

# **Village of Galahad Viability Review**

Viability Plan

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**July 2015**

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

## Contact

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**Village of Galahad Viability Review Team**

**Alberta Municipal Affairs**

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## Project Background

### Village of Galahad Viability Review

In April 2013, the Village of Galahad council submitted a request to the Minister of Municipal Affairs, requesting the Minister undertake a dissolution study in the form of a viability review for the Village of Galahad. As a result, the Minister initiated the Village of Galahad viability review in May 2013.

### Viability Review Team

Each viability review is led by a Viability Review Team composed of representatives from Alberta Municipal Affairs, elected officials and administrators from the affected municipalities, and municipal associations.

Viability Review Team	
Alberta Municipal Affairs (chair)	Michael Scheidl
Village of Galahad (elected official)	Jeanette Herle
Village of Galahad (administrative official)	Gwenda Poyser
Flagstaff County (elected official)	Gerald Kuefler
Flagstaff County (administrative official)	Brent Hoyland
Alberta Association of Municipal Districts and Counties	Soren Odegard
Alberta Urban Municipalities Association	Steve Christie
Alberta Rural Municipal Administrators Association	Bob Beck
Local Government Administration Association	Michelle White

### Viability Review Team Mandate

The Viability Review Team was given the mandate to collaboratively:

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

Based on the direction set by the Viability Review Team, information concerning the Village of Galahad's finances, governance, infrastructure, and programs and services was collected from village administration and from provincial records. The information was analyzed and reviewed by the Viability Review Team and the results led to the development of the Village of Galahad Viability Review Initial Findings Report. The Initial Findings Report was used for stakeholder engagement with residents in May 2014. Feedback and input from stakeholders were compiled into the What We Have Heard and Viability Determination Report. From September 2014 to February 2015, the Viability Review Team developed the Viability Plan.

## How Viability is Assessed

The Municipal Sustainability Strategy specified eight broad areas in which a municipality's viability may be assessed. The eight broad areas outlined in the graphic below, form the foundation from which the viability review process and the self-assessment questionnaire were developed.

The eight broad areas in which to assess the viability of a municipality are:



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

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

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

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

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

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

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

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

The Viability Plan was developed based on these eight broad areas. Throughout this report, the potential changes that may occur in the Village of Galahad are outlined under each of the eight broad areas.

## **Viability Determination for the Village of Galahad**

Based on the information analyzed by the Viability Review Team and the input collected from residents, the Viability Review Team determined that the Village of Galahad is trending towards non-viability.

The Viability Review Team came to this determination due to the following factors:

1. The village's finances are projected to show deficits due to the anticipated cuts to provincial government grants for the village's operations. The impact of these cuts will result in future tax increases, or the eventual depletion of the village's financial reserves.
2. The village's aging infrastructure will require significant upgrades or replacement which the village may not be able to afford with its limited financial capacity.
3. The village's population shows a gradual decline in the past twenty years and the age of the village's population continues to rise.
4. The village has experienced a lack of development and growth, which creates further dependence on the village's residential tax base.
5. The village has experienced difficulties in attracting and retaining qualified staff to maintain operations of the village's infrastructure systems. These personnel challenges continue to exist due to budget constraints and a tight labour market.

## **Council Decision on Village of Galahad Viability**

A draft copy of the Viability Plan was presented to village council at a council/special council meeting on May 6, 2015. Following the presentation, village council voted unanimously in support of Viability Option 2, to dissolve the Village of Galahad, with Galahad becoming a hamlet in the Flagstaff County.

## **Viability Plan Options**

The Viability Review Team developed the following viability options based on information examined about the current state of the Village of Galahad, feedback from residents in Galahad and the surrounding community, as well as contributions from both village and county councils.

### **Viability Option One**

#### **The Village of Galahad remains as a village and implements changes to achieve viability**

Option One would allow Galahad to continue as a village but would require some changes to the village's finances and operations in order for the village to achieve viability. Based on the factors identified in the viability determination, the village will require major adjustments to its budget, finances and services in order to achieve viability in the long-term. These adjustments will require a combination of reductions in village services, increases to utility fees and other user charges, as well as increases in property taxes in order to allow the village to sustainably provide services and to build reserves for future infrastructure replacement in Galahad.

If this option is chosen by either village council or village electors, the Viability Review Team will finalize recommendations that will be forwarded to the Minister of Municipal Affairs. The Minister may issue a directive and require village council to implement some or all of the Viability Review Team's recommendations over a specified period of time.

Some of the potential benefits of this option include the following:

- Staff serve as a local point of contact and are available to implement changes and to provide services in the community.
- Local decision-making is maintained in the community based on priorities determined by the community.
- A realistic financial model will allow the village to move forward with an accurate accounting of costs for the provision of services and utilities.

