supervise the council until the vacant council positions were filled. The vacant positions were subsequently filled by acclamation.
- In the 2013 municipal general election, each council position was contested with all councillors being newly elected.
- During the 2013-17 term:
  - A councillor resigned in 2014. A candidate ran unopposed and was acclaimed to council in the by-election;
  - Two councillors resigned in 2016. Three candidates ran to fill the two council positions in the October 2016 by-election;
  - Two councillors resigned in January 2017. The remaining three councillors constituted a quorum and could continue to meet and do business. According to the *Municipal Government Act*, a council must hold a by-election to fill a vacancy on council unless the vacancy occurs in the six months before a general election. As the cost of the election would be a burden on the village, the council requested and received approval from the Minister to not hold a by-election; the three remaining councillors acted as council until the general election in October 2017.

### **Special Council Meetings**

Special council meetings are intended to address emergent matters that need to be addressed prior to the next regular council meeting.

In the three-year period from May 2012 to May 2015, the council held 23 special meetings in addition to its regular monthly council meetings.

Since then, the council has held three special meetings to address emergent issues in a timely manner. The council addressed the balance of its work at the monthly meetings.

As of January 2017, the council has held meetings twice a month instead of once a month to ensure regular business is completed at regular council meetings.

The number of by-elections resulting in continual changes on council, repeated use of special council meetings to conduct regular business, and the need for Ministerial interventions are considered **Viability Factors**.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The composition of the village council and annual appointment of mayor is not expected to change if Rycroft remains an incorporated village. Council meetings would continue to be advertised and held on a regular basis in the village offices.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <ol style="list-style-type: none"> <li>4. determine and advertise all council meetings and ensure council business can be accomplished without the need to call special meetings except for emergent issues;</li> <li>5. prior to the next municipal election, develop a nomination package for prospective councillors, and host information sessions on what it means to be an elected official, describe the opportunities and challenges facing the village, how these align with the responsibilities of being a councillor, and encourage residents to consider running for council in the next municipal elections; and</li> <li>6. consider reducing representation from five councillors to three. A decision would need to be made at least six months prior to the next general municipal election in October 2021.</li> </ol>	<p>Residents of the MD are represented by four councillors elected from four electoral divisions, which are based on population, the number of roads, and geographic area. The Reeve is appointed annually at the organizational meeting. Council meetings are held during the day on the first and third Wednesday of the month.</p> <p>The 2016 ministry-accepted populations of the Village of Rycroft and the MD are 628 and 713 respectively. If the municipalities do not conduct a municipal census, 2016 Federal Census populations of 612 and 700 respectively would become the 2017 ministry populations.</p> <p>It is important that residents of a dissolved municipality are represented on the municipal council and eligible to run for council and vote. A dissolved municipality may be included in one or more electoral divisions of the receiving municipality, or new electoral divisions may be created.</p> <p>The Order in Council dissolving the village may describe how Rycroft would be included in the MD ward system.</p> <p>Based on the populations of the village and MD, a possible interim ward system is that the hamlet of Rycroft would be a ward with up to three elected-at-large councillors, the MD would have four councillors elected according to its current ward system, and the Reeve would be appointed from all councillors at the annual organizational meeting of council.</p> <p>The Order in Council dissolving the village could also direct the MD to conduct an electoral ward boundary review for the whole municipality, to ensure an odd number of councillors (including the Reeve) and establish the new ward boundaries in a bylaw prior to the 2021 general election.</p> <p>A bylaw establishing ward boundaries must be advertised by council and would be petitionable by residents including those of a hamlet of Rycroft. Rycroft residents will be eligible for nomination and election to the MD council.</p>

### MUNICIPAL BYLAWS AND POLICIES

The village council is responsible for the development and review of bylaws and policies that govern the Village of Rycroft and is in the process of revising its approximately 150 bylaws.

The council procedural bylaw governs conduct at council meetings and outlines how delegations may appear before council

The village has the following enforceable bylaws: animal control; untidy, unsafe, unsightly premises; noise abatement; vicious dogs; license and control of cats; animal bylaw; and license and control of dogs and domestic animals.

The village recently contracted bylaw officer services to enforce bylaws in the village.

#### **Option One - Rycroft remains a village and implements changes to achieve viability**

The village council will continue to be responsible for the development and review of bylaws and policies that govern Rycroft.

#### Recommendations for Long-Term Viability

The Village of Rycroft council and administration should:

7. within 12 months of the report being accepted by the Minister of Municipal Affairs, complete the review of village bylaws and policies, to ensure that existing bylaws and policies are compliant with current and proposed provincial legislation and that they meet the needs of the village.

#### **Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133**

Existing village bylaws that apply specifically to hamlet land (for example, the village's land use bylaw) will remain in force for the hamlet until the MD amends, repeals, or replaces them. Typically, similar bylaws are repealed and replaced by the MD's bylaw. Where there is not a similar bylaw, the MD could retain the village bylaw and continue to apply it to the hamlet.

The MD proposes to review all village bylaws. Those similar to the MD bylaws would be combined into the MD bylaw and the Rycroft bylaw repealed. One such bylaw would be the land-use bylaw. The MD would be required to follow the public participation requirements in the *Municipal Government Act* when amending its bylaws, which may include public hearings, or the ability of the public to petition against proposed bylaws.

As Rycroft would be the MD's only hamlet, some bylaws may be retained to govern matters within the hamlet boundaries.

### ASSISTANCE FROM MUNICIPAL AFFAIRS

Since 2009, the department of Municipal Affairs has been in regular contact and provided assistance to the village in a variety of capacities.

- In 2009, the ministry completed a Municipal Corporate Review for the village that identified significant concerns with the conduct of council at that time.
- In late 2009, the department received a petition from Rycroft residents for a dissolution study. Due to the similar populations of the MD of Spirit River and the Village of Rycroft, and the impact a dissolution would likely have on the receiving municipality, the Minister of the day determined that a dissolution study was not the appropriate process to address residents' concerns, and instead ordered an inspection of the village. An inspection is a process whereby the Minister appoints a person to review any matters connected with the management, administration, or operation of a municipality to determine if the municipality has been operated in an irregular, improper, or improvident manner. The resulting 2010 inspection report identified a number of concerns with governance and administration and made recommendations for improvement; though the inspector did not find the village to be managed in an irregular, improper, or improvident manner.

- In 2012, the Minister appointed Municipal Affairs staff to act as Official Administrators (OAs) to monitor council and administration as well as assist in reconciling the village finances. The appointment was due to council decisions relating to a commercial subdivision developed by the village, the manner in which it was financed, and a dispute with the eventual landowners that resulted in significant financial difficulty for the village.
- On conclusion of the ministry staff OA appointment, a contracted OA was hired by the Minister to further address the finances of the village, including: refinancing the borrowing associated with the commercial development, and to assist with the transition to a new CAO following a council-conducted CAO recruitment process.
- While the debt refinancing helped the village regain control of its finances, additional concerns remained regarding expenses related to the water utility and the lack of a long-term CAO.
- In April 2015, the Minister decided to undertake a viability review for the village following receipt of a sufficient petition from village electors.

The assistance from Municipal Affairs during the past 10 years, which highlighted a number of concerns regarding the actions and decisions of the council at the time, is considered a **Viability Factor**.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>In 2015, the Village of Rycroft received provincial funding from the Municipal Restructuring component of the Alberta Community Partnership (ACP) grant to conduct an infrastructure assessment and develop a ten-year capital plan. This funding, and the completion of an infrastructure audit, is a typical component of the viability review process.</p> <p>If Rycroft remains a village, it is not eligible to apply for further funds under the Municipal Restructuring component of the ACP grant though it will remain eligible for other provincial and federal funding for municipalities.</p> <p>Based on the VRT's recommendations in this plan, the Minister will direct the village council and administration to take certain actions that are significant to ensure the long-term viability of the village.</p> <p>Ministry staff would monitor the village's progress and provide advisory services.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <ol style="list-style-type: none"> <li>8. revisit the 2009 Municipal Corporate review and the 2010 Inspection Report to ensure that the relevant recommendations have been addressed.</li> </ol>	<p>Following dissolution, ministry staff would be available to provide advice to the MD.</p> <p>Municipal Restructuring component ACP grant funding is available, contingent on program renewal, to assist a receiving municipality with restructuring costs associated with administration, governance, and legislation (Transitional Stream); and to fund capital projects in the new hamlet identified in the infrastructure assessment (Infrastructure/Debt Servicing Stream).</p> <p>In 2016/17, the MD would have been eligible to apply for up to \$351,200 from the Transitional Stream and up to \$1,193,200 from the Infrastructure/Debt Servicing Stream. The 2017/18 ACP grant funding amounts have not yet been announced.</p> <p>The MD will receive the infrastructure assessment if dissolution occurs and would use it to plan for capital investment.</p> <p>It would be the responsibility of the MD council to determine how to spend any Municipal Restructuring ACP grant monies to benefit Rycroft.</p>

### **COUNCIL TRAINING OPPORTUNITIES AND PARTICIPATION**

New legislation recognizes the importance of training for councillors. All councillors are to be offered orientation training following election that must include:

- role of municipalities in Alberta;
- municipal organizations and functions;
- roles and responsibilities of council and councillors, the chief administrative officer, and the staff;
- budgeting and financial administration;
- key municipal plans, policies, and projects; and
- public participation and engagement.

In 2013 following the general election, councillors were provided with a copy of the village's Code of Conduct and Procedural Bylaw, and participated in a Roles and Responsibilities workshop provided by Municipal Affairs.

In 2015, councillors attended conferences and other training sessions including the Alberta Urban Municipalities Association (AUMA); annual convention and the Elected Official Education Program developed jointly by the Alberta Association of Municipal Districts and Counties, AUMA, and Municipal Affairs for the benefit of all municipal elected officials.

In 2016, council budgeted \$12,500 in professional development funding for councillors.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village will continue to provide for councillor orientation and training.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <ol style="list-style-type: none"> <li>9. participate in orientation training following general elections and by-elections; and</li> <li>10. continue to support and enable councillors to take advantage of training opportunities provided by Municipal Affairs and the provincial associations.</li> </ol>	<p>The MD also provides financial support to its councillors for professional development and provides orientation training to councillors following elections.</p>

### **STRATEGIC AND LONG-TERM PLANNING**

According to the 2011 Village of Rycroft Inspection Report, the village, with the assistance of a consultant, drafted a long-term strategic plan containing cultural, economic, social, and governance goals for the village in the short, medium, and long-term. The 2010 report recommended that council regularly review and update the plan. As of 2015, Rycroft council had not adopted long-term plans.