Some of the potential drawbacks of this option include the following:

- An increase to taxes, user charges and utility fees is anticipated due to the need to break even on services provided to residents.
- There may be future reductions in the services provided by the village to the residents due to the cost of providing the service(s).
- The changes may be an interim solution to the long-term viability issues found in the village. The viability of the village is not guaranteed with the proposed changes.
- The village's infrastructure will gradually decline as the village is highly dependent on provincial and federal grants for improvements and upgrades to infrastructure.

## **Viability Option Two**

### **Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County**

Option Two would see the orderly dissolution of the Village of Galahad and the community would become a hamlet in Flagstaff County. The dissolution would see the wind-down of village operations as of the dissolution date. Village council would be dissolved and village residents would be represented by the county councillor in the county division that encompasses Galahad. All of the village's assets, liabilities, functions and obligations would be vested in Flagstaff County.

If this option is chosen by both village council and village electors, the Minister of Municipal Affairs must recommend to the Lieutenant Governor in Council that the village be dissolved. The Lieutenant Governor in Council may set the date of the dissolution and Flagstaff County will assume control over Galahad on the date of dissolution.

Some of the potential benefits of this option include the following:

- Galahad residents will gain access to a greater range of services through Flagstaff County.
- The county has greater administrative capacity and would be able to administer Galahad more effectively. This capacity would allow long-term planning of infrastructure and services to occur.
- Property owners in Galahad may pay lower taxes to the county. This will be dependent on how Flagstaff County proposes to fund the projects identified in the Galahad Infrastructure Study (to be completed in May/June 2015).
- There will be greater support for the water operator.

- Galahad will have improved emergency management and risk management that will be managed by Flagstaff County.
- More efficient delivery of services can be achieved due to the county's economies of scale.

The potential drawbacks of this option (from the Viability Review Team's perspective) include the following:

- There will be a loss of local decision making specific to Galahad as decisions will be made at county council.
- The dissolution of the Village of Galahad may affect the long-term viability of the county.
- There may be significant increases to user charges and utility fees as Galahad shifts to a full-cost recovery model for Galahad-specific municipal services.
- Galahad may lose control of its natural gas distribution system.
- There is a risk of losing the municipal library as the library board would be dissolved at the same time as the village.

## Potential Changes and Impacts to Galahad Residents

This section of the report outlines potential changes and impacts to Galahad residents and ratepayers that would allow village council, as well as village electors to compare the information as it pertains to both viability options summarized in the previous section.

Readers of this report may want to review the Village of Galahad Viability Review Initial Findings Report (July 2014) that was previously sent to Galahad residents for information about how the village is currently governed, how services are currently provided and how the village is currently funded. The Initial Findings Report can also be found on the Municipal Affairs website at: [www.municipalaffairs.alberta.ca/1330.cfm](http://www.municipalaffairs.alberta.ca/1330.cfm).

### 1. Sustainable Governance

<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<p style="text-align: center;"><b>Council Representation and Local Decision Making</b></p> <p>Council representation would not change with this option. Galahad residents would continue to be represented by a three-member council elected by village electors. Galahad residents may run for one of three council positions on village council.</p>	
	<p>Village council would be dissolved and Galahad residents and ratepayers would be represented by the county councillor representing Division 2. Decisions about Galahad will be made by the Flagstaff County council. Galahad residents may run for the county's Division 2 position.</p> <p>Flagstaff County may consider the creation of an advisory committee for hamlet(s) that would allow Galahad and/or other county hamlet residents to provide input on initiatives in Flagstaff County's hamlet(s).</p>



<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<b>Municipal Bylaws and Policies</b>	
Village council will continue to develop bylaws and policies that govern Galahad.	<p>Village bylaws will continue to be in effect following dissolution until Flagstaff County repeals or replaces the village's bylaws. In addition to village bylaws, all county bylaws will be applied and enforced in Galahad. The county's policies for service levels will also apply to Galahad following dissolution.</p> <p>In the case of the land-use bylaw, existing developments may be grandfathered regarding compliance with county bylaws until further development takes place.</p>
<b>Bylaw Enforcement</b>	
As enforcement of existing bylaws is an ongoing issue, additional resources must be allocated to ensure that village bylaws are enforced consistently throughout the municipality.	The county would enforce village bylaws until they are repealed or replaced. Bylaw enforcement in Galahad would be consistent with other parts of the county and would be conducted by Peace Officers or contracted bylaw enforcement officers from Flagstaff County.
<b>Communications and Community Engagement</b>	
No changes are anticipated in the area of communications and community engagement if the Village of Galahad remains as a village. Village residents will continue to receive information through the village newsletter and from the village website.	<p>Residents can expect to receive information from Flagstaff County through Galahad community groups or an advisory committee, the county councillor representing Division 2, the county's website, and public notices issued in the Community Press (newspaper).</p> <p>The county may also distribute educational materials to Galahad residents and/or hold public meetings with Galahad residents following dissolution to inform them of county governance and county services.</p>
<b>Strategic and Business Planning</b>	
The village will need to conduct more comprehensive strategic planning each year to ensure that it is implementing the Ministerial directives resulting from the viability review.	Galahad will be considered within the county's budget and business planning cycle. Priorities from Galahad will be considered by county council and incorporated into county business plans where appropriate.