New legislation proclaimed in October 2017 requires all municipalities to adopt a number of long-term plans, including: multi-year operational plans and a capital plan, and a municipal development plan.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The council is working to establish strategic and long-term capital plans for the village.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <ol style="list-style-type: none"> <li>11. review and update the 2010 long-term strategic plan; and</li> <li>12. adopt a multi-year operational plan and capital plan, and a municipal development plan.</li> </ol>	<p>The MD has a multi-year capital plan, a rolling equipment revolving plan, and a Municipal Development Plan that was adopted in 2010.</p> <p>The MD develops strategic plans for specific purposes. Bridges in the MD are on the Provincial Bridge Infrastructure Management monitoring system for inspections and maintenance. The MD's Rural Road Study (2010) would be updated to include the Rycroft road network.</p> <p>The MD will be subject to the same new requirements in the <i>Municipal Government Act</i> for long-term plans.</p>

## 2. REGIONAL CO-OPERATION

<b><u>REGIONAL SERVICE COMMISSIONS AND INTERMUNICIPAL AGREEMENTS</u></b>	
<p>The Village of Rycroft partners with its municipal neighbours to provide services to its residents in an effective, efficient manner.</p> <p>The two main partnerships are the G3 and the G5. In addition to the Village of Rycroft, the G3 partners are the Town of Spirit River and the MD of Spirit River; and the G5 partners are the Town of Spirit River, the MD of Spirit River, Saddle Hills County, and Birch Hills County.</p> <p>Services provided by the partnerships include solid waste management, Family and Community Support Services (FCSS), fire and rescue services, and emergency management (mutual aid agreements).</p> <p>The G3 recently established a regional services commission for emergency services.</p> <p>The G5 is partnering in the construction of a health care centre with clinical and other allied health providers in Spirit River. The Anglican Church was relocated to the Spirit River Historical Society Museum as a joint G5 initiative to save the building. Other structures, located on the future building site, were demolished to clear the site for the construction of the medical clinic.</p> <p>In addition, the G5 is developing a strategic plan for the development of water from the Peace River, options for senior housing, and exploring the possibility of shared services or contracting for the operation of utility and regional waste services.</p> <p>New legislation proclaimed in October 2017 also requires each municipality to adopt an intermunicipal development plan with each municipality it shares a common boundary with by April 1, 2020. The ICF must list all village services, including services provided regionally, and services provided by third parties. It must also include an intermunicipal development plan.</p>	
Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village will be responsible to work with the MD to adopt an intermunicipal collaboration framework and an intermunicipal development plan.</p> <p>The village will be required to maintain its responsibilities under existing regional partnership agreements.</p>	<p>Village participation on commissions, authorities, and in regional service agreements would transfer to the MD.</p> <p>Rycroft would be represented by the MD in its relationships with other municipalities including the Town of Spirit River, Birch Hills County, and Saddle Hills County.</p>

<p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <ol style="list-style-type: none"> <li>13. continue involvement in regional committees making a significant contribution to the viability of the area and the village;</li> <li>14. pursue innovative ways to enhance regional partnerships that would provide programs and services to Rycroft residents in the most effective and efficient manner, and avoid duplication to achieve effective management of the public purse;</li> <li>15. prior to undertaking any major capital projects, the village should consult with neighbouring municipalities to see if there are opportunities to reduce costs by collaborating;</li> <li>16. in cooperation with neighbouring municipalities, develop an intermunicipal collaboration framework and intermunicipal development plan;</li> <li>17. participate in the development of a regional economic strategy that allows for participation from residents, local businesses, and other regional organizations; and</li> <li>18. consider operational efficiencies, increases in the level of services, and potential costs savings that could result with respect to a shared water treatment operator or an agreement for services with a neighbouring municipality.</li> </ol>	<p>The MD will be subject to the same new requirements in the <i>Municipal Government Act</i> for intermunicipal collaboration frameworks. There would be no need for an intermunicipal collaboration framework between the hamlet and the MD.</p>
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**FUNDING AGREEMENT – SADDLE HILLS COUNTY**

There is a regional development initiative between Saddle Hills County and the Village of Rycroft. Between 2015 and 2018 inclusive, the county has provided / will provide the village with unconditional regional development initiative funding of \$500,000 annually. The county has the same agreement with the Town of Spirit River.

The county provided additional support to the village for CAO services. Initially this was in the form of services to the value of approximately \$50,000 annually. The county now provides the village with \$5,000 monthly which ends in December 2017.

In April 2016, in recognition of the significant impact Saddle Hills County has on the viability of Rycroft through the funding provided to the village, the county was invited to appoint representatives on the Village of Rycroft VRT.

There have been discussions between the councils of the village, the MD, and Saddle Hills County about ways to assist Rycroft regarding viability. The MD does not have formal in-kind support agreements with the Village of Rycroft.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>Rycroft would continue to receive funding from Saddle Hills County towards CAO services until December 2017 and the unconditional regional development initiative funding of \$500,000 annually until December 2018.</p> <p>No commitment has been made by the county beyond these timelines.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>19. develop contingency plans to address the potential change in revenue.</p>	<p>Saddle Hills County does not have a funding arrangement with the MD.</p>

### 3. OPERATIONAL AND ADMINISTRATIVE CAPACITY

<u>ADMINISTRATION BUILDING</u>	
<p>The village office is open to the public Monday to Friday, between 9:00 AM and 5:00 PM.</p>	
Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>Recent changes to the village office building addressed inefficiencies.</p> <p>It is not anticipated the village's office hours will change.</p> <ul style="list-style-type: none"> <li>- No recommendations made for the long term-viability of the village.</li> </ul>	<p>The MD office, located in the Town of Spirit River, is open to the public Monday to Friday, between 8:30 AM and 4:30 PM.</p> <p>The MD will evaluate the need for an office in Rycroft. It is likely the office would be consolidated into the MD office.</p> <p>MD residents access services in person at the MD office, by email, Canada Post, and phone.</p>

<u>HUMAN RESOURCES AND CONTRACTED SERVICES</u>
<p>All municipalities in Alberta must appoint a CAO.</p> <p>Since 2009, the village has had constant turnover at the CAO position due to both interpersonal disputes between council and administration and an inability to attract and retain qualified staff. This resulted in a number of CAO visits from Municipal Affairs and a reliance of Rycroft administration on the assistance of the ministry's municipal advisors.</p> <p>The village has appointed a total of seven CAOs in the past ten years and there has been a 100 per cent turnover in administration staff in the last four years. The inability to retain municipal staff and implement a succession plan is considered a <b>Viability Factor</b>.</p> <p>In 2013, the village requested assistance from Saddle Hills County, which provided some staff to assist on an emergency basis. In the course of that assistance, the county determined that the problems in the village would take some considerable time to correct, and also identified an opportunity for mutual benefit to the village and the county.</p>

An initiative was developed which would see the county provide a senior staff member to work part-time with the village as CAO, providing their experience and expertise, as well as access to the expertise of other county staff with specialized skills in other areas including municipal development, planning, and accounting. The village was to benefit from access to a level of expertise that it could not afford to hire otherwise, and the county was to benefit from having a senior staff member gain first-hand training and experience as a CAO and exposure to a wide variety of municipal operations.

This plan was not fully implemented. Since April 2014, the county has assisted the village with CAO Services. Initially in the form of contracted CAO services valued at approximately \$50,000 annually, the county now provides the village with \$5,000 monthly. This funding will end in December 2017. The total annual cost of CAO services was estimated by the county to be \$100,000.

If the village contracted the services at full-cost, village revenues would need to increase to cover the additional cost when the county no longer provides additional funding for this service. The fact that the cost of CAO services is subsidized with short-term county funding is considered a **Viability Factor**.

Currently, in addition to the position of CAO, the village has three permanent full-time administrative staff positions: corporate services, finance, and reception; three permanent full-time public works staff; and employs seasonal workers to assist during the summer. In comparison, for the years 2014 and 2015, the village had five full-time staff positions (three administrative, though only two were filled, and two public works) in addition to seasonal staff, a contracted CAO for two days a week, and contracted with Aquatera Utilities Inc. for water and wastewater services.

In October 2016, the village hired a new CAO who works full-time five days a week

All full-time and seasonal positions have job descriptions. At this time, the village does not have a staff retention or succession plan; however, the village is in the process of developing a long-term staffing plan.

In 2016, the village budgeted \$4,000 for staff training, \$5,000 for conference registrations, and an additional \$1,500 for a specific course requirement for public works staff. The MD provides advice and training to village staff when requested.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village will continue to employ or contract a CAO, and employ staff or contract for the provision of programs and services.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <ol style="list-style-type: none"> <li>20. determine if staffing is at an appropriate level for village services and programs as part of the annual budget process, complete the long-term staffing plan, and develop a staff succession plan;</li> <li>21. continue to include resources for staff training in the annual village budget; and</li> <li>22. develop and implement a records management and retention policy to ensure that village records are properly maintained and stored.</li> </ol>	<p>The MD CAO will be responsible for the management of the MD including the hamlet of Rycroft. The provision of municipal services will be handled by MD staff and contractors.</p> <p>Village staff employment records and liabilities associated with village employees will transfer to the MD.</p> <p>The MD would determine staffing needs for the operation of the MD including the hamlet of Rycroft. Should any positions be determined to no longer be needed, the MD would be required to provide termination notice or pay, in accordance with provincial labour laws.</p>

## 4. FINANCIAL STABILITY

### FINANCIAL POSITION

The municipal financial year is from January 1 to December 31. All municipalities in Alberta must adopt an operating and capital budget that shows the expected revenues and expenses. The revenues must be sufficient to cover the expenditures.

Following proclamation of the *Municipal Government Amendment Act* in October 2017, it is mandatory for municipalities to prepare a written plan respecting its anticipated financial operations over a period of at least the next three financial years and its anticipated capital property additions/replacements over a period of at least the next five years.

According to the village's 2015 audited financial statements, the village had total revenues of \$2,407,047 and total expenses of \$1,820,315.

The financial information reported by the Village of Rycroft to Municipal Affairs and analyzed by the VRT is in **Appendix B: Financial Information 2011 – 2016: Table 1: Financial Position; Table 2: Accumulated Surplus; and Table 3: Financial Activities by Function (Revenues and Expenses).**

#### Option One - Rycroft remains a village and implements changes to achieve viability

All existing assets and liabilities will remain with the village. The village will continue to be responsible for its budgets, financial plans, and reporting obligations.

#### Recommendations for Long-Term Viability

The Village of Rycroft council and administration should:

23. based on legislative requirements resulting from the *Municipal Government Act* review, adopt a three-year operating plan and a five-year capital plan updating them annually;
24. as part of the annual budget process, undertake a service capacity review to align program and service levels, council and residents' expectations, and available resources and funding;
25. provide information to village residents and property owners through a year-end report outlining how the previous year's revenues, including property taxes, were expended on village programs and services as part of a strategy for taxpayers to better understand how property tax dollars are spent and the value received from them;
26. establish a Reserve Fund Policy to ensure that funding is available for an unexpected event that:
  - a. includes an infrastructure reserve funded through a combination of revenue from property taxes, additional taxes, and user fees;

#### Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133

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

All money transferred from the village to the MD must be used to pay off or reduce liabilities of the former village, or for projects in the new hamlet of Rycroft.

If dissolution occurs, assets would transfer to the MD. The MD could sell any assets not required for their municipal purposes.

The MD would be required to account separately for funds received from the village, including money from the sale of any assets.

These funds could only be used to reduce a liability incurred by the village, or for projects in the former area of the village.

The MD has indicated that it would retain the public works shop, fire hall, and all buildings related to water and waste treatment and recreation.

Village equipment and vehicles would be evaluated to determine if they are required for the ongoing operation of the MD and hamlet of Rycroft.

The MD intends to use funds from the sale of assets to offset the infrastructure liability in Rycroft.

<p>b. clearly defines the purposes the infrastructure reserve and operating reserve can be used; and</p> <p>c. provides a mechanism for council to review reserve levels on an annual basis to ensure adequate levels are maintained.</p>	
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### MUNICIPAL BORROWING AND DEBT

Debt limits and debt service limits are legislated in the Alberta Debt Limit Regulation and are intended to ensure municipalities do not borrow more than they can reasonably afford to pay off, based on their revenue levels. To exceed either means that a municipality is in contravention of the regulation and should not enter into further debt. According to the village's 2015 audited financial statements, the village has the capacity to borrow up to \$2,123,867 for future projects with an annual service limit of \$524,175.

As of December 31, 2015, the village had total debt of \$1,136,941. Of this, the village's long-term debt amounted to \$479,418. The debenture is repayable to the Alberta Capital Finance Authority and matures December 16, 2033. The annual payment for principal and interest is \$36,489.

In addition to the long-term debt, the village borrowed money as a demand loan from ATB Financial to address the financial difficulty the village was experiencing as result of the earlier development of a commercial subdivision. As of December 31, 2016, the outstanding balance on the loan was \$635,622.

In 2013, the village was at 133 per cent, and in 2014 at 159 per cent, of its debt service limit as listed in **Appendix A: Village of Rycroft Key Measures of Viability, Key Measure #4**. At this time, the ATB loan was considered due in the current year. This indicates the village council was intending to pay off a substantial loan in a short timeframe. However, this repayment arrangement required significant cash flow, and significantly impacted the village's funds available to pay for other operational expenses.

In 2015, full repayment on the loan from ATB Financial was not reported in the debt service limit calculation. In 2016, ATB indicated it will not require full repayment of the loan in full so long as the village makes the regular payments. Based on this information, the village's debt service limit in 2016 is calculated as if the ATB demand loan is a long-term loan maturing January 31, 2024.

When a municipality reaches 80 per cent of its debt or debt service limit, one of the ten quantifiable key measures of municipal viability is triggered.

Extending the debt service limit for a number of years means a municipality may not incur further debt, which impacts their cash flow, and is considered a **Viability Factor**.

Annual payments on debentures and loans may be funded through utility fees or property taxes.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village will continue to be solely responsible for repayment of borrowings, with repayments funded out of village revenues.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>27. review financial reports on a quarterly basis, in accordance with established financial procedures, and release the reports to the village residents in council meeting agenda materials.</p>	<p>Village liabilities will transfer to the MD.</p> <p>If the liabilities exceeded the assets of the village, the MD could impose additional taxes on properties in Rycroft to pay for the excess liabilities.</p> <p>Currently, the MD has no debt.</p> <p>Existing debt and debt incurred by the MD for a project in Rycroft would be funded in a number of ways including:</p> <ul style="list-style-type: none"> <li>• transferred village assets;</li> <li>• special tax levy on all village properties; and</li> </ul>

	<ul style="list-style-type: none"> <li>local improvement tax placed on those properties that benefit from the project.</li> </ul>
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<b><u>MUNICIPAL REVENUES AND EXPENSES</u></b>	
<p>Major revenue sources for all municipalities include municipal property taxes, grant funding, and fees for service including utility fees. The unconditional regional development initiative funding currently provided by Saddle Hills County is also a significant revenue source for the village.</p> <p><b>Appendix B</b>, Table 3 provides an overview of the village’s revenues and expenses for 2011 to 2015.</p>	
<b>Option One - Rycroft remains a village and implements changes to achieve viability</b>	<b>Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133</b>
<p>The village will continue to be responsible for raising sufficient revenues to provide for its operational requirements and obligations.</p> <p>With the rising costs of providing services, village residents may face increases in taxes and user fees or a reduction in service delivery in order for the village to have sufficient revenue to fund the estimated expenditures.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>28. as part of the annual budget process, complete a service capacity review to align service levels and council expectations with resources and funding by reviewing current and potential municipal programs and services, levels of services, and resources required to provide the services.</p>	<p>The MD will receive the village’s rights to revenues on the date of dissolution including village property taxes and utility fees, and assume the assets (including cash, temporary investments, equipment, and facilities), liabilities, rights, duties, functions, and obligations of the Village of Rycroft upon dissolution. The MD will be responsible to raise revenues to cover costs associated with administering and providing services to the hamlet.</p> <p>The MD has indicated it would evaluate the physical assets and utilize as many as possible in its operation.</p> <p>The MD will use the proceeds of the sale of Rycroft assets and unrestricted cash and investment amounts to benefit the hamlet.</p>

<b><u>PROPERTY ASSESSMENT</u></b>	
<p>Assessment is the process of assigning a dollar amount to property, in comparison to other properties in a municipality, and based on the market value of the property. Properties in Rycroft are assessed on a five-year cycle, 20 per cent each year in addition to review of new property development at the time.</p>	
<b>Option One - Rycroft remains a village and implements changes to achieve viability</b>	<b>Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133</b>
<p>Property in Rycroft will continue to be assessed by the village’s assessor in accordance with provincial standards.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>29. maintain the contracted assessment services.</p>	<p>The same assessor is contracted by the village and MD.</p> <p>Assessed values of property are not expected to change significantly, as property assessment is based on the same methods and information throughout the province.</p>

## MUNICIPAL TAXES

As of December 2013, Rycroft did not collect 39 per cent of the taxes due that year. The rate of tax collection is one of the Key Measures on Municipal Viability used by Municipal Affairs, and a non-collection rate above five per cent is considered to be a potential risk to a municipality's viability. The 2013 tax collection rate was a significant consideration in determining whether a viability review would be conducted.

According to information provided in the village's audited financial statements, the village had 22 per cent outstanding in 2014, 37 per cent outstanding in 2015, and 60 per cent outstanding in 2016 (which is the highest non-collection rate in Alberta in 2016). A large portion of the outstanding property taxes is from a commercial subdivision. The arrears properties were put up for sale by the village at a property tax auction in 2016. The village did not receive any bids on the properties, took title of the properties, and is offering the properties for sale. From the proceeds of the sale, the village will recoup the owing property taxes. If there is any money remaining after payment of the tax arrears and other costs associated with the parcel of land, including any encumbrances, the previous owner is entitled to receive the remaining money.

More than five per cent in outstanding property taxes over a three-year period is considered a **Viability Factor**.

The village has a minimum tax of \$1,000.

A comparison of the 2016 and 2017 municipal property taxes levied on a property assessed at \$100,000 in the Village of Rycroft and the amount of property tax that Rycroft property owners could have expected to have been levied by the MD of Spirit River No. 133 on a property assessed at \$100,000 if Rycroft had been a hamlet in the MD can be found in **Appendix B** - Tables 4 and 5.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village will continue to be responsible to levy property taxes based on its annual budget, and to collect outstanding tax balances.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <ol style="list-style-type: none"> <li>30. review the property tax due dates and penalty schedules to be comparable with neighbouring urban municipalities;</li> <li>31. continue to follow the provincially legislated tax recovery process; and</li> <li>32. set up allowances for unpaid taxes if required.</li> </ol>	<p>Property taxes previously levied and owed to the village would be owed to the MD.</p> <p>Future MD tax rate bylaws and the MD's tax due date, September 15, and tax penalty schedule would apply to properties in Rycroft.</p> <p>The MD's minimum tax rate is \$25 at this time. The MD would consider a change in the minimum tax rate as long as it does not negatively affect rural MD residents.</p> <p>For residential properties in Rycroft, the MD has the ability to designate the residential properties as a sub-class of residential properties in the MD as a whole in accordance with Sections 297 and 354 of the <i>Municipal Government Act</i>. The residential tax rate could be different for a residential sub-class assigned as the hamlet of Rycroft from the tax rate for other residential properties in the MD.</p> <p>This means that if the MD determines through its budget process that expenses associated with Rycroft are higher than those associated with other residential areas in the MD, the MD could impose a higher tax rate on Rycroft residential properties than those in the rest of the MD.</p>

**SPECIAL TAXES, LOCAL IMPROVEMENT TAXES, AND FRANCHISE FEES**

The *Municipal Government Act* authorizes municipalities to impose special taxes and local improvement taxes on property in any area of a municipality to fund a service or project that will benefit that area. At this time, the Village of Rycroft does not levy special or local improvement taxes.

Currently, there are no local improvement taxes imposed on property in Rycroft.

Franchise fees levied on the power utility fund the street lights, and franchise fees levied on the gas utility go into general revenues.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village could consider imposing improvement taxes on properties that benefit from certain infrastructure improvements to fund the activity.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <ol style="list-style-type: none"> <li>33. review revenue sources to ensure that a proper balance between property taxes, special taxes, local improvement taxes, franchise fees, and user fees exists;</li> <li>34. develop a policy for imposing special taxes and local improvement taxes on properties in the village for projects in the village including imposing the tax in respect of property in an area that will benefit from a specific service, purpose, or project and not impose the tax on the whole village; and</li> <li>35. develop a policy that describes how revenues from franchise fees will be expended.</li> </ol>	<p>If dissolution occurred, the MD could impose special or local improvement taxes on properties in Rycroft to fund services or projects that will benefit the area of Rycroft.</p> <p>These taxes will be in addition to the MD tax rates levied on all property in the MD.</p> <p>The MD is served by the Central Peace Natural Gas Co-op. Franchise fees are not imposed on users of the co-op.</p> <p>The MD would use any collected franchise fees imposed on Rycroft properties to benefit Rycroft.</p>

**GRANT FUNDING**

Provincial and federal grants are another source of funding for municipalities.

The Municipal Sustainability Initiative (MSI), launched in 2007, helps support local infrastructure priorities and build strong, safe, and resilient communities. There are two components to MSI funding provided by Municipal Affairs.

***Municipal Sustainability Initiative Capital***

The MSI capital funding assists municipalities to meet the demands of growth, address local infrastructure needs, and enhance municipal sustainability.

The village’s allocation in the six-year period 2011 to 2017 was a total of \$1,358,072 - an average of \$194,010 annually over that time period.

**Appendix C:** Table 6 provides an overview of the Village of Rycroft’s provincial and federal grant allocations for capital projects in the years 2011 to 2017.

***Municipal Sustainability Initiative Operating Funding***

Municipalities are required to direct MSI operating funding to support four areas:

- initiatives that promote the viability and long-term sustainability of municipalities;
- the maintenance of safe, healthy, and vibrant communities.;

- the development of and maintenance of core municipal infrastructure to meet existing and changing municipal needs; and
- capacity-building within municipalities.

**Appendix C:** Table 7 provides an overview of the projects the village proposed to spend the MSI operating allocation on in the years 2010 to 2015.

In the period 2010 to 2016, the village MSI operating funding allocations totalled \$585,389. Of that, the village proposed to spend \$244,022 (42 per cent) on water and wastewater. This amount would have been recouped through utility rates if the village had full-cost recovery utility rates at the time.

***Deferred Grant Revenue***

Unexpended grants received by the municipality must be reported in the audited financial statements as deferred grant revenue and must be expended for the purpose they were received.

As of December 31, 2016, the village did not have deferred grant revenue according to the village's 2016 audited financial statements.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village will continue to be eligible to receive provincial and federal grant funding according to program stipulations. Unexpended grant funds will continue to be available for village projects.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>36. reconcile all outstanding grant funding within three months of this report being approved by the Minister of Municipal Affairs, to determine the current state of the village finances and project funding for future capital upgrades and projects.</p>	<p>Unexpended grants previously allocated to the village will transfer to the MD.</p> <p>The MD will also be eligible to apply for grants to assist with the funding of projects associated with the dissolution of the village subject to the availability and conditions of the grant.</p> <p>According to the 2015 MSI capital program guidelines, restructuring will not negatively affect MSI capital funding allocations to municipalities for a set period of time following dissolution.</p> <p>This means that the MD would receive a funding allocation equivalent to that which would have been calculated pre-restructuring for a subsequent five years.</p>

## 5. INFRASTRUCTURE

**VILLAGE OF RYCROFT INFRASTRUCTURE CONDITION ASSESSMENT**

In 2015, the village received a grant from the Government of Alberta to assess the overall state of its infrastructure. The study included a recommended 10-year capital plan to address emergent and future infrastructure needs.