## 2. Regional Co-operation

<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<p style="text-align: center;"><b>Intermunicipal Relationships</b></p>	
<p>No changes are anticipated in the existing intermunicipal relationships between the village and its municipal neighbours. The village may need to work more closely with other municipalities to develop partnerships that may allow for more cost sharing and/or more effective delivery of municipal services (e.g. partnering with other municipalities on bylaw enforcement).</p>	<p>Galahad would be represented by the county in its relationships with other municipalities in Flagstaff County.</p> <p>Existing agreements and partnerships such as the fire services agreement and the water consortium between Galahad and its neighbours will be reviewed by county council.</p>
<p style="text-align: center;"><b>Membership in Regional Organizations</b></p>	
<p>No changes are anticipated in the area of membership in regional organizations if the Village of Galahad remains as a village. The Village of Galahad will likely continue to be a member of regional organizations in order to access services provided by these regional organizations or to represent Galahad's interests at these organizations.</p>	<p>Membership in regional organizations will continue under Flagstaff County. Galahad residents will be represented by Flagstaff County. As a result, Galahad will no longer have its own representative in the following organizations:</p> <ul style="list-style-type: none"> <li>• Battle River Alliance for Economic Development</li> <li>• Emergency Services Committee</li> <li>• Flagstaff Family and Community Services</li> <li>• Flagstaff Intermunicipal Partnership</li> <li>• Flagstaff Regional Assessment Review Board</li> <li>• Flagstaff Regional Housing Group (Flagstaff Foundation)</li> <li>• Flagstaff Regional Solid Waste Management Association</li> <li>• Parkland Regional Library</li> </ul> <p>Galahad will also discontinue being a regular member of the Alberta Urban Municipalities Association (AUMA) for political advocacy. Galahad will be part of the county, which is a regular member of the Alberta Association of Municipal Districts and Counties which advocates for rural municipalities across Alberta. Flagstaff County may consider becoming an associate member of AUMA.</p>

### 3. Operational and Administrative Capacity

<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<b>Human Resources and Contracted Services</b>	
<p>The village's ability to attract and retain qualified personnel is a major factor in the viability of the Village of Galahad. Village council needs to explore whether the existing arrangement with Flagstaff County is the most economical and effective method of municipal administration and service delivery for Galahad or whether other arrangements would be more economical for the village.</p>	<p>As all contracted positions including the village's administrator and public works labourer/water operator are Flagstaff County employees, the future of these positions will be dependent on how Flagstaff County intends to incorporate these positions into regular county operations.</p> <p>All previous employment records and all employee liabilities are transferred to the county.</p>
<b>Administration Office</b>	
<p>The village will continue to be administered through a contract with Flagstaff County that was renewed in February 2015. The county's designated village administrator is in the village office on each Tuesday and is available at the county office for the other workdays of the week.</p> <p>The village will need to review whether the use of village office building and shop facility is the most economical and effective way to provide municipal services to Galahad residents. The building has been identified as being oversized for municipal purposes. Parts of the building are utilized by community groups and a significant portion of the building is not heated or used for any purpose. Options must be explored to see if any of the following is appropriate for the municipal office building:</p> <ul style="list-style-type: none"> <li>• more community uses of the building;</li> <li>• a partial teardown of the unused portion of the building; or</li> <li>• relocation of the municipal office and public works shop to a more suitable building in the village.</li> </ul>	<p>The village's Management Services Agreement and Public Works Agreement with the county would be discontinued and the county will administer Galahad should dissolution occur.</p> <p>In general, county administration will be provided from the county's administration building northwest of Sedgewick, 50 kilometres north of Galahad.</p> <p>The county has indicated that county council will evaluate the municipal office building in Galahad to determine the feasibility of retaining the building for community purposes or whether the building should be sold or torn down.</p>