The infrastructure audit provides the municipality with knowledge regarding the status of its infrastructure and provides an awareness of health and safety matters associated with the infrastructure.

The completed Village of Rycroft infrastructure assessment was accepted for information by the village council and presented to the public in December 2016.

The infrastructure audit report provides an overview of the recommended projects for the ten-year period 2017 to 2026. The annual costs of these projects are summarized in **Appendix D** – Table 8 of this report.

The following information is taken from the infrastructure audit report. For each recommended project, the cost and recommended completion year is included in brackets. Further details about the condition of infrastructure may be found in the full report that is available at the village office.

## **Water System**

The water system is comprised of two key elements:

- Raw water supply and storage:
  - water supplied via the Spirit River; and
  - three raw water reservoirs with combined storage of approximately three years.
- Water treatment:
  - conventional treatment system with clarifier and sand filtration; and
  - operated under contract by Aquatera Utilities Inc.

### **Recommended Water System Projects as Listed in the 10-year Plan:**

- add aeration system to raw water reservoir #1 (\$120,000 - 2018);
- water plant upgrade (\$29,500 in 2017 and \$12,500 in 2018):
  - improve air quality;
  - upgrade lighting; and
  - upgrade operator's room.
- complete water main looping at two locations within the village core area (\$42,500 in 2019 and \$42,500 in 2020);
- install new fire hydrants to provide higher density (\$25,000 in 2019, \$25,000 in 2021, and \$25,000 in 2023);
- commence phased replacement/upgrade of the existing water mains (\$125,000 in 2021, \$125,000 in 2023, and \$125,000 in 2025); and
- construct fire pond in new industrial subdivision (\$85,000 in 2021).

## **Sanitary Sewer System (wastewater)**

The sanitary sewer system is comprised of three key elements:

- sewer collection (gravity and low pressure lines - approximately 10.7 km in length);
- sewage pumping station (lift station); and
- sewage treatment (lagoon).

### **Recommended Sanitary Sewer System Projects as Listed in the 10-year Plan:**

- repair the two sewer lines that cross under Highway 49 (Spirit River Highway) (\$100,000 in 2017);
- test the berms around the lagoons to ensure the berms are not leaking (\$35,000 in 2017);
- repair deficient sewer lines (deemed to be major deficiencies) north and south of Highway 49 (\$120,000 in 2017, and \$120,000 in 2018);
- complete upgrading to the lift station wet well (\$150,000 in 2020);
- complete smoke testing to identify tie-ins to the sanitary sewer (\$30,000 in 2019); and
- commence phased replacement/upgrading of existing sewer lines (\$125,000 in 2021, \$125,000 in 2023, and \$125,000 in 2025).

## **Roads and Drainage (storm water)**

The road and drainage network is comprised of:

- approximately 12 kilometres of roads paved in a variety of ways including: gravel with rural style drainage and asphalt surface roads with sidewalks, curbs and gutters;
- predominately surface based drainage with a small segment of underground piping; and
- above ground off-site drainage that meanders through the village along a large channel that discharges under the CN railway and Highway 49 to Spirit River.
  - The channel has backed up on numerous occasions.

A portion of the road deficiencies can be attributed to poor drainage.

### **Recommended Road and Drainage System Projects as Listed in the 10-year Plan:**

Roads:

- Complete geotechnical investigation to determine subsoil conditions and outline suitable road construction techniques and strategies; and review surfacing alternatives (cost and timeline not provided in the report though it is assumed that this should be accomplished prior to commencement of road rehabilitation).

- Phased road rehabilitation program, starting with those streets deemed to have major deficiencies, and at the same time, drainage improvements and deep utility upgrading where required (\$250,000 in 2019, 2020, 2021, 2022, 2024, and 2026, and \$125,000 in 2023).

Sidewalks:

- Boulevard style sidewalk replacement (\$50,000 in 2017, 2018, and 2019)

Drainage:

- Working with the MD of Spirit River, divert all or some of the offsite drainage that enters the village from the south (\$25,000 in 2018).
- Increase culvert capacity at the CN tracks and Highway 49 to remedy drainage “bottleneck” points (\$15,000 in 2017 and \$40,000 in 2018).
- Replace swales, re-grade ditches, install culverts, and extend underground piping network, as recommended, to improve drainage throughout the village (\$15,000 in 2018, \$100,000 in 2019, \$15,000 in 2020, and \$ 20,000 2021).

**Municipal Buildings**

The following municipal-owned buildings were inspected to determine the general condition and identify areas of concern:

- Community Hall;
- Pioneer Hall, and
- Arena.

The inspection of the following buildings included an energy audit and thermal scanning:

- Administration building;
- Library; and
- Fire hall and public works shop.

**Recommended Municipal Building Projects as Listed in the 10-year Plan:**

- maintenance work associated with all buildings to prevent further deterioration;
- upgrading of lighting to improve energy efficiencies associated with the administration building, library, and fire hall/public works shop;
- repair roof of Pioneer Hall; and
- replacement of paving on community hall.

The individual projects costs are as follows:

- Administration building (\$3,500 in 2017);
- Library (\$7,500 in 2017);
- Fire hall and public works shop (\$5,000 in 2017);
- Community Hall (\$15,000 in 2018);
- Pioneer Hall (\$20,000 in 2018); and
- Arena (\$6,500 in 2018).

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The infrastructure condition assessment for Rycroft includes a 10-year capital plan. Specific projects to address immediate or short-term deficiencies are suggested for the next four-year timeframe.</p> <p>Based on the 10-year capital plan, the village would expend a total of \$4,284,500 over the next ten years (on average \$428,450 annually) on upgrades and maintenance of current village infrastructure.</p>	<p>The MD will receive the infrastructure assessment and recommended 10-year capital project plan.</p> <p>The MD has a number of options to impose additional taxes on properties in Rycroft should there be a need to partially or fully fund projects in the hamlet.</p> <p>It will be the responsibility of the MD council to determine which projects will be completed and how they will be funded.</p>

The projects could be funded through a number of municipal revenue sources including:

- property taxes;
- local improvement taxes imposed on those properties that would benefit from the improvement;
- provincial grants;
- transfers from other municipalities (e.g. funding agreement with Saddle Hills County);
- debt - annual payments would be funded through one of the other listed revenue sources; and
- utility rates.

It would be the responsibility of the village council, in its annual capital budget process, to determine how to fund the infrastructure projects.

If the MSI Capital grant allocation is the same as in 2016 (\$277,957), the village would require on average an additional \$150,493 from other funding sources to complete the recommended projects at the estimated cost.

Recommendations for Long-Term Viability

The Village of Rycroft council and administration should:

37. adopt a ten-year rolling capital plan that:
  - a. prioritizes the identified upgrades in the infrastructure audit in accordance with the following criteria: public health, environmental impacts, public safety, present level of service, and degree of maintenance required; and
  - b. includes proposed revenue sources balanced between property taxes, fees for services, utility reserves, and grant funding.
38. ensure that all maintenance, repairs, or replacement of mechanical, electrical, or structural components of municipal buildings and facilities is completed by a qualified trades person;
39. develop an asset management plan including policy and procedures for annual review; and
40. ensure that all municipal buildings are compliant with current Occupational Health and Safety requirements

Priority of the projects in the capital plan would be determined by the MD council and administration based on the urgency of capital replacement and funding availability from taxes, including local improvement taxes and grants.

## 6. SERVICE DELIVERY

### UTILITY SERVICES – WATER AND WASTEWATER

Acquiring, treating, and supplying water includes: access at the source, treatment, transmission, and distribution of the water, along with the maintenance of facilities and water lines.

Wastewater collection, treatment, and disposal includes: sanitary sewers, storm water collection, lagoons, treatment plants and equipment, manholes, lift-stations, and the removal and treatment of sludge from lagoons and treatment plants.

The village has not established standards for service delivery.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The responsibility for provision of water and wastewater services and related infrastructure remains with the village.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Rycroft council and administration should:</p> <p>41. develop and implement a long-term utility operations and maintenance plan.</p>	<p>If dissolution occurs, ownership of utility facilities and responsibility for utility services would transfer to the MD.</p>

### OPERATIONAL SERVICE AGREEMENT WITH AQUATERA

In October 2015, the village renegotiated the March 2014 contract with Aquatera Utilities Inc. for operational assistance. The contracted fees for service were reduced by approximately 30 per cent. At the same time, the scope of the work was reduced. The village became responsible for the water distribution and wastewater collection systems (including lift stations), fire hydrants, and supervision and oversight of underground repair work.

As of October 2015, the cost for the final three years from March 2016 to March 2019 was to be approximately \$22,400 a month. As of July 1, 2017, the contract with Aquatera ended.

The village now employs a utility operator. In addition, all public works staff will have utility operator training, so the village will have a complement of staff to manage the utility system.

Utility rates are considered annually as part of the budget process. It is not known at this time what effect the change in service costs will have on the village utility rates or property taxes.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village will continue to determine how water and wastewater services are provided.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Rycroft council and administration should:</p> <p>42. consider different options for service delivery and determine how water and wastewater</p>	<p>Trained utility staff are not employed by the MD at this time, as the MD does not operate water or wastewater utility services.</p> <p>The MD would pursue a partnership with a neighbouring municipality to operate the Rycroft system at a lower cost.</p> <p>As a member of the G5, the MD would continue to explore shared services or a shared contract for the operation of utility services for the G5 area.</p>

services will be provided and funded in the future.	
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**WASTE MANAGEMENT**

Waste management includes collection of garbage and other waste materials, and includes recycling initiatives. Costs associated with waste management include those for the operation of transfer and landfill sites and the equipment used for collection and disposal of waste.

The Village of Rycroft is a member of the Central Peace Regional Waste Management Commission. Door to door solid waste pick-up in the village is a contracted service. Associated costs are funded through utility fees.

Residents may take their waste directly to the Clairmont Centre for Recycling and Waste Management in the County of Grande Prairie. The village covers any associated tipping fees.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village will continue to provide waste management services through the Central Peace Regional Waste Management Commission.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Rycroft council and administration should:</p> <p>43. include solid waste management in the annual service capacity review during the budget process.</p>	<p>The MD is not a member of the Central Peace Regional Waste Management Commission. The MD receives solid waste management services from Tervita.</p> <p>The village membership in the commission would transfer to the MD. The MD would determine if it wished to retain membership in the commission and how solid waste services would be provided to Rycroft residents.</p> <p>The council would review the value, revenue stream, and cost of curbside pickup and determine if Rycroft residents would continue to receive the service or be required to take their garbage to centrally located bins.</p>

**UTILITY RATES**

Utility users are billed on a monthly basis. The village imposes a penalty of 4 per cent on outstanding balances each month. According to a village bylaw, utility services are in the name of the property owner. Unpaid utility balances are transferred to the tax roll in accordance with a council-approved policy and the *Municipal Government Act*. Water may be shut off when utility bills are not paid.

Following a major increase in utility rates in 2014, the village council reviews utility rates annually as part of the budget process.

In **Appendix E: Village of Rycroft Utility Services**, Tables 10 and 11 provide a detailed analysis and summary of the water, wastewater and waste management utility revenues and expenses.

The cost of water and wastewater service is partly funded from property taxes, as revenues from utility fees do not fully fund the service. This shortfall is a contributing factor to the increase in utility rates in recent years. The fact that the village's water and wastewater systems do not consistently operate in full cost recovery through utility fees is considered a **viability factor**.