## 4. Financial Stability

<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<b>Financial Position</b>	
<p>If Galahad remains as a village, the village may need to raise additional revenues through increased property taxes and user fees in order to address the village's aging infrastructure, or considerably reduce its spending through reduction in services and/or service levels.</p>	<p>As part of dissolution, all village assets will be transferred to the county. Assets may include, but are not limited to cash, investments, reserves, buildings, infrastructure, machinery and equipment, and vehicles.</p> <p>All money transferred from the village to the county and all money received from the sale of any village assets must be used to pay off or reduce liabilities of the former village, or for projects in the former area of the village.</p>
<b>Municipal Borrowing and Debt</b>	
<p>The village's lack of current debt will be a positive contributor to its long-term viability. If necessary, the village may borrow up to \$667,176 (based on 2014 revenues) for future projects.</p>	<p>The county will receive any debt that may be present on the date of dissolution. If the liabilities of the village exceed the assets of the village, the county may impose an additional tax to pay for those excess liabilities.</p>
<b>Municipal Revenues</b>	
<p>Two factors are contributing to the need for greater revenues at the Village of Galahad. First, increasing expenses have increased the need for greater revenues. Second, the Government of Alberta began a three-year phase out of the Municipal Sustainability Initiative (MSI) operating funding in 2013 and this grant may be completely phased out by 2016.</p> <p>With these revenue demands, the village will have to make up the revenue gap through significant increases in property taxes, user fees, or find new sources of revenue. Appendix A shows one potential scenario for property tax increases needed to maintain 2014 levels of spending, and one scenario where property taxes may be moderately increased with some reductions in village services and spending.</p>	<p>The county will receive the village's rights to revenues on the date of dissolution. In addition, the county will be able to levy additional taxes (such as special taxes referenced in Sections 382-387 of the <i>Municipal Government Act</i> or local improvement levies referenced in Sections 391-409 of the <i>Municipal Government Act</i>) to supplement revenues received for the hamlet.</p> <p>Any previously allocated grants that have not been spent will also be transferred to the county. The county may also receive grants to assist with the costs associated with the dissolution of the village, subject to the conditions of the grant guidelines. All grants must be used for projects in Galahad as per the grant guidelines.</p>

Option One The Village of Galahad remains as a village and implements changes to achieve viability			Option Two Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County																																															
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With the rising costs of providing services, depleting reserves and elimination of MSI funding, in order for the village to comply with Section 243(1) of the <i>Municipal Government Act</i> , village residents may face reductions in service delivery and/or tax increases.			The costs associated with administering the hamlet would be the responsibility of the county.  The county would assume the assets, liabilities, rights, duties, functions and obligations of the Village of Galahad upon dissolution. To ensure compliance with Section 243(1) of the <i>Municipal Government Act</i> , the county may use proceeds of the sale of hamlet assets to ensure hamlet revenues offset hamlet expenses.																																															
Municipal Taxes																																																		
The majority of the village's municipal taxes come from residential properties. Tax collection and recovery continues to be a concern within the village. Currently the minimum tax rate is set at \$750 for occupied properties and \$350 for vacant residential properties.  Based on the village's 2015 municipal property tax rates, a homeowner in Galahad with a residential property valued at \$100,000 can expect to pay the following in property taxes:			All taxes owed to the village will be owed to the county and may be collected and dealt with by the county.  If the village was dissolved in 2015, Galahad residents will pay 2015 property taxes using the village's property tax rates to the county. In 2016 and future years, Galahad residents will be subject to Flagstaff County's property tax rates in addition to any local improvement levies or special taxes imposed by the county on Galahad properties.  If Galahad dissolved and Galahad property owners were subject to Flagstaff County's 2015 municipal property tax rates, a homeowner in Galahad with a residential property valued at \$100,000 can expect to pay the following in property taxes, plus any local improvement levies or special taxes assessed by the county:																																															
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<b>Option One</b> The Village of Galahad remains as a village and implements changes to achieve viability	<b>Option Two</b> Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County
<b>Property Assessment</b>	
The village may have to implement stricter penalties for property owners and take measures to ensure that current taxes outstanding are minimized.	<p>The county will continue to use the same assessor for Galahad.</p> <p>The former village's practice of establishing minimum taxes will need to be evaluated by the county</p>
<b>Special Taxes and Local Improvement Levies</b>	
The village may have to implement special taxes or local improvement levies to cover the expenses in providing the services that village residents request.	The county will receive the village's rights to revenues on the date of dissolution. In addition, the county will be able to levy additional taxes (such as special taxes referenced in Sections 382-387 of the <i>Municipal Government Act</i> or local improvement levies referenced in Sections 391-409 of the <i>Municipal Government Act</i> ) to supplement revenues received for the hamlet.

## 5. Infrastructure

<b>Option One</b> The Village of Galahad remains as a village and implements changes to achieve viability	<b>Option Two</b> Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County
<b>Municipal Facilities and Buildings</b>	
No immediate changes are anticipated in the area of municipal buildings and facilities if the Village of Galahad remains as a village. As stated in the administration office section on page 10, a review of the village's use of the municipal office and public works shop will be required in the future as the building is underutilized and the costs to maintain the building are significant in the long-term.	The county will need to evaluate whether the municipal office building in Galahad should be retained as a satellite office, or whether the building should be repurposed, sold or torn down.
<b>General Infrastructure</b>	
An infrastructure assessment was recently completed and the consultants identified some deficiencies and suggested a timeline for the repair or replacement of the village's infrastructure. The infrastructure assessment's findings will be used to develop long-term capital plans for the village. It is anticipated that the village's infrastructure will require significant financial investment to restore or replace in the future.	The county will review the village's infrastructure assessment prior to any development, repair or replacement in the hamlet. An infrastructure assessment was recently completed and the consultants identified some deficiencies and suggested a timeline for the repair or replacement of the village's infrastructure. If critical infrastructure repairs or replacements are required following dissolution, the county may be eligible to apply for grants to pay for these projects. Further, the county may impose special taxes or local improvement levies on hamlet ratepayers to pay for infrastructure in the hamlet.

<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<b>Water Treatment and Distribution Systems</b>	
<p>The village will continue with its plans to upgrade the monitoring equipment at the water treatment plant in order to allow the plant to be monitored remotely by a water operator.</p> <p>The village may impose local improvement levies and/or special taxes as permitted under the <i>Municipal Government Act</i> in order to fund its share of costs for upgrading its water treatment plant.</p>	<p>The county may impose local improvement levies and/or special taxes as permitted under the <i>Municipal Government Act</i> in order to fund upgrades to the hamlet's water treatment plant.</p>
<b>Wastewater Collection and Treatment Systems</b>	
<p>The village will continue with its plans to upgrade the sanitary lines starting with the areas in worst condition.</p> <p>The village may impose local improvement levies and/or special taxes as permitted under Sections 391-409 or 382-387 of the <i>Municipal Government Act</i> in order to fund its share of costs for upgrading sewer lines or repairing the lagoon.</p>	<p>The county will continue with the existing plans to upgrade the sanitary lines starting with the areas in worst condition.</p> <p>The county may impose local improvement levies and/or special taxes as permitted under Sections 391-409 or 382-387 of the <i>Municipal Government Act</i> in order to fund upgrades to the hamlet's wastewater system.</p>
<b>Natural Gas Distribution System</b>	
<p>The natural gas distribution system will need to be evaluated to determine what the long-term costs are to maintain the distribution lines and to replace them when the lines reach their end of life. Village council may consider selling the distribution system to another operator if there is commercial value in the natural gas distribution system.</p>	<p>The natural gas distribution system will need to be evaluated to determine what the long-term costs are to maintain the distribution lines and to replace them when the lines reach their end of life. The natural gas distribution system may be kept by the county, or sold to another operator.</p>
<b>Road Network, Streets and Sidewalks</b>	
<p>The roads network requires upgrades that are anticipated to be completed following work on underground infrastructure that exists under village roads. The village may impose local improvement levies and/or special taxes as permitted under Sections 391-409 or 382-387 of the <i>Municipal Government Act</i> in order to fund its share of costs for upgrading its roads.</p>	<p>The county may impose local improvement levies and/or special taxes as permitted under Sections 391-409 or 382-387 of the <i>Municipal Government Act</i> in order to fund upgrades to the hamlet's roads.</p>
<b>Waste Management Facilities</b>	
<p>No changes are anticipated in the area of waste management facilities.</p>	<p>If dissolution occurred, the county would assume the former village's liabilities for the Flagstaff Regional Solid Waste Management Association's landfill northeast of Sedgewick.</p>