The 2016 and 2017 utility rates are as follows:

**Water:**

\$5.00 per cubic metre for residential property;  
 \$50.00 per month for any non-metered residential property; and  
 \$6.00 per cubic metre for bulk water.

**Wastewater:**

Residential monthly charge \$ 8.00;  
 Commercial monthly charge \$15.00;  
 Potter Villa monthly charge \$64.50.

**Solid Waste Collection Service:**

Residential monthly charge \$15.00;  
 Commercial monthly charge - Not Available;  
 Potter Villa (Grande Spirit Foundation) monthly charge \$19.58.

**Recycling:**

Residential, Commercial, and Industrial monthly fees \$5.12.

**Option One - Rycroft remains a village and implements changes to achieve viability**

**Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133**

Recommendations for Long-Term Viability

The Village of Rycroft council and administration should:

- 44. continue to review utility rates annually as part of the budget process including the rate structure for non-residential and commercial use;
- 45. implement a utility fee structure based on a flat administration fee, reserve contributions for future infrastructure projects, funding of amortization expenses, and a cubic metre consumption fee; and
- 46. develop a policy that any surplus funds collected through utility billing is transferred to capital reserves for future capital projects associated with the utility.

Currently, the MD does not provide utility services to residents. Rural residents are responsible for their own water and waste water services.

The MD uses the same municipal billing software as the village and would assume the billing.

Rycroft residents would be expected to pay the full cost of the utility services as the rural residents would not subsidize the costs as they are already covering their own utilities.

Residents could expect their utility rates to increase in order to fund the services without subsidy from property taxes.

**ROAD, SIDEWALK, PROPERTY MAINTENANCE**

The village has a snow plow route policy, a snow removal policy, and a street maintenance policy, all effective April 2014. These policies are currently under review.

**Option One - Rycroft remains a village and implements changes to achieve viability**

**Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133**

The village will continue to determine service levels provided in the community.

The MD would establish level of service policies for the hamlet. It may be similar to current standards. Sidewalk clearing may be the responsibility of the property owners.

<p><u>Recommendations for Long-Term Viability</u> The Village of Rycroft council and administration should:</p> <p>47. complete review of the policies for road, sidewalk, and property maintenance.</p>	<p>The MD would mow public areas as required and maintain the buildings as required. The ball diamonds are already looked after by a public group. Boulevards may be looked after by the adjoining residents.</p>
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<p style="text-align: center;"><b><u>LAND-USE PLANNING AND DEVELOPMENT</u></b></p>	
<p>Land-use planning and development includes services provided by municipal planning offices, development officers, subdivision and development appeal boards; research or studies involving planning and zoning for the municipality; and economic development projects funded wholly or partly by the municipality.</p> <p>The <i>Municipal Government Act</i> requires all municipalities to establish a development authority to exercise powers and duties on behalf of the municipality. The development authority is responsible for receiving, processing, and deciding on development permit applications. A development authority may include one or more of: a designated officer, a municipal planning commission, or any other person or organization. Most municipalities assign decision-making and administrative responsibilities to staff.</p> <p>Municipalities are also required to establish a subdivision and development appeal board to hear appeals about subdivision or development decisions. Subdivision and development appeal board decisions may be appealed to the Court of Appeal, but only on a question of law or jurisdiction.</p> <p>The village council designates the Chief Administrative Officer as the village’s development authority and subdivision authority, and appoints Rycroft residents to the village subdivision and development appeal board.</p> <p>The village’s land-use bylaw was last revised in 2007. It is generally recommended that land-use bylaws be reviewed at least every ten years.</p> <p>The village follows the legislated process outlined in the <i>Municipal Government Act</i> and related regulations when processing applications for development permits and land-use bylaw amendments. In the years 2011 to 2015, the village issued 16 development permits.</p> <p>The village does not have a municipal development plan or an intermunicipal development plan with the MD of Spirit River. Both of these became mandatory for all municipalities in October 2017.</p>	
<p><b>Option One - Rycroft remains a village and implements changes to achieve viability</b></p>	<p><b>Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133</b></p>
<p>No changes are anticipated in the village’s planning and development processes. The village will be legislatively required to develop a municipal development plan, and an intermunicipal development plan with the MD.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Rycroft council and administration should:</p> <p>48. develop a municipal development plan, update the land-use bylaw and enter into intermunicipal development plan discussions with neighbouring municipalities within 12 months of acceptance of the Viability Plan by the Minister.</p>	<p>The village land-use bylaw would remain in force until the MD amends, repeals or replaces it.</p> <p>The MD contracts planning and development services with ISL Engineering and Land Services.</p> <p>There would be no need for an intermunicipal development plan between the hamlet and the MD.</p>

## 7. Community Well-Being

<b><u>ECONOMIC VITALITY</u></b>	
<p>A range of businesses operating in the village provide stable employment in the community. Young people are able to find work in the area and unemployment is not an issue in the community.</p>	
<b>Option One - Rycroft remains a village and implements changes to achieve viability</b>	<b>Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133</b>
<p>The village continues to determine how economic development services are provided in the community.</p> <p>New industrial development, including a trans-loading facility, is proposed for the village.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>49. consider establishment of an economic development committee with a clear mandate that allows for participation from residents, local businesses, and regional organizations.</p>	<p>The dissolution of the village would not be expected to have a direct impact on the local economy; however, changes to tax rates could positively or negatively affect the business climate in the region over time.</p>

<b><u>COMMUNITY GROUPS, VOLUNTEERISM, AND VILLAGE SUPPORT</u></b>	
<p>There is a strong sense of community pride in the village. Community groups in the village organize a number of events including Canada Day Celebrations, the Agricultural Society Fair Days, and the Reverse Santa Clause Parade.</p> <p>In 2016, the village budgeted \$25,000 in grants and donations for community organizations. In addition, \$2,000 was budgeted for Canada Day celebrations and \$5,000 for village beautification.</p>	
<b>Option One - Rycroft remains a village and implements changes to achieve viability</b>	<b>Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133</b>
<p>The village continues to determine how community groups are supported.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>50. continue to celebrate, support, and provide financial assistance to community groups; and</p> <p>51. evaluate financial support for community groups annually as part of the budget process.</p>	<p>The MD contributes to many community groups in Rycroft including the ball diamond, arena, agricultural society, library, and Peace Adult Learning.</p> <p>The MD's support to the groups is not likely to change, though based on the MD's budget, the support of all groups within the MD could change from time to time.</p>

### PARKS AND RECREATION

Municipalities provide recreation facilities, programs, and activities based on local priorities that often involve partnerships with local volunteer organizations and community groups.

The village owns the Rycroft Community Hall. Until recently, the hall was operated by a volunteer board. In June 2016, the village assumed the operation of the hall. The Friends of the Community Hall have been very active in the past raising funds for the upkeep of the hall and will continue with these fund-raising activities.

The village owns the Rycroft Arena that is operated and managed by the Rycroft Arena Board.

NARDAM campground and fishing pond is operated and maintained by the village under a 10-year lease with the MD set to expire in 2018. The village-owned ball diamonds are maintained by community volunteers.

#### **Option One - Rycroft remains a village and implements changes to achieve viability**

The village will continue to determine how park and recreation services and facilities are provided.

#### Recommendations for Long-Term Viability

The Village of Rycroft council and administration should:

52. develop a policy and procedure, including an application process, for gifts to community groups including financial assistance and gifts in-kind, such as water services, for operations and maintenance and capital funding; and
53. seek legal and risk management advice in respect to current practices of operations and maintenance of village owned properties by volunteers.

#### **Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133**

If dissolution occurs, ownership of village facilities would transfer to the MD and agreements between the village and community organizations for operation of the facilities would become agreements with the MD.

NARDAM, which is owned by the MD, is leased and operated by the village and the park would continue. Some other parks in the hamlet may be repurposed as they may be under-utilized.

### LIBRARY SERVICES

Pursuant to the *Alberta Libraries Act*, the Village of Rycroft Municipal Library Board is 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.

In 2009, the village became a member of the Peace Library System that provides services to the municipal library. This means that Rycroft residents may access library services at municipal libraries that are members of the same regional library system.

In 2016, the village provided \$6,550 in library funding for the regional library board membership fees plus the maintenance and insurance of the library building and contents. For the period June to December 2016, the village funded the library manager's salary and benefits.

As of January 2017, Village of Rycroft library is operated independently of the village operation and the library board has the responsibility of hiring library staff.

The village is responsible for the library facility and has upgraded the building as recommended in the infrastructure audit.

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River
<p>The village will continue to determine how library services are provided.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>54. separate the operation of the library board from that of the village; and</p> <p>55. access advice from the Libraries Branch of Municipal Affairs to ensure the library operates in accordance with the <i>Alberta Libraries Act</i>.</p>	<p>In accordance with the <i>Alberta Libraries Act</i>, the Rycroft Municipal Library Board would dissolve just prior to dissolution of the village.</p> <p>The MD is a member of the regional library system and is interested in the continuation of library services in the village.</p> <p>To achieve this, the MD would need to form a municipal library board or arrange for the regional library system to operate the library as an outlet.</p>

<b><u>HOUSING FOUNDATION – SENIOR HOUSING</u></b>	
<p>The village is a member of the Grande Spirit Foundation. Representing 12 municipalities, the Grande Spirit Foundation provides reasonably priced housing, quality care, and dignity to seniors and families in the Grande Prairie area.</p> <p>The municipalities of the region are currently exploring the potential for additional senior assisted living,</p>	
Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>No change in service is anticipated. The foundation would continue to requisition the village for funding and the requisition would continue to be funded through property taxes.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>56. continue participation in the Grande Spirit Foundation.</p>	<p>The MD is also a member of the Grande Spirit Foundation.</p> <p>The requisition from the foundation would be based on properties in Rycroft in addition to those in the rest of the MD.</p>

<b><u>FAMILY AND COMMUNITY SUPPORT SERVICES (FCSS)</u></b>
<p>Rycroft participates in the Government of Alberta’s Family and Community Support Services (FCSS) program that is funded through an 80/20 funding partnership between the province and participating municipalities.</p> <p>The Village of Rycroft, the Town of Spirit River, and the MD of Spirit River are party to an agreement to operate a joint FCSS program. The MD leads the program, is responsible for receiving the FCSS grants, and maintaining the accounts. Each municipality is represented by one council member and two at-large representatives on the FCSS Board.</p>

Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village will continue to determine how FCSS services are provided.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>57. continue to participate in the regional FCSS program; and</p> <p>58. celebrate the contribution of community volunteers during volunteer appreciation week.</p>	<p>The program would continue to serve Rycroft residents. However, representation on the board may change.</p>

## 8. RISK MANAGEMENT

<p style="text-align: center;"><b><u>RISK</u></b></p> <p>According to the village’s responses in the Municipal Sustainability Strategy questionnaire, the village has not conducted a Corporate Risk Assessment and has not developed a Corporate Risk Mitigation Plan to address both asset and strategic risks. A risk assessment and mitigation plan would identify the possible undesirable events, occurrences, or conditions that may hinder the ability of the village to achieve its strategic objectives.</p> <p>The demand loan that the village has with the ATB Financial could be considered a strategic risk.</p>	
Option One - Rycroft remains a village and implements changes to achieve viability	Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133
<p>The village continues to be responsible for evaluating and managing its risks.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Rycroft council and administration should:</p> <p>59. develop a plan to address the possibility of ATB Financial demanding payment on the loan;</p> <p>60. continually review Occupational Health and Safety requirements to ensure that the village is compliant with current requirements; and</p> <p>61. consider developing policy for a formal health and safety program.</p>	<p>The MD attends the risk management courses offered by its insurance provider.</p> <p>The MD has a Health and Safety Program and a Certificate of Recognition of the Partners Injury Reduction through the Alberta Municipal Health and Safety Association.</p> <p>It would be the responsibility of the MD council to determine how to fund the village loan from ATB Financial, including paying off the debt through the any money available from the Infrastructure/Debt Servicing Stream of the ACP grant, or imposing a special tax on properties in the hamlet of Rycroft to fund the loan payments until January 31, 2024.</p>

**EMERGENCY SERVICES, FIRE PREVENTION, AND SUPPRESSION**

Emergency services encompass all aspects of fire suppression, rescue and disaster services, bylaw enforcement, development compliance, traffic enforcement, and municipal enforcement.