## 6. Service Delivery

<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<p style="text-align: center;"><b>Land Use Planning and Development</b></p> <p>Land-use planning will continue in Galahad. The village may need to work with developers and/or economic development agencies to develop its residential and industrial subdivisions. Village council may need to develop an offsite levies bylaw to ensure that servicing of the subdivisions is adequate and funded by the development of the subdivision in the future.</p> <p>Development permits will continue to be issued by village administration.</p>	
<p>No changes are anticipated to the village's waste management services. Waste management services in the form of weekly residential and commercial waste pick-up will continue to be provided through the Flagstaff Regional Solid Waste Management Association.</p> <p>Utility fees for waste management services will likely increase in order to account for the full cost of providing waste pick up services to businesses and residents in Galahad, and to ensure that sufficient money is set aside in a reserve fund to pay for the village's share of the landfill's post-closure liability.</p>	<p>Land-use planning will be handled by the county. The county's planning and development department will handle all development and subdivision matters.</p> <p>All new developments in Galahad will have to comply with the land-use bylaw in effect for Galahad.</p> <p>Flagstaff County is accredited in the following safety codes disciplines: building, electrical, fire, gas and plumbing. As such, county staff may implement and administer the <i>Safety Codes Act</i> in Galahad for the abovementioned disciplines.</p> <p>No changes are anticipated to Galahad's waste management services. As the county is a member of Flagstaff Regional Solid Waste Management Association, waste management services will continue to be provided through the regional waste association.</p> <p>Utility fees for waste management services may increase in order to account for the full cost of providing waste pick up services to businesses and residents in Galahad, and to ensure that sufficient money is set aside in a reserve fund to pay for the former village's and/or county's share of the landfill's post-closure liability.</p>
<p style="text-align: center;"><b>Natural Gas Utility Services</b></p> <p>No changes are anticipated to the village's natural gas utility services in the short term. Changes may be contemplated following an evaluation of the natural gas distribution system.</p>	
<p>No changes are anticipated to how water services are provided to village residents if the Village of Galahad remains as a village. However, utility fees for water services will likely increase in order to account for the full cost of providing safe drinking water to residents, and to ensure that sufficient money is set aside in a reserve fund to pay for future repairs, upgrades and replacements to the water system.</p>	<p>No changes are anticipated to the village's natural gas utility services in the short term. Changes may be contemplated following an evaluation of the natural gas distribution system.</p> <p>Water services will continue to be delivered in Galahad following dissolution. However, utility fees for water services will likely increase in order to account for the full cost of providing safe drinking water to residents, and to ensure that sufficient money is set aside in a reserve fund to pay for future repairs, upgrades and replacements to the water system.</p>



<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<b>Road Maintenance</b>	
<p>No changes are proposed for road maintenance.</p>	<p>County council and staff will have to review road maintenance priorities with reference to county policies on snowplowing and emergent road repair/gravelling. These service levels may be different than those of the Village of Galahad.</p> <p>The county's road maintenance program is as follows:</p> <p><b>Summer Maintenance</b>  County gravel roads are maintained by 10 graders. Grader men are able to blade approximately 18 - 25 miles/day; these roads should receive maintenance one to two times per month. Specific heavy traffic routes have an increased maintenance cycle.</p> <p><b>Winter Maintenance</b>  Roadways are cleared of snow as necessary. During normal winter conditions, County gravel roads should be cleared within four days, unless there is heavy snow and persistent winds. If reduced visibility becomes a safety concern, snow plowing operations will be suspended until conditions improve.</p> <p>In each maintenance area, three routes will be established. When snow plowing is required, the starting point is rotated between routes to ensure that an equitable level of services is provided. Regular work hours are eight to twelve hours per day.</p> <p>Spare graders may be utilized to help during winter storms. Two plow trucks are designated to remove snow and apply sand/salt to oil and paved surface roads. Two graders are allocated for snow and ice removal on calcium chloride roads. Back roads or blind roads will not be plowed unless deemed necessary by Public Works.</p>
<b>Wastewater (Sewer) Services</b>	
<p>No changes are anticipated to how water services are provided to village residents if the Village of Galahad remains as a village. However, utility fees for wastewater services will likely increase in order to account for the full cost of providing safe and compliant wastewater services to residents, and to ensure that sufficient money is set aside in a reserve fund to pay for future repairs, upgrades and replacements to the wastewater system.</p>	<p>Wastewater services will continue to be delivered in Galahad following dissolution. However, utility fees for wastewater services will likely increase in order to account for the full cost of providing safe and compliant wastewater services to residents, and to ensure that sufficient money is set aside in a reserve fund to pay for future repairs, upgrades and replacements to the wastewater system.</p>

## 7. Community Well-being

<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<b>Family and Community Support Services</b>	
The village would continue to receive Family and Community Support Services through the Flagstaff Family and Community Services; no changes are expected as these programs are regional in nature.	Galahad will continue to receive Family and Community Support Services through the Flagstaff Family and Community Services; no changes are expected as these programs are regional in nature.
<b>Community Groups and Volunteerism</b>	
Community groups and volunteerism is not expected to change if Galahad remains a village.	Community groups and volunteerism is not expected to change if Galahad became a hamlet.  Agreements between the Village of Galahad and community groups such as facility leases will continue with the county following dissolution.
<b>Library Services</b>	
The village's Library Board will continue to manage and operate the Galahad Public Library in the Agriplex Building. It is anticipated that no changes will be made to the village's membership in the Parkland Regional Library which provides a wide variety of resources to the Galahad Public Library.	In accordance with the <i>Libraries Act</i> (Section 10.1(1)), the Galahad Public Library Board would dissolve at the time of the village's dissolution. Assets owned by the library would become the property of Flagstaff County and those owned by the Parkland Regional Library System would remain with the system.  Flagstaff County is a member of the Parkland Regional Library System. The county would have to consider whether library services in Galahad will be continued. The county's options include: <ol style="list-style-type: none"> <li>1. The county library board would operate the Galahad Public Library and any future county libraries.</li> <li>2. Negotiating with the Parkland Regional Library to operate the Galahad library as an outlet.</li> <li>3. Permanent closure of the Galahad Library and sell or dispose of all assets received from the dissolution of the Galahad Library Board.</li> <li>4. Approach neighbouring municipalities' library boards to see if an arrangement can be set up for that library board to operate the Galahad Library.</li> </ol>

<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<b>Parks and Recreation</b>	
<p>The village's campground, playground and parks will continue to be maintained and available to residents. Recreation programs will continue to be offered by community groups.</p>	<p>The county will maintain parks under its Parks Policy. The county's ag service board would continue to maintain the campground, playground, and parks in the hamlet.</p> <p>The county may also consider establishing a hamlet beautification committee for residents to assist with parks development and maintenance.</p> <p>The county's new recreation policy is to fund the agricultural societies in each community within its jurisdiction rather than fund individual recreation groups. In 2015, the Galahad Agricultural Society will receive \$17,638 in county funding.</p>

## **8. Risk Management**

<b>Option One</b> <b>The Village of Galahad remains as a village and implements changes to achieve viability</b>	<b>Option Two</b> <b>Dissolve the Village of Galahad and Galahad becomes a hamlet in the Flagstaff County</b>
<b>Fire and Emergency Services</b>	
<p>The village continues to maintain a volunteer fire department that is complemented by the fire departments in Forestburg and Alliance and other municipalities in Flagstaff County through a regional mutual aid agreement.</p>	<p>The county would continue existing fire arrangements where volunteers would serve on the Galahad Fire Department and the county owns the equipment until a review of fire services for Galahad is completed.</p> <p>The county's Regional Emergency Services Coordinator will manage the Emergency Management Plan for Galahad.</p>

## Next Steps

### **Public Information Session**

Municipal Affairs staff and members of the VRT will host a public information session prior to the vote to provide residents with an opportunity to ask questions about the viability plan options and the vote process. **The Public Information Session is scheduled for September 9, 2015 from 5:30 p.m. to 8:00 p.m. at the Galahad Agri-plex (201 Lady Vivian Avenue West).**

### **Public Vote**

A public vote will be held in the Village of Galahad to see which viability option the community supports. **The vote will take place on September 15, 2015 from 10:00 a.m. to 8:00 p.m. at the Galahad Agri-plex (201 Lady Vivian Avenue West).**

Municipal Affairs staff not affiliated with the Galahad Viability Review will be appointed as the returning officer and deputy returning officers for the vote. The date of the vote was determined based on legislated requirements found in the *Local Authorities Election Act*, *Municipal Government Act* and the *Interpretations Act*. Voters have to meet requirements as specified in the *Local Authorities Election Act*. Please see the notice of vote for information on voter requirements and voter identification.

### **Ministerial Directives**

The Minister of Municipal Affairs will review the findings of the Village of Galahad Viability Review Team, including the information from the Initial Findings Report, the What We Have Heard and Viability Determination Report, and the Viability Plan. The Minister may issue directives in the form of a Ministerial Order, which will require village council and/or administration to implement changes to the operations of the Village of Galahad so that it may achieve viability.

## Contact

If you have questions or concerns regarding the Village of Galahad Viability Review, please contact the Village of Galahad Viability Review Team at:

**Michael Scheidl**  
Chairperson  
Village of Galahad Viability Review Team

**Kai So**  
Manager, Municipal Sustainability and  
Information (Project Lead)  
Alberta Municipal Affairs

**Ryan Edwards**  
Municipal Sustainability Advisor  
Alberta Municipal Affairs

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

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

## Appendix A: Financial Position (2010-2014)

**Table 1: Net Financial Assets for Village of Galahad, 2010 to 2014**

	2010	2011	2012	2013	2014
<b>Net Financial Assets (Net Debt)</b>	\$300,541	\$289,249	\$295,009	\$247,663	\$237,347
<b>Increase/Decrease from previous year</b>	-14.26%	-3.75%	1.99%	-16.05%	-4.17%

The information below was compiled using the village's audited financial statements from 2010 to 2014. The *Statement of Financial Position* reports on the assets the municipality owns or controls; liabilities owed by the municipality, and what remains after the assets have been used to meet the liabilities, or the accumulated surplus (or accumulated deficit).