The village, the MD of Spirit River, and the Town of Spirit River have established a regional fire services commission (Central Peace Regional Fire and Rescue Commission) for the provision of fire services to the three municipalities and others through mutual aid agreements. This effectively combines the three existing fire departments into one regional service. The commission is authorized to provide fire services and medical first response, issue burning permits, and prepare STARS landing sites.

In accordance with legislation, the village must prepare and approve emergency plans and programs. Each member municipality of the G5 appoints its CAO as the Director of Emergency Operations.

The G5 municipalities have established the Central Peace Regional Emergency Management Agency, which includes the village, the MD, Town of Spirit River, Birch Hills County, and Saddle Hills County. The agency can enter into mutual aid agreements with other municipalities and other agencies. It combines the resources of the G5 to react in the event of an emergency, and is managed by an employee of Saddle Hills County, the Central Peace Emergency Management Manager.

**Option One - Rycroft remains a village and implements changes to achieve viability**

**Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133**

The village will continue to determine how emergency services are provided to the community.

Services would continue to be provided by the commission.

- No recommendations for the long-term viability of the village made.

**POLICING AND BYLAW ENFORCEMENT**

The village contracts an Animal Control and Bylaw Officer on an on-call basis for 15 hours a week, as well as relying on the RCMP for traffic enforcement.

In 2016, the village had budgeted \$14,000 for the contracted services and associated supplies, and approximately \$10,500 for animal control expenses.

The local Spirit River Detachment provides police service to both the MD and the village.

**Option One - Rycroft remains a village and implements changes to achieve viability**

**Option Two - Rycroft dissolves and becomes a hamlet in the MD of Spirit River No. 133**

The village continues to determine how bylaw enforcement services are provided in the community.

Bylaws are enforced by designated officers of the MD that are direct hires or contracted.

Recommendations for Long-Term Viability

The Village of Rycroft council and administration should:

- 62. continue current practices of enforcing bylaws.

# APPENDICES

## APPENDIX A: KEY MEASURES OF MUNICIPAL VIABILITY

The Municipal Sustainability Strategy outlines ten key measures (KM) of sustainability for municipalities in Alberta. A municipality that answers yes to three of the ten key measures, or to measure number three (3) alone, is flagged for further review by Municipal Affairs.

When assessed against the key measures for years 2013, 2014, 2015, and 2016, the Village of Rycroft triggered yes to key measures 4, 7, and 8 as outlined below:

KM	Key Measures of Municipal Viability	Results
1.	Has your municipality reported an accumulated deficit, net of equity in tangible capital assets, for the past three fiscal years? <b>No</b>	2016 – \$2,157,182 2015 – \$2,214,358 2014 – \$1,387,222 2013 – \$1,358,222
2.	Does your municipality have less than a 1:1 ratio of current assets to current liabilities? <b>No</b>	2016 – 12.07/1 2015 – 21.37/1 2014 – 7.35:1 2013 – 1.74:1
3.	Has your municipality received a “qualified audit opinion”, “denial of opinion” or an “adverse opinion” with respect to your most recent annual financial statements? The auditors found the annual consolidated financial statements to present fairly in their opinion in 2013, 2014, 2105, AND 2016. <b>No</b>	
4.	Has your municipality reached 80 per cent of its debt or debt service limit? The debt service limit was over 80 per cent in 2013 and 2014 then calculated with annual payments (without the ATB loan in 2015 and 2016). <b>Yes</b>	2016 – 6% Debt Service 2015 – 4% 2014 – 159% 2013 – 177%
5.	Based on the annual audited financial statements, have provincial and federal grants accounted for more than 50 per cent of your municipality’s total revenue in each of the past three fiscal (calendar) years? <b>No</b>	2016 – 14.70 2015 – 14.46 2014 – 16.04 2013 – 19.21
6.	Has your municipality’s non-residential assessment base declined over the past 10 years? <b>No</b>	2016 – \$14,938,404 2006 – \$8,250,520
7.	Does your municipality have more than five per cent of current property tax unpaid for the most recent completed fiscal year? <b>Yes</b>	2016 – 60% Unpaid 2015 – 36.8 % Unpaid 2014 – 22.2% Unpaid 2013 – 39.0% Unpaid
8.	Has your municipality experienced a decline in population of the municipality over the last 20 years? <b>Yes</b>	2016 – 628 1996 – 634
9.	Is the remaining value of the tangible capital assets (TCAs) less than 30 per cent of the original cost? <b>No</b>	2016 – 52.66% 2015 – 54.47 % Remaining
10.	Has your municipality missed the legislated May 1 reporting date for the annual audited financial statements in each of the last two years? In the 2013, 2014, 2015, and 2016 the village’s audited financial statements were submitted to Municipal Affairs on time. <b>No</b>	

## APPENDIX B: FINANCIAL INFORMATION 2011 – 2015

**TABLE 1: FINANCIAL POSITION**

	2011	2012	2013	2014	2015	2016
<b>Financial Assets</b>						
Cash and Temporary Investments	\$1,091,186	\$377,543	\$733,666	\$412,092	\$1,045,044	\$1,763,534
Taxes and Grants in Place of Taxes Receivables	\$875,187	\$1,019,840	\$730,873	\$1,100,844	\$1,155,074	\$1,200,618
Other Receivables	\$47,458	\$74,972	\$48,091	\$57,937	\$25,719	\$31,702
Inventories Held for Resale	\$0	\$0	\$0	\$0	\$0	\$0
Long Term Investments	\$11,519	\$11,519	\$11,519	\$11,519	\$11,519	\$11,509
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0
Other Long Term Assets	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Financial Assets</b>	<b>\$2,025,350</b>	<b>\$1,483,874</b>	<b>\$1,524,149</b>	<b>\$1,582,392</b>	<b>\$2,302,271</b>	<b>\$3,007,373</b>
<b>Liabilities</b>						
Accounts Payable and Accrued Liabilities	\$349,927	\$351,524	\$148,311	\$178,811	\$87,914	\$214,569
Deferred Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Long Term Debt	\$713,314	\$515,986	\$515,986	\$498,030	\$479,418	\$538,594
Other Liabilities	\$216,872	\$17,836	\$701,631	\$694,853	\$673,922	\$635,622
<b>Total Liabilities</b>	<b>\$1,280,113</b>	<b>\$885,346</b>	<b>\$1,365,928</b>	<b>\$1,371,694</b>	<b>\$1,224,855</b>	<b>\$1,388,785</b>
<b>Net Financial Assets</b>	<b>\$745,237</b>	<b>\$598,528</b>	<b>\$158,221</b>	<b>\$210,698</b>	<b>\$1,077,416</b>	<b>\$1,618,588</b>
<b>Non-financial Assets</b>						
Tangible Capital Assets	\$9,388,985	\$10,423,541	\$10,665,958	\$10,393,246	\$10,113,260	\$9,902,848
Prepaid Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Non-financial Assets</b>	<b>\$9,388,985</b>	<b>\$10,423,541</b>	<b>\$10,665,958</b>	<b>\$10,393,246</b>	<b>\$10,113,260</b>	<b>\$9,902,848</b>
<b>Accumulated Surplus</b>	<b>\$10,134,222</b>	<b>\$11,022,069</b>	<b>\$10,824,179</b>	<b>\$10,603,944</b>	<b>\$11,190,676</b>	<b>\$11,521,436</b>

**TABLE 2: ACCUMULATED SURPLUS**

Accumulated Surplus	2011	2012	2013	2014	2015	2016
<b>Unrestricted Surplus</b>	\$706,713	\$1,110,247	\$1,353,955	\$1,382,915	\$2,210,091	\$2,788,537
<b>Restricted Surplus</b>	\$751,839	\$4,267	\$4,267	\$4,267	\$4,267	\$4,267
<b>Equity in Tangible Capital Assets (non-cash)</b>	\$8,675,670	\$9,907,555	\$9,465,957	\$9,216,762	\$8,976,318	\$8,728,632
<b>Total Accumulated Surplus</b>	<b>\$10,134,222</b>	<b>\$11,022,069</b>	<b>\$10,824,179</b>	<b>\$10,603,944</b>	<b>\$11,190,676</b>	<b>\$11,521,436</b>

**TABLE 3: FINANCIAL ACTIVITIES BY FUNCTION (REVENUES AND EXPENSES)**

Revenues	2011	2012	2013	2014	2015	2016
General (Not Function Specific)	\$807,814	\$897,972	\$913,874	\$813,273	\$1,014,541	\$1,066,474
General Government	\$8,493	\$9,663	\$80,002	\$209,052	\$550,827	\$598,159
Protective Services	\$3,247	\$3,659	\$2,636	\$2,294	\$3,332	\$6,220
Transportation	\$398,118	\$1,303,369	\$369,186	\$315,163	\$348,036	\$386,671
Environmental Use and Protection	\$670,298	\$279,630	\$238,938	\$382,502	\$410,408	\$452,806
Public Health and Welfare	\$0	\$0	\$0	\$0	\$0	\$0
Planning and Development	\$231,664	\$214,820	\$216,685	\$139,280	\$2,250	\$2,600
Recreation and Culture	\$29,783	\$22,918	\$17,235	\$36,405	\$23,288	\$23,497
Other Utilities	\$29,969	\$40,986	\$47,276	\$49,856	\$52,145	\$91,461
Other	\$51,076	\$10,011	\$36,339	\$1,875	\$2,220	\$2,950
<b>Total Revenue</b>	<b>\$2,230,462</b>	<b>\$2,783,028</b>	<b>\$1,922,171</b>	<b>\$1,949,700</b>	<b>\$2,407,047</b>	<b>\$2,630,838</b>
Expenses	2011	2012	2013	2014	2015	2016
General Government	\$298,400	\$279,209	\$500,643	\$373,377	\$343,499	\$578,975
Protective Services	\$63,068	\$80,175	\$48,422	\$47,175	\$53,498	\$86,418
Transportation	\$380,346	\$464,587	\$392,038	\$510,257	\$420,124	\$642,383
Environmental Use and Protection	\$603,818	\$847,679	\$996,496	\$1,064,002	\$837,131	\$802,896
Public Health and Welfare	\$0	\$0	\$0	\$0	\$0	\$0
Planning and Development	\$27,790	\$13,036	\$2,701	\$5,641	\$4,766	\$15,263
Recreation and Culture	\$258,303	\$210,495	\$179,761	\$169,483	\$161,297	\$174,144
Other Utilities	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$1,631,725</b>	<b>\$1,895,181</b>	<b>\$2,120,061</b>	<b>\$2,169,935</b>	<b>\$1,820,315</b>	<b>\$2,300,079</b>
<b>Net Revenue/Expenses</b>	<b>\$598,737</b>	<b>\$887,847</b>	<b>-\$197,890</b>	<b>-\$220,235</b>	<b>\$586,732</b>	<b>\$330,759</b>

**TABLE 4: 2016 AND 2017 VILLAGE OF RYCROFT MUNICIPAL PROPERTY TAXES**

This table shows the Village of Rycroft's 2016 property tax rates and the amount of property tax that property owners paid to the village on a property assessed at \$100,000.