The financial position of the village can be assessed using two amounts reported on the annual financial statements, Net Financial Assets (or Net Debt) and Accumulated Surplus.

The Net Financial Assets (or Net Debt) shown above in Table 1 is equal to the total financial assets less the total liabilities. A positive amount indicates that the municipality has financial assets available in excess of its current liabilities.

**Table 2: Accumulated Surplus for Village of Galahad, 2010 to 2014**

	2010	2011	2012	2013	2014
Accumulated Surplus	\$2,083,989	\$2,055,432	\$2,251,583	\$2,577,636	\$2,648,765
Unrestricted <sup>1</sup>	\$31,075	\$17,223	\$17,223	(\$30,123)	(\$40,439)
Restricted <sup>2</sup>	\$269,466	\$272,026	\$277,786	\$277,786	\$277,786
Equity in TCAs <sup>3</sup>	\$1,783,448	\$1,766,183	\$1,956,574	\$2,329,973	\$2,411,418
<b>Accumulated Surplus, net of Equity in TCAs</b>	<b>\$300,541</b>	<b>\$289,249</b>	<b>\$295,009</b>	<b>\$247,663</b>	<b>\$237,347</b>
Notes:					
1. Unrestricted surplus is the unallocated amount of excess revenue available for a future purpose.					
2. Restricted surplus is the amount that results from excess revenues which have been internally designated for a specified future purpose, or externally restricted.					
3. Equity in Tangible Capital Assets is the net book value of tangible capital assets.					

The Accumulated Surplus as illustrated above in Table 2 provides another perspective on the village's financial position by considering both financial and non-financial (physical) assets owned by the municipality.

The accumulated surplus has three components including unrestricted surplus, restricted surplus, and equity in tangible capital assets. If the total accumulated surplus, less equity in tangible capital assets (TCA) is positive, the municipality has assets on hand that will be used to provide future municipal services.

## Appendix B: Operating Revenues and Expenses (2010-2014)

**Table 3: Municipal Operating Revenues for the Village of Galahad from 2008 to 2012**

	2010	2011	2012	2013	2014
Property Taxes	\$74,118	\$101,511	\$97,899	\$99,448	\$113,387
Sales and User Fees	\$177,210	\$188,244	\$167,961	\$189,040	\$244,999
Government Transfers	\$67,421	\$71,742	\$62,353	\$57,283	\$41,200
Other	\$42,172	\$37,964	\$38,052	\$47,288	\$45,198
<b>Total</b>	<b>\$360,921</b>	<b>\$399,461</b>	<b>\$366,265</b>	<b>\$393,059</b>	<b>\$444,784</b>

**Table 4: Municipal Expenses for the Village of Galahad from 2010 to 2014**

Function	2010	2011	2012	2013	2014
Legislative	\$12,588	\$10,757	\$10,914	\$12,048	\$14,338
Administration	\$158,255	\$149,300	\$120,665	\$111,049	\$121,021
Protective Services	\$24,232	\$21,493	\$23,612	\$26,428	\$22,710
Transportation Services	\$37,250	\$41,691	\$67,549	\$113,269	\$105,106
Water and Wastewater	\$70,030	\$69,172	\$86,668	\$99,529	\$99,971
Waste Management	\$12,911	\$13,285	\$17,161	\$16,998	\$18,114
Recreation and Culture	\$51,086	\$44,060	\$45,964	\$50,613	\$53,231
Gas Production/Distribution	\$103,898	\$105,424	\$78,513	\$100,390	\$125,151
Other	\$1,859	\$2,075	\$1,855	\$1,607	\$1,607
<b>Total</b>	<b>\$472,109</b>	<b>\$457,257</b>	<b>\$452,901</b>	<b>\$531,931</b>	<b>\$561,249</b>

## Appendix C: Resources

1. **Municipal Sustainability Strategy** - <http://municipalaffairs.alberta.ca/1330.cfm>
2. **Results from 2012 Post Municipal Dissolution Study Survey** - [http://municipalaffairs.alberta.ca/documents/msb/2012\\_Post\\_Municipal\\_Dissolution\\_Study\\_Survey\\_-\\_Summary\\_Report.pdf](http://municipalaffairs.alberta.ca/documents/msb/2012_Post_Municipal_Dissolution_Study_Survey_-_Summary_Report.pdf)
3. **Alberta Population Projections for 2014 to 2041** - <http://www.finance.alberta.ca/aboutalberta/population-projections/index.html>