Village of Rycroft	2016		2017	
	Residential	Non-residential	Residential	Non-residential
Municipal Property Tax Rate	0.013338308	0.028793050	0.013388000	0.027879900
ASFF	0.002503457	0.003570705	0.002504457	0.003544705
Grand Spirit Foundation	0.000038930	0.000038930	0.000043550	0.000043550
<b>Total</b>	<b>0.015880695</b>	<b>0.032402685</b>	<b>0.015936007</b>	<b>0.031468155</b>
Assessed Property Value	\$100,000	\$100,000	\$100,000	\$100,000
<b>Total Property Tax</b>	<b>\$1,588</b>	<b>\$3,240</b>	<b>\$1,594</b>	<b>\$3,147</b>

**TABLE 5: 2016 AND 2017 MD OF SPIRIT RIVER No.133 MUNICIPAL PROPERTY TAXES**

This table shows the MD of Spirit River's 2016 tax rates and the amount of property tax that a Rycroft property owner could have expected to be levied by the MD on a property assessed at \$100,000 if Rycroft had been a hamlet in the MD in 2016.

MD of Spirit River No. 133	2016		2017	
	Residential	Non-residential	Residential	Non-residential
Municipal Property Tax Rate	0.007200000	0.015527000	0.0072000	0.0155270
ASFF	0.002480000	0.003640000	0.0026160	0.0041890
Grand Spirit Foundation	0.000045038	0.000045038	0.0000325	0.0000325
<b>Total</b>	<b>0.009725038</b>	<b>0.019212038</b>	<b>0.0094941</b>	<b>0.0197485</b>
Assessed Value	\$100,000	\$100,000	\$100,000	\$100,000
<b>Total Property Tax</b>	<b>\$973</b>	<b>\$1,921</b>	<b>\$950</b>	<b>\$1,975</b>

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

A decrease in property tax revenue could mean that the MD of Spirit River may not be able to provide the services and service levels currently provided by the Village of Rycroft without additional funding sources.

Property taxes may not be the only financial cost that would change if dissolution occurred. Utility rates could change, and additional fees may be considered for services that the MD of Spirit River does not provide in rural areas. These factors would have an effect on the cost of living in Rycroft.

## APPENDIX C: GRANT ALLOCATIONS AND PROPOSED PROJECTS

**TABLE 6: GRANT ALLOCATIONS FOR CAPITAL PROJECTS**

Grant Program	2011	2012	2013	2014	2015	2016	2017	Total	Average
MSI Capital	\$194,217	\$195,340	\$192,970	\$243,542	\$151,551	\$190,277	\$190,175	\$1,358,072	\$194,010
*Alberta Transportation	\$38,280	\$38,280	\$37,680	\$37,680	\$37,680	\$37,680	\$37,680	\$264,960	\$37,851
Federal Gas Tax Fund	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$350,000	\$50,000
<b>Total</b>	<b>\$282,497</b>	<b>\$283,620</b>	<b>\$280,650</b>	<b>\$331,222</b>	<b>\$239,231</b>	<b>\$277,957</b>	<b>\$277,855</b>	<b>\$1,973,032</b>	<b>\$281,862</b>

The federal and provincial grant allocations are derived from amounts listed on the Municipal Affairs website.

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

**TABLE 7: GRANT REVENUE FOR MSI – OPERATING ALLOCATIONS AND PROPOSED PROJECTS**

Year	Allocation	Project	*Expenditures
2016	\$67,283	Not available	
2015	\$74,679	Water	\$74,679
2014	\$73,387	Water	\$73,387
2013	\$78,546	Water	\$78,456
2012	\$115,919	Airports	\$1,100
		Culture	\$5,000
		General administration	\$3,000
		Libraries	\$18,000
		Municipal building and facilities	\$5,319
		Parks, sport, and, recreation	\$57,000
		Public security and safety	\$5,000
		Roads and bridges	\$2,500
		Staff development	\$1,500
		Wastewater	\$500
		Water	\$17,000
2011	\$75,123	Rycroft arena – utility expenses and operating expenses	\$57,123
		Support operating expenses of Rycroft Municipal Library membership in Peace Library System	\$18,000
2010	\$100,452	Develop an organizational plan, conduct an efficiency audit, and purchase toolkit to assist municipal operations	\$33,640
		Support insurance expenses of recreation and cultural facilities	\$33,640
		Replace flooring in Rycroft Community Hall	\$33,325
		Support operating expenses of Rycroft Municipal Library membership in Peace Library System	\$14,500
<b>Total</b>	<b>\$585,389</b>		

\*Estimated Project Expenditure

## APPENDIX D: INFRASTRUCTURE 10-YEAR CAPITAL PLAN

The following two-part table provides an overview of the projected annual costs of the recommended projects as listed in the **Village of Rycroft Infrastructure Condition Assessment**.

**TABLE 8: VILLAGE OF RYCROFT 10-YEAR CAPITAL PLAN**

Item	2017	2018	2019	2020	2021	Sub-total
Water System	\$29,500	\$132,500	\$67,500	\$42,500	\$235,000	\$507,000
Wastewater	\$255,000	\$120,000	\$30,000	\$150,000	\$125,000	\$680,000
Roads and Sidewalks	\$300,000	\$175,000	\$300,000	\$250,000	\$250,000	\$1,275,000
Drainage	\$150,000	\$80,000	\$100,000	\$15,000	\$20,000	\$365,000
Municipal Buildings	\$16,000	\$41,500				\$57,500
<b>Total</b>	<b>\$750,500</b>	<b>\$549,000</b>	<b>\$497,500</b>	<b>\$457,500</b>	<b>\$630,000</b>	<b>\$2,884,500</b>

\*

Item	2022	2023	2024	2025	2026	Total
Water System	\$0	\$150,000	\$0	\$125,000	\$0	<b>\$782,000</b>
Wastewater	\$0	\$125,000	\$0	\$125,000	\$0	<b>\$930,000</b>
Roads and Sidewalks	\$250,000	\$125,000	\$250,000	\$0	\$250,000	<b>\$2,150,000</b>
Drainage	\$0	\$0	\$0	\$0	\$0	<b>\$365,000</b>
Municipal Buildings	\$0	\$0	\$0	\$0	\$0	<b>\$57,500</b>
<b>Total</b>	<b>\$250,000</b>	<b>\$400,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$4,284,500</b>

**TABLE 9: CAPITAL PROJECT EXPENDITURES – PURCHASE OF TANGIBLE CAPITAL ASSETS**

	2011	2012	2013	2014	2015	2016	Total	Average
Purchase of TCAs*	\$995,753	\$1,475,764	\$711,106	\$203,512	\$202,384	\$262,330	\$3,850,849	\$641,808

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

## APPENDIX E: UTILITY REVENUES AND EXPENSES

**TABLE 10: UTILITY OPERATIONS BALANCES**

Municipal Utility	2011	2012	2013	2014	2015	2016
<b>Water</b>						
Water - Operating Revenues	\$585,696	\$190,658	\$162,125	\$262,998	\$304,115	\$325,040
Water - Operating Expenses	\$391,964	\$585,943	\$812,151	\$808,818	\$661,552	\$622,838
<b>Water - Total</b>	<b>\$193,732</b>	<b>-\$395,285</b>	<b>-\$650,026</b>	<b>-\$545,820</b>	<b>-\$357,437</b>	<b>-\$297,798</b>
Water - Operations Subsidy (from Property Taxes)	\$0	\$395,285	\$650,026	\$545,820	\$357,437	\$297,798
Water - Operations Subsidy as Mill Rate	0.00	9.00	14.59	12.09	7.25	5.81
Water - Operations Subsidy as Percentage of Property Tax Revenues	0.00%	51.83%	80.61%	72.39%	37.15%	29.68%
Water - Operations Subsidy as Percentage of Total Revenues	0.00%	14.20%	33.82%	28.00%	14.85%	11.32%
<b>Wastewater (Sewer)</b>						
Wastewater - Operating Revenues	\$41,648	\$41,202	\$34,445	\$48,590	\$38,621	\$46,246
Wastewater - Operating Expenses	\$150,537	\$179,133	\$113,996	\$192,106	\$110,108	\$118,767
<b>Wastewater - Total</b>	<b>-\$108,889</b>	<b>-\$137,931</b>	<b>-\$79,551</b>	<b>-\$143,516</b>	<b>-\$71,487</b>	<b>-\$72,521</b>
Wastewater - Operations Subsidy (from Property Taxes)	\$108,889	\$137,931	\$79,551	\$143,516	\$71,487	\$72,521
Wastewater - Operations Subsidy as Mill Rate	2.47	3.14	1.78	3.18	1.45	1.42
Wastewater - Operations Subsidy as Percentage of Property Tax Revenues	15.25%	18.08%	9.86%	19.04%	7.43%	7.23%
Wastewater - Operations Subsidy as Percentage of Total Revenues	4.88%	4.96%	4.14%	7.36%	2.97%	2.76%
<b>Waste Management (Garbage)</b>						
Waste Management - Operating Revenues	\$42,954	\$47,770	\$42,368	\$70,914	\$67,672	\$81,520
Waste Management - Operating Expenses	\$61,317	\$82,603	\$70,349	\$63,078	\$65,471	\$61,291
<b>Waste Management - Total</b>	<b>-\$18,363</b>	<b>-\$34,833</b>	<b>-\$27,981</b>	<b>\$7,836</b>	<b>\$2,201</b>	<b>\$20,229</b>
Waste Management - Operations Subsidy (from Property Taxes)	\$18,363	\$34,833	\$27,981	\$0	\$0	\$0
Waste Management - Operations Subsidy as Mill Rate	0.42	0.79	0.63	0.00	0.00	0.00
Waste Management - Operations Subsidy as Percentage of Property Tax Revenues	2.57%	4.57%	3.47%	0.00%	0.00%	0.00%
Waste Management - Operations Subsidy as Percentage of Total Revenues	0.82%	1.25%	1.46%	0.00%	0.00%	0.00%

**TABLE 11: SUMMARY OF ALL UTILITY OPERATIONS**

<b>Water, Wastewater, and Waste Management Combined</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
All utilities - Operating Revenues	\$700,267	\$320,616	\$286,214	\$432,358	\$462,553	\$544,267
All utilities - Operating Expenses	\$603,818	\$847,679	\$996,496	\$1,064,002	\$837,131	\$802,896
<b>All utilities - Total</b>	<b>\$96,449</b>	<b>-\$527,063</b>	<b>-\$710,282</b>	<b>-\$631,644</b>	<b>-\$374,578</b>	<b>-\$258,629</b>
All utilities - Operations Subsidy (from Property Taxes)	\$0	\$527,063	\$710,282	\$631,644	\$374,578	\$258,629
All utilities - Operations Subsidy as Mill Rate	0.00	12.00	15.94	13.99	7.60	5.05
All utilities - Operations Subsidy as Percentage of Property Tax Revenues	0.00%	69.11%	88.08%	83.78%	38.93%	25.78%
All utilities - Operations Subsidy as Percentage of Total Revenues	0.00%	18.94%	36.95%	32.40%	15.56%	9.83%

## APPENDIX F: WHAT THE VRT HEARD IN NOVEMBER 2015

The following is a summary of the responses to each question:

1. What is important to you about Rycroft being a village?
  - Sense of pride, safety, friendliness, and charm of a small community (24)
  - Rycroft could be a hamlet in the MD of Spirit River No. 133 (13)
  - Local decision making (8)
  - Remain a village (2)
  - Dissolve to achieve viability (2)
2. What do you think the top priorities for the Village of Rycroft should be?
  - Infrastructure: maintenance, repair, improvements, and associated costs (47)
  - Bylaw enforcement: unsightly properties and animal control (31)
  - Economic development: growth, and introduction of new businesses (22)
  - Council accountability, training, and communication with residents (18)
  - Village finances: balance budget, property tax collection, debt reduction, and applying for provincial grants (18)
  - Community spirit and beautification of the village (16)
  - Quality of the water (14)
  - Municipal services: garbage, water, and street maintenance (13)
  - Administrative services, public works department, and staff requirements (11)
  - Recreation facilities and services including those for youth and seniors (7)
  - Property taxes: stable, reasonable, and lower (7)
  - Paving roads and sidewalks throughout the village (4)
  - Sustainability, succession planning, and expansion (2)
  - Long term viability (2)
  - Improvement of services and increase in property values (1)
3. Are the property taxes and utility rates in the Village of Rycroft affordable for the current service levels?
  - No (35)
  - Yes (16)
  - Uncertain (1)
  - Consideration should be given to those on fixed incomes (3)
4. What other programs would enhance the quality of life in Rycroft?
  - Community events and programs (FCSS) and services for families, youth, elderly, and disabled (40)
  - Bylaw enforcement: animal control and unsightly properties (16)
  - Recreation facilities and year-round use (8)
  - Business incentives (6)
  - Community advisory committee with youth representation (3)
  - Adult senior housing (3)
  - Maintenance of green spaces, parks and ball diamonds (2)
  - Variety of local businesses (2)
  - Water - free for watering of flower beds and lawns (2)
  - Long-term planning (1)
5. What other issues should the Rycroft VRT be aware of?

Responses similar to those to questions 2 and 4 are included in those counts.

  - Annexation of land for growth and development in Rycroft (9)
  - Bylaw enforcement: Vacant unsightly properties (9)
  - Integrity and actions of council (5)
  - Improved traffic and railway crossing control (4)
  - Benefits of being part of a larger municipality (3)

- Long-term viability of Rycroft (3)
- Retaining the school in Rycroft (3)
- Village staff: training, supervision, and evaluation (3)
- Higher levels of government: funding and standards (3)
- Land use zoning (2)
- The affect dissolution of Rycroft could have on the MD (1)
- Rycroft representation on the MD council (1)
- Comparison of utility and tax rates with those of other municipalities (1)
- Aquatera contract (1)

Note: Similar responses are grouped together. The numbers in parentheses indicate the number of times a similar response was provided. Some respondents provided more than one response to a question and not all answered all the questions. Hence the numbers in parentheses do not add up to the total number of workbooks received.

## **APPENDIX G: RECOMMENDATIONS FOR LONG-TERM VIABILITY**

***The Village of Rycroft Council and Administration should:***

### **SUSTAINABLE GOVERNANCE**

1. consider the issues identified in the Viability Plan and all of the recommendations of the VRT, and adopt a written plan of how council intends to implement the recommendations following acceptance of the Viability Review report by the Minister of Municipal Affairs;
2. complete an assessment of all new legislative requirements resulting from the review of the *Municipal Government Act*, and ensure all new requirements are planned and budgeted for including councillor training, a public participation policy, a municipal development plan, an intermunicipal development plan and an intermunicipal collaboration framework;
3. identify various means to communicate with the community including how council and administration will share information to residents on an ongoing basis, and further development of the village website for posting of village bylaws, council agendas and minutes, and explanation of changes in service delivery and utility rates;
4. determine and advertise all council meetings and ensure council business can be accomplished without the need to call special meetings except for emergent issues;
5. prior to the next municipal election, develop a nomination package for prospective councillors, and host information sessions on what it means to be an elected official, describe the opportunities and challenges facing the village, how these align with the responsibilities of being a councillor, and encourage residents to consider running for council in the next municipal elections;
6. consider reducing representation from five councillors to three. A decision would need to be made at least six months prior to the next general municipal election in October 2021;
7. within 12 months of the report being accepted by the Minister of Municipal Affairs, complete the review of village bylaws and policies, to ensure that existing bylaws and policies are compliant with current and proposed provincial legislation and that they meet the needs of the village;
8. revisit the 2009 Municipal Corporate review and the 2010 Inspection Report to ensure that the relevant recommendations have been addressed;
9. participate in orientation training following general elections and by-elections;
10. continue to support and enable councillors to take advantage of training opportunities provided by Municipal Affairs and the provincial associations;
11. review and update the 2010 long-term strategic plan; and
12. adopt a multi-year operational plan and capital plan, and a municipal development plan.

### **REGIONAL COOPERATION**

13. continue involvement in regional committees making a significant contribution to the viability of the area and the village;
14. pursue innovative ways to enhance regional partnerships that would provide programs and services to Rycroft residents in the most effective and efficient manner, and avoid duplication to achieve effective management of the public purse;
15. prior to undertaking any major capital projects, the village should consult with neighbouring municipalities to see if there are opportunities to reduce costs by collaborating;
16. in cooperation with neighbouring municipalities, develop an intermunicipal collaboration framework and intermunicipal development plan;
17. participate in the development of a regional economic strategy that allows for participation from residents, local businesses, and other regional organizations;
18. consider operational efficiencies, increases in the level of services, and potential costs savings that could result with respect to a shared water treatment operator or an agreement for services with a neighbouring municipality; and
19. develop contingency plans to address the potential change in revenue.

## **OPERATIONAL AND ADMINISTRATIVE CAPACITY**

20. determine if staffing is at an appropriate level for village services and programs as part of the annual budget process, complete the long-term staffing plan, and develop a staff succession plan;
21. continue to include resources for staff training in the annual village budget; and
22. develop and implement a records management and retention policy to ensure that village records are properly maintained and stored.

## **FINANCIAL STABILITY**

23. based on legislative requirements resulting from the review of the *Municipal Government Act*, adopt a three-year operating plan and a five-year capital plan updating them annually;
24. as part of the annual budget process, undertake a service capacity review to align program and service levels, council and residents' expectations, and available resources and funding;
25. provide information to village residents and property owners through a year-end report outlining how the previous year's revenues, including property taxes, were expended on village programs and services as part of a strategy for taxpayers to better understand how property tax dollars are spent and the value received from them;
26. establish a Reserve Fund Policy to ensure that monies are available should an unexpected event occur that:
  - a. includes an infrastructure reserve funded through a combination of revenue from property taxes, additional taxes, and user fees;
  - b. clearly defines the purposes the infrastructure reserve and operating reserve can be used; and
  - c. provides a mechanism for council to review reserve levels on an annual basis to ensure adequate levels are maintained;
27. review financial reports on a quarterly basis, in accordance with established financial procedures and release the reports to the village residents in council meeting agenda materials;
28. as part of the annual budget process, complete a service capacity review to align service levels and council expectations with resources and funding by reviewing: current and potential municipal programs and services, levels of services, and resources required to provide the services;
29. maintain the contracted assessment services;
30. review the property tax due dates and penalty schedules to be comparable with neighbouring urban municipalities;
31. continue to follow the provincially legislated tax recovery process;
32. set up allowances for unpaid taxes if necessary;
33. review revenue sources to ensure that a proper balance between property taxes, special taxes, local improvement taxes, franchise fees, and user fees exists;
34. develop a policy for imposing special taxes and local improvement taxes on properties in the village for projects in the village including imposing the tax in respect of property in an area that will benefit from a specific service, purpose, or project and not impose the tax on the whole village;
35. develop a policy that describes how revenues from franchise fees will be expended; and
36. reconcile all outstanding grant funding, within three months of this report being approved by the Minister of Municipal Affairs, to determine the current state of the village finances and project funding for future capital upgrades and projects.

## **INFRASTRUCTURE**

37. develop and adopt a ten-year rolling capital plan that:
  - a. prioritizes the identified upgrades in the infrastructure audit in accordance with the following criteria: public health, environmental impacts, public safety, present level of service, and degree of maintenance required; and

- b. includes proposed revenue sources balanced between property taxes, fees for services, utility reserves, and grant funding;
- 38. ensure that all maintenance, repairs, or replacement of mechanical, electrical, or structural components of municipal buildings and facilities is completed by a qualified trades person;
- 39. develop an asset management plan including policy and procedures for annual review; and
- 40. ensure that all municipal buildings are compliant with current Occupational Health and Safety requirements.

### **SERVICE DELIVERY**

- 41. develop and implement a long-term utility operations and maintenance plan;
- 42. consider different options for service delivery and determine how water and wastewater services will be provided and funded in the future;
- 43. include solid waste management in the annual service capacity review during the budget process;
- 44. continue to review utility rates annually as part of the budget process including the rate structure for non-residential and commercial use;
- 45. implement a utility fee structure based on a flat administration fee, reserve contributions for future infrastructure projects, funding of amortization expenses, and a cubic metre consumption fee that also funds;
- 46. develop a policy that any surplus funds collected through utility billing is transferred to capital reserves for future capital projects associated with the utility;
- 47. complete review of the policies for road, sidewalk, and property maintenance; and
- 48. develop a municipal development plan, update the land-use bylaw and enter into intermunicipal development plan discussions with neighbouring municipalities within 12 months of acceptance of the Viability Plan by the Minister.

### **COMMUNITY WELL-BEING**

- 49. consider establishment of an economic development committee with a clear mandate that allows for participation from residents, local businesses, and regional organizations;
- 50. continue to celebrate, support, and provide financial assistance to community groups;
- 51. evaluate financial support for community groups annually as part of the budget process;
- 52. develop a policy and procedure, including an application process, for gifts to community groups including financial assistance and gifts in-kind, such as water services, for operations and maintenance and capital funding;
- 53. seek legal and risk management advice in respect to current practices of operations and maintenance of village owned properties by volunteers;
- 54. separate the operation of the library board from that of the village;
- 55. access advice from the Libraries Branch of Municipal Affairs to ensure the library operates in accordance with the *Alberta Libraries Act*;
- 56. continue participation in the Grande Spirit Foundation;
- 57. continue to participate in the regional FCSS program; and
- 58. celebrate the contribution of community volunteers during volunteer appreciation week.

### **RISK MANAGEMENT**

- 59. develop a plan to address the possibility of ATB Financial demanding payment on the loan;
- 60. continually review Occupational Health and Safety requirements to ensure that the village is compliant with current requirements;
- 61. consider developing policy for a formal health and safety program; and
- 62. continue current bylaw law enforcement.



# PUBLIC PRESENTATION OF THE VILLAGE OF RYCROFT VIABILITY PLAN

The Village of Rycroft Viability Plan will be presented to the village council at a special meeting:

Date: Thursday, December 14, 2017

Time: 6:30 pm

Location: Rycroft Community Hall

The presentation will include:

- an overview of the viability options for Rycroft;
- an opportunity to provide feedback to the Minister regarding the viability options for Rycroft; and
- an explanation of the next steps in the viability review.

## ADDITIONAL INFORMATION

For further information about the Village of Rycroft Viability Review, please contact:

**Linda Reynolds**  
Municipal Viability Advisor  
Alberta Municipal Affairs

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

